

Section 7

FINANCIAL SECTOR & INVESTMENT

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Table (31): Capital Market Main Indicators ^{1/}

	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Sep-11 ^{1/}	Oct-11	Nov-11	Dec-11
EGX-30 Index (Previously CASE-30) ^{2/}	7,803	9,827	5,703	6,033	5,373	4,137	4,451	4,020	3,622
Monthly Return (%)	0.4	-11.1	-3.8	-7.9	-2.7	-10.8	7.6	-9.7	-9.9
Market Volatility ^{3/}	1.0	1.0	2.0	1.3	1.2	1.6	1.5	2.4	1.4
Market Capitalization ^{4/} (LE Billion)	602	813	464	410	400	314	329	310	294
In % of GDP ^{5/}	80.8	90.8	44.5	34.0	29.1	20.0	21.0	19.7	18.7
Number of Companies	544	375	333	215	211	214	214	214	213
Traded Shares and Securities									
Value (In LE millions)	33,027	47,171	60,285	46,507	20,515	10,095	9,875	7,862	10,288
Monthly Change (%)	9.2	-33.0	69.3	60.9	12.8	-19.1	-2.2	-20.4	30.9
Annual Change (%)	166.4	42.8	27.8	-22.9	-55.9	-55.5	-59.1	-68.8	-55.5
Listed Bonds (LE Million)	62,130	84,547	97,586	171,665	224,837	238,959	237,704	238,626	--
Government ^{6/} , of which:	57,598	78,771	92,625	159,890	206,891	221,390	220,390	221,390	--
Bonds of the primary dealers	53,000	74,500	92,500	159,767	206,767	221,267	220,267	221,267	--
Companies	3,843	3,880	3,096	5,423	6,718	6,395	6,396	6,404	--
Securitization ^{7/}	689	1,869	1,865	6,352	6,228	6,174	5,918	5,832	--
Net Foreigners Purchases									
Value (In US\$ millions)	-1,240	199	-106	43	-166	292	24	-58	-76
Volume (In thousand shares)	-297,270	23,255	562	93,610	-59,994	69,870	-9,042	-80,586	-51,350
In % of Overall Trade	31	20	12	22	20	37	24	24	26
Other Indicators									
Price / Earning Ratio ^{8/ 9/}	21.9	15.7	11.5	12.6	13.0	11.2	11.9	11.5	10.5
Dividend Yield (%) ^{9/10/}	4.1	6.5	7.2	7.5	7.5	9.6	9.1	9.6	10.4
Turnover Ratio (%)	4.8	4.9	11.2	4.5	3.7	2.7	1.7	1.5	1.7

Source: The Egyptian Stock Exchange, the Capital Market Authority and the Central Bank of Egypt.

-- Data unavailable.

1/ It is worth noting that the Egyptian Exchange was closed from 28/1/2011 to 22/3/2011 due to the uprisings in Egypt.

2/ The biggest 30 companies in terms of liquidity and value. Index = 1000 on 1/1/1998.

3/ Calculated as standard deviation of daily returns during the period.

4/ Calculated by multiplying outstanding number of shares by their prevailing market prices.

5/ According to the Ministry of Economic Development, GDP (at market prices) for 2011/2012 is projected to reach LE 1570 billion compared to a revised figure of LE 1371.8 billion in 2010/2011.

6/ Including Treasury bonds (encompassing primary dealers), housing bonds and development bonds.

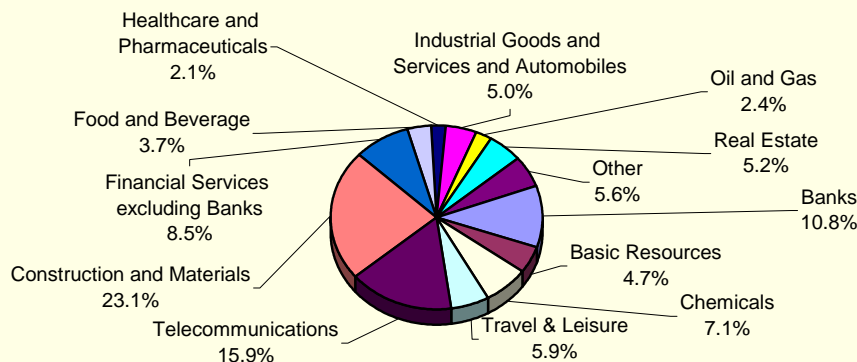
7/ Securitization bonds were listed on the Egyptian Exchange as of September 2006.

8/ Price / earning ratio, also known as the " Multiple " , is calculated by dividing the market price of each stock by its annual earnings.

9/ Calculated for the most active 50 companies.

10/ Annual dividends / current stock price.

**Fig (21): Market Capitalization by Sector
(31 December 2011)**



Source: The Egyptian Stock Exchange Monthly Bulletin.

1/ Includes Electrical Equipment and Engineering, Media, Trade, Information Technology, Agriculture and Fishing, Paper, Packaging and Plastics, Mills and Storage, Miscellaneous Services, Retailers and Consumer Household Goods.

Table (32): Recent Acquisitions in the Egyptian Market
(August 2008 - December 2011)

Date	Acquirer	Security	Value (LE Million)	Percent Acquired (%)
Dec-11	Rawasy for Real Estate Investment	Namaa for Development and Real Estate Investment Co.	216.9	32.6
Dec-11	Kafela for Trade and Distribution	B-Tech	21.4	9.2
Dec-11	Orascom for Telecommunication, Media	Mobinil	866.0	20.0
Nov-11	Rawasy for Real Estate Investment	Namaa for Development and Real	445.0	66.9
Nov-11	Kafela for Trade and Distribution	B-Tech	203.8	87.8
Sep-11	Electrolux Counteracting Akitebolag	Olympic Group Financial Investments	2398.4	98.3
Jan-11	Group of Investors	Pyramids Capital Securities Brokerage	2.0	10.0
Jan-11	Group of Investors	Beltone Financial Holding	64.8	89.2
Dec-10	National Development Bank	El Kahera El Watania Investment	33.9	24.8
Aug-10	Egyptian Holding Co. for Natural Gas (EGAS)	Natural Gas & Mining Project (Egypt Gas)	674.2	80.0
Aug-10	Sharm Dreams Holding for Tourism & Hotels	Rowad Misr Tourism Investment	62.9	10.12
Jul-10	Egyptian Company for Tourism &Hotels	Trouism Urbanization	56.6	65.29
Jan-10	Ahli United Bank-Bahrain	Ahli United Bank-Egypt	984.9	44.40
Jan-10	Soliman Group Holding for Financial Investments ^{1/}	Lord Import & Export	82.5	99.98
Jan-10	Soliman Group Holding for Financial Investments ^{1/}	Lord Precision Industries	95.7	96.87
Jan-10	Soliman Group Holding for Financial Investments ^{1/}	Lord International	65.1	99.98
Dec-09	Samcrete For Engineering Investment	Samcrete Misr	4071.0	99.60
Dec-09	Beltone Partners Holding Ltd	Beltone Financial Holding	72.6	99.80
Dec-09	El Gouna Transportation	International Hotels Holdings	1944.4	99.70
Dec-09	Group of Investors	Alkan Holding	12.5	12.70
Nov-09	Lafarge Building Materials Trading Egypt	Lafarge Cement -Egypt	15466.0	53.65
Aug-09	Olympic Group Financial Investments ^{2/}	Cairo Feeding Industries	66.4	98.80
Jun-09	Orascom for Fertilizers Factories Maintenance ^{1/}	Egyptian Fertilizers Company	3468.8	99.99
Apr-09	Global Investment And Management Group Limited	Mansoura for Resins and Chemicals Industries Co.	29.1	69.10
Apr-09	National Development Bank	National Glass & Crystal Co.	182.5	88.30
Mar-09	International Finance Corporation (IFC)	Bank of Alexandria	1106.8	9.75
Mar-09	An Indian Investor	Alexandria Medical Services	96.7	86.35
Dec-08	Red Sea Company for Steel	Misr National Steel-Ataqa	14.8	4.00
Dec-08	Red Sea Company for Steel	Misr National Steel-Ataqa	355.8	96.00
Dec-08	Group of Investors	General Engineering & Motor Company	2.6	42.60
Oct-08	Naeem Holding	Naeem Financial Investments	9.5	38.00
Sep-08	Mac Holding for Industries	Egyptian Sponge	19.2	28.80
Sep-08	Beltone Partners Holding Ltd	Beltone Financial Holding	68.6	99.86
Sep-08	Prime Industrial Holding	National Glass & Crystal Co.	192.1	88.32
Aug-08	Abu Dhabi Financial Services Co.	El Salam Brokerage Co.	21.0	70.00
Aug-08	The Egyptian Company for Textiles Manufacturing	Dice Sport & Casual Wear	88.0	60.00
Aug-08	Group of Investors	Chemicals for Modern Building International	19.4	48.50

Source: The Egyptian Stock Exchange Monthly Bulletin.

1/ Value in US Dollars

2/ A swap Deal.

Table (33): Main Privatized and - or Liquidated Companies
(From 1993-1994 until 31 December 2011)

(LE Millions)

Method of Privatization	Number of Companies	Percentage Sold	Sales Proceeds
Total	282		53,644
Majority through Public Offering, of which:	38		6,064
Helwan Portland Cement		52%	1,202
Ameriyah Cement		71%	768
Paints & Chemicals Industries Pachin		62%	692
Industrial & Engineering Projects		90%	299
Minority through Public Offering, of which:	23		11,003
Telecom Egypt		20%	5,122
Sidi Krir Petrochemicals		20%	1,626
Talaat Moustafa Group		4%	932
Eastern Tobacco		34%	549
Liquidation	34		--
Asset Sale	44		3,437
Anchor Investor, of which:	85		32,208
Bank of Alexandria		80%	9,274
Fertilized Egypt		46%	1,971
Suez Cement		33%	1,800
Assiut Cement		100%	1,380
Employee Shareholder Association, of which:	33		932
Wadi Kom Ombo for Land Reclamation		100%	70
Arab Company for Land Reclamation		100%	61
General Company for Land Reclamation		100%	60
Gharbiyah Rice Mills		90%	51
Leasing	25		--

Source: Ministry of Investment and Stock Market Exchange Bulletin.

-- Data unavailable.

Table (33- continued): Privatization Proceeds
(1991/1992- 2009/2010*)

(LE Millions)

	Law 203 Sales ^{1/}		Joint Venture Sales ^{2/}		Other Public Sector Sales		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
1991 - June 1994	11	418	-	-	-	-	11	418
1994/1995	14	867	-	-	-	-	14	867
1995/1996	12	977	-	-	-	-	12	977
1996/1997	29	4595	-	-	-	-	29	4595
1997/1998	23	2487	-	-	-	-	23	2487
1998/1999	33	1824	-	-	-	-	33	1824
1999/2000	39	4694	1	14	1	14	40	4708
2000/2001	11	252	7	118	-	-	18	370
2001/2002	7	73	3	879	-	-	10	952
2002/2003	6	49	1	64	-	-	7	113
2003/2004	9	428	4	115	-	-	13	543
2004/2005	16	824	12	4819	-	-	28	5643
2005/2006	47	1843	17	7647	1	5122	65	14612
2006/2007	45	2774	7	1559	1	9274	53	13607
2007/2008	20	745	16	3238	-	-	36	3983
2008/2009	15	1130	2	83	-	-	17	1213
2009/2010*	-	-	4	50	-	-	4	50

Source: Ministry of Investment.

* Preliminary. It is noteworthy that the classical privatization program was put on hold most of the fiscal year 2008/2009 due to the preparation of the "Citizen Ownership Program", that has been recently postponed in light of the impact of the global financial crisis on the market.

1/ Includes sale of unused land.

2/ All joint venture figures represent value of public sector stake.

Table (34): Performance of Emerging Markets S&P / IFCI Indexes ^{1/}

Rank	Emerging Market ^{2/}	Yield (%)	
		Monthly Change Dec-11	Cumulative Change (YTD) Dec-11
1	Malaysia	4.3	-0.7
2	Indonesia	3.6	0.6
3	Philippines	3.1	-0.3
4	Taiwan	2.8	-25.2
5	Thailand	2.6	-4.0
6	China	1.1	-21.2
7	Czech Republic	-0.7	-15.3
8	Chile	-0.8	-24.3
9	Peru	-1.3	-22.9
10	Korea	-1.7	-11.5
11	South Africa	-1.7	-17.3
12	Mexico	-2.2	-14.8
13	Brazil	-2.3	-24.5
14	Morocco	-2.9	-19.1
15	India	-6.4	-38.0
16	Poland	-7.8	-32.2
17	Turkey	-9.0	-36.8
18	Russia	-9.8	-23.0
19	Egypt	-10.3	-49.8
20	Hungary	-10.6	-35.0

Source: The Egyptian Stock Exchange Monthly Bulletin.

1/ Based on Standard & Poor (S&P) / International Finance Corporation Index (IFCI). The index measures daily performance of the most active stocks on local stock exchanges, even if stocks are unavailable to foreign investors.

2/ Argentina has been removed from the S&P/ IFCI indices for Emerging Markets effective September 21, 2009, and Venezuela was removed from the S&P/ IFCI indices for Emerging Markets on April 11, 2007.

Table (35) : Distribution of Outstanding Treasury Bills by Holder

(LE Millions)

	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Aug-11	Sep-11	Oct-11	Nov-11
Outstanding Balance	118,657	146,439	239,080	266,121	356,103	350,906	349,898	362,428	359,573
Foreign Customers	--	--	4,945	38,370	24,542	17,073	16,259	15,643	11,449
Companies dealing in Securities	0	17	988	800	1,034	707	657	706	909
Holding and Investment companies	111	71	5,208	5,926	8,966	9,539	11,913	13,653	16,720
Banks	76,271	100,063	194,929	176,520	250,102	245,589	241,762	250,027	248,598
Public banks	42,747	59,429	110,482	91,276	116,892	107,326	89,001	83,333	89,752
Private banks	31,964	38,783	67,570	66,530	110,319	102,012	107,308	113,000	112,940
Foreign banks- branches	--	--	9,222	10,748	9,304	11,776	16,718	22,013	26,088
National Investment Bank	1,560	1,851	2,715	2,749	820	473	473	255	315
Specialized banks	--	--	4,940	5,217	12,767	24,002	28,262	31,426	19,503
Insurance Companies	80	81	1,568	1,803	6,491	9,188	10,574	10,872	12,514
Public Sector	66	--	1,095	941	5,028	7,296	8,577	8,739	10,261
Private Sector ^{1/}	14	--	473	862	1,463	1,892	1,997	2,133	2,253
Mutual Funds	6,399	12,442	24,731	33,034	44,484	47,410	46,910	48,849	46,817
Insurance Funds	2,511	1,016	1,096	757	441	7,685	6,948	6,058	5,287
Housing & Construction Sector	--	--	168	197	8,641	436	475	565	579
Trade Sector	0.0	0.0	3.0	50.0	76.0	109	100	100	125
Manufacturing Sector	71	60	91	229	268	398	423	418	634
Financial Sector	--	--	42	531	300	213	162	110	45
Transporation, Electricity, Gas, and Health Sector	--	--	1	21	53	61	69	16	55
Household Sector	134	11	495	1,816	3,302	4,602	5,364	6,492	6,625
Oil & Mining Sector	--	--	2,010	1,922	1,898	1,254	1,249	1,420	1,451
Services Sector	299	112	94	850	1,871	1,247	987	804	859
Others ^{2/}	139	406	2,711	3,295	3,634	5,395	6,046	6,695	6,906

FINANCIAL SECTOR
&
INVESTMENTS

Source: Central Bank of Egypt.

-- Data not available.

1/ Includes private and foreign branches companies .

2/ Includes T-Bills worth LE 45 billion issued in favor of the Central Bank . Issuance was according to an agreement between the Central Bank of Egypt and the Ministry of Finance. This LE 45 billion T-bills were retired during first quarter of FY 2006/2007.

Table (36) : Securities Held by Banks ^{1/}

(LE Millions)

	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Aug-11	Sep-11	Oct-11	Nov-11
Total Securities	176,098	201,858	332,597	405,895	474,176	475,643	477,618	484,109	491,586
In Local Currency	143,598	168,182	297,194	338,834	442,648	445,721	448,451	455,507	455,439
In Foreign Currency	32,500	33,676	35,403	67,061	31,528	29,922	29,167	28,602	36,147
Government Sector	111,288	148,665	276,095	318,876	412,196	413,757	417,849	424,769	433,369
In Local Currency (of which):	96,652	135,129	262,044	303,297	407,814	411,109	414,894	421,802	422,336
In Foreign Currency	14,636	13,536	14,051	15,579	4,382	2,648	2,955	2,967	11,033
CBE Notes (In Local Currency)	17,617	-	-	-	-	-	-	-	-
Public Business Sector	761	1,414	1,338	1,052	980	961	950	956	941
In Local Currency	761	1,414	1,338	1,052	980	961	950	956	941
In Foreign Currency	-	-	-	-	-	-	-	-	-
Private Business Sector	32,042	36,523	39,287	39,991	39,239	39,089	38,051	37,381	36,801
In Local Currency	28,568	31,609	33,755	34,394	33,764	33,561	32,517	32,662	32,075
In Foreign Currency	3,474	4,914	5,532	5,597	5,475	5,528	5,534	4,719	4,726
Foreign Sector	14,390	15,256	15,877	45,976	21,761	21,836	20,768	21,003	20,475
In Local Currency	0	30	57	91	90	90	90	87	87
In Foreign Currency	14,390	15,226	15,820	45,885	21,671	21,746	20,678	20,916	20,388

Source: Central Bank of Egypt.

-- No Issuance during the period.

1/ Excludes securities held by the Central Bank of Egypt.

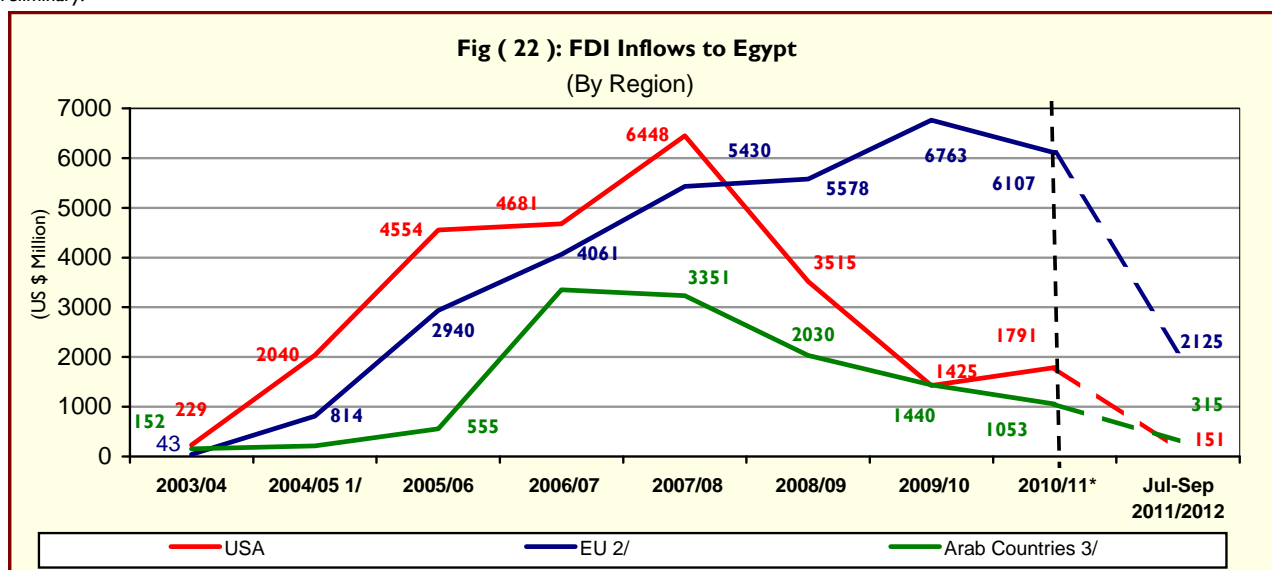
Table (37): Net Foreign Direct Investments By Countries

(US \$ Million)

	Annual Profile					Quarterly Profile			
	2006/07	2007/08	2008/09	2009/10	2010/11*	2010/2011* Jul-Sep	2010/2011* Jan- Mar	2010/2011* Apr - Jun	2010/2011* Jul - Sep
Total Net Foreign Direct Investment	11053	13237	8113	6758	2189	1597	-164	99	440
I. Inflows (Of which)	13084	17802	12836	11008	9574	3122	1815	2297	2698
USA	4681.3	6447.8	3515	1424.9	1790.5	427.3	167.4	373.4	150.5
Germany	97.2	250.3	102.6	109.7	274.5	43.4	50.7	86.3	85.5
France	36.7	1302.7	254.3	286.2	227.0	29.1	53.8	66.6	73.0
U.K.	2209.6	3239.3	3231.8	4926.1	4307.1	1887.7	831.9	1141.3	1299.1
Spain	6.7	20.8	27	80.5	46.5	25.3	3.6	14.9	8.3
Netherlands	39.6	55.7	134	128.8	145.6	85.7	17.2	23.0	36.6
Saudi Arabia	204	365.4	514.1	323.4	206.3	112.8	21.1	53.7	20.2
U.A.E	3049.5	726.2	1037.4	303.5	410.8	42.8	142.4	39.9	140.1
Kuwait	24.8	1597.2	118	188.7	58.6	5.0	23.0	16.6	8.9
Bahrain	18.6	39.6	20.5	64.1	66.2	16.6	14.1	12.8	110.1
Oman	1.2	4.9	11.1	9.8	11.9	3.3	3.7	1.6	1.6
Switzerland	49.4	236	154.6	111.4	158.8	24.1	33.8	20.0	32.4
Other Countries	2665.7	3516.3	3715.7	3051.0	1870.6	419.2	451.9	446.7	731.5
II. Outflows	-2031	-4566	-4723	-4250	-7386	-1525	-1978	-2198	-2258

Source: Central Bank of Egypt

* Preliminary.



Source: Central Bank of Egypt.

* Preliminary.

1/ Includes investments worth US\$ 2638 million in the petroleum sector.

2/ Includes Austria, Belgium, Denmark, Cyprus, France, Germany, Greece, Italy, Luxembourg, Portugal, Romania, Spain, Sweden, The Netherlands and U .K.

3/ Includes Bahrain, Jordan, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia, Tunisia, U .A.E. and others.