

# Section 7

## FINANCIAL SECTOR & INVESTMENT

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**Table (31): Capital Market Main Indicators <sup>1/</sup>**

	Jun-09	Jun-10	Jun-11 <sup>1/</sup>	Jun-12	Jun-13	Aug-13	Sep-13	Oct-13	Nov-13
<b>EGX-30 Index (Previously CASE-30) <sup>2/</sup></b>	<b>5,703</b>	<b>6,033</b>	<b>5,373</b>	<b>4,709</b>	<b>4,752</b>	<b>5,268</b>	<b>5,621</b>	<b>6,182</b>	<b>6,184</b>
Monthly Return (%)	-3.8	-7.9	-2.7	0.5	-12.6	-1.1	6.7	10.0	0.04
Market Volatility <sup>3/</sup>	2.0	1.3	1.2	2.6	1.9	1.6	0.9	0.9	1.1
<b>Market Capitalization <sup>4/</sup> (LE Billion)</b>	<b>464</b>	<b>410</b>	<b>400</b>	<b>340</b>	<b>322</b>	<b>355</b>	<b>378</b>	<b>402</b>	<b>403</b>
In % of GDP <sup>5/</sup>	44.5	34.0	29.2	22.0	18.4	17.3	18.4	19.6	19.7
Number of Companies	333	215	211	212	210	210	209	211	213
<b>Traded Shares and Securities</b>									
Value (In LE millions)	60,285	46,507	20,515	11,838 <sup>11/</sup>	10,836	14,394	14,759	11,154	12,961
Monthly Change (%)	69.3	60.9	12.8	-64.3	8.5	17.4	2.5	-24.4	16.2
Annual Change (%)	27.8	-22.9	-55.9	-42.3	-8.5	7.3	-40.5	-24.0	-1.8
<b>Listed Bonds (LE Million)</b>	<b>97,586</b>	<b>171,665</b>	<b>224,837</b>	<b>285,311</b>	<b>328,030</b>	<b>325,687</b>	<b>332,073</b>	--	--
Government <sup>6/</sup> , of which:	92,625	159,890	206,891	270,685	315,090	313,284	319,783	--	--
Bonds of the primary dealers	92,500	159,767	206,767	270,567	314,978	313,171	319,671	--	--
Companies	3,096	5,423	6,718	4,285	3,474	3,198	3,190	--	--
Securitization <sup>7/</sup>	1,865	6,352	6,228	5,341	4,466	4,205	4,100	--	--
<b>Net Foreigners Purchases</b>									
Value (In US\$ millions)	-106	43	-166	-62	60	325	-5	50	-36
Volume (In thousand shares)	562	93,610	-59,994	-166,930	83,149	-42,057	155	-23	-69
In % of Overall Trade	12	22	20	19	32	54	14	22	17
<b>Other Indicators</b>									
Price / Earning Ratio <sup>8/ 9/</sup>	11.5	12.6	13.0	10.9	11.0	12.1	13.0	14.0	13.9
Dividend Yield (%) <sup>9/10/</sup>	7.2	7.5	7.5	8.4	8.5	7.4	7.1	6.9	6.7
Turnover Ratio (%)	11.2	4.5	3.7	1.5	1.5	1.9	2.5	2.2	2.5

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.

According to the Ministry of Planning, GDP (at market prices) for 2013/2014 is projected to reach LE 2050 billion compared to a revised figure of LE 1753

5/ billion in 2012/2013.

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.

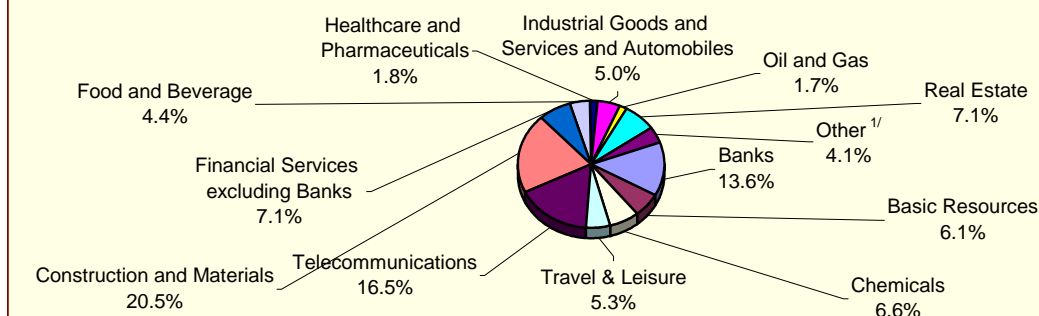
8/ Price / earning ratio, also known as the " Multiple " , is calculated by dividing the market price of each stock by its annual earnings.

9/ Calculated for the most active 50 companies.

10/ Annual dividends / current stock price.

11/ The month of study has witnessed the execution of a deal on Egyptian Company for Mobile Services (Mobinil), with a total volume of 93.9 million shares worth LE 19 billion on 27 May 2012.

**Fig ( 21 ): Market Capitalization by Sector  
(31 October 2013)**



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 - July 2013)**

Date	Acquirer	Security	Value (LE Million)	Percent Acquired (%)
Jul-13	OCI NV	Orascom Construction Industries	11488.1	21.5
Mar-13	Qatar National Bank	National Societe Generale Bank (NSGB)	16649.7	97.0
Dec-12	El Rateem for Development and Housing	Ruber Plastics	48.2	61.8
Jul-12	Olympic Group Financial Investments	Delta Industrial Co. - IDEAL	104.6	6.5
May-12	MT Telecom SCRL	Egyptian Company for Mobile Services (Mobinil)	19019.0	93.9
Jan-12	Electrolux Counteracting Akitebolag	Olympic Group Financial Investments	37.7	1.5
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	10.1
Jul-10	Egyptian Company for Tourism &Hotels	Trouism Urbanization	56.6	65.3
Jan-10	Ahli United Bank-Bahrain	Ahli United Bank-Egypt	984.9	44.4
Jan-10	Soliman Group Holding for Financial Investments <sup>1/</sup>	Lord Import & Export	82.5	100.0
Jan-10	Soliman Group Holding for Financial Investments <sup>1/</sup>	Lord Precision Industries	95.7	96.9
Jan-10	Soliman Group Holding for Financial Investments <sup>1/</sup>	Lord International	65.1	100.0
Dec-09	Samcrete For Engineering Investment	Samcrete Misr	4071.0	99.6
Dec-09	Beltone Partners Holding Ltd	Beltone Financial Holding	72.6	99.8
Dec-09	El Gouna Transportation	International Hotels Holdings	1944.4	99.7
Dec-09	Group of Investors	Alkan Holding	12.5	12.7
Nov-09	Lafarge Building Materials Trading Egypt	Lafarge Cement -Egypt	15466.0	53.7
Aug-09	Olympic Group Financial Investments <sup>2/</sup>	Cairo Feeding Industries	66.4	98.8
Jun-09	Orascom for Fertilizers Factories Maintenance <sup>1/</sup>	Egyptian Fertilizers Company	3468.8	100.0
Apr-09	Global Investment And Management Group Limited	Mansoura for Resins and Chemicals Industries Co.	29.1	69.1
Apr-09	National Development Bank	National Glass & Crystal Co.	182.5	88.3
Mar-09	International Finance Corporation (IFC)	Bank of Alexandria	1106.8	9.8
Mar-09	An Indian Investor	Alexandria Medical Services	96.7	86.4
Dec-08	Red Sea Company for Steel	Misr National Steel-Ataqa	14.8	4.0
Dec-08	Red Sea Company for Steel	Misr National Steel-Ataqa	355.8	96.0
Dec-08	Group of Investors	General Engineering & Motor Company	2.6	42.6
Oct-08	Naeem Holding	Naeem Financial Investments	9.5	38.0
Sep-08	Mac Holding for Industries	Egyptian Sponge	19.2	28.8
Sep-08	Beltone Partners Holding Ltd	Beltone Financial Holding	68.6	99.9
Sep-08	Prime Industrial Holding	National Glass & Crystal Co.	192.1	88.3
Aug-08	Abu Dhabi Financial Services Co.	El Salam Brokerage Co.	21.0	70.0
Aug-08	The Egyptian Company for Textiles Manufacturing	Dice Sport & Casual Wear	88.0	60.0

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 October 2013)

(LE Millions)

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

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 <sup>1/</sup>		Joint Venture Sales <sup>2/</sup>		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.

**FINANCIAL SECTOR  
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INVESTMENTS**

Table ( 34 ): Performance of Emerging Markets S&P / IFCI Indexes <sup>1/</sup>

Rank	Emerging Market <sup>2/</sup>	Yield (%)	
		Monthly Change Oct-13	Cumulative Change (YTD) Oct-13
1	India	10.9	-6.8
2	<b>Egypt</b>	<b>10.6</b>	<b>4.3</b>
3	Czech Republic	10.5	-6.1
4	Indonesia	8.8	-12.5
5	Morocco	8.1	3.7
6	Poland	7.7	5.6
7	Philippines	7.6	5.9
8	Peru	6.5	-25.8
9	Turkey	5.7	-10.4
10	Malaysia	5.3	5.4
11	Thailand	5.3	2.5
12	Brazil	5.3	-9.1
13	South Africa	5.0	-4.3
14	Russia	4.1	0.5
15	Korea	4.0	3.9
16	Taiwan	4.0	8.8
17	Mexico	3.7	-3.6
18	China	2.6	4.5
19	Hungary	2.1	2.2
20	Chile	0.4	-15.4

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-09	Jun-10	Jun-11	Jun-12	Jun-13	May-13	Jul-13	Aug-13	Sep-13
Outstanding Balance	239,080	266,121	356,103	373,398	425,847	417,354	436,349	443,349	446,265
Foreign Customers	4,945	38,370	24,542	800	1,238	1,244	1,164	1,190	1,176
Companies dealing in Securities	988	800	1,034	1,212	762	929	772	1,028	772
Holding and Investment companies	5,208	5,926	8,966	17,876	11,444	10,690	11,196	11,949	13,816
Banks	194,929	176,520	250,102	257,119	302,380	287,980	314,269	319,502	323,419
Public banks	110,482	91,276	116,892	129,978	166,309	153,490	168,047	172,855	171,441
Private banks	67,570	66,530	110,319	105,451	117,408	117,763	125,234	127,099	134,853
Foreign banks- branches	9,222	10,748	9,304	16,597	11,159	10,568	13,768	11,831	9,454
National Investment Bank	2,715	2,749	820	100	0	0	0	0	0
Specialized banks	4,940	5,217	12,767	4,978	7,504	6,159	7,220	7,717	7,671
Foreign Exchange Bureaus	0	0	0	0	0	0	0	0	0
Insurance Companies	1,568	1,803	6,491	12,510	14,637	14,283	14,490	14,914	14,921
Public Sector	1,095	941	5,028	9,302	12,064	11,834	11,902	12,455	12,411
Private Sector <sup>1/</sup>	473	862	1,463	3,208	2,573	2,449	2,588	2,459	2,510
Mutual Funds	24,731	33,034	44,484	47,193	59,818	66,542	60,132	60,178	59,156
Insurance Funds	1,096	757	8,641	5,660	10,165	10,445	10,111	10,694	9,984
Housing & Construction Sector	168	197	441	686	358	352	351	454	411
Trade Sector	3.0	50.0	76.0	190.0	383.0	246	179	113	202
Manufacturing Sector	91	229	268	688	868	820	744	661	1,286
Financial Sector	42	531	300	127	214	218	214	206	171
Transporation, Electricity, Gas, and Health Sector	1	21	53	85	110	108	38	40	36
Household Sector	495	1,816	3,302	12,878	5,520	5,963	5,280	4,979	4,763
Oil & Mining Sector	2,010	1,922	1,898	2,405	3,685	3,661	3,792	3,759	2,270
Services Sector	94	850	1,871	1,280	509	543	496	474	588
Others <sup>2/</sup>	2,711	3,295	3,634	12,689	13,756	13,330	13,121	13,208	13,294

FINANCIAL SECTOR  
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Source: Central Bank of Egypt.

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 <sup>1/</sup>

(LE Millions)

	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	May-13	Jul-13	Aug-13	Sep-13
<b>Total Securities</b>	<b>332,597</b>	<b>405,895</b>	<b>474,176</b>	<b>555,326</b>	<b>653,889</b>	<b>636,206</b>	<b>653,260</b>	<b>668,575</b>	<b>680,117</b>
In Local Currency	297,194	338,834	442,648	494,934	571,204	553,882	570,225	584,593	596,411
In Foreign Currency	35,403	67,061	31,528	60,392	82,685	82,324	83,035	83,982	83,706
<b>Government Sector</b>	<b>276,095</b>	<b>318,876</b>	<b>412,196</b>	<b>498,309</b>	<b>593,939</b>	<b>575,052</b>	<b>592,883</b>	<b>608,252</b>	<b>619,354</b>
In Local Currency (of which):	262,044	303,297	407,814	461,821	536,155	517,877	534,905	549,370	560,922
In Foreign Currency	14,051	15,579	4,382	36,488	57,784	57,175	57,978	58,882	58,432
<b>CBE Notes ( In Local Currency)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Public Business Sector</b>	<b>1,338</b>	<b>1,052</b>	<b>980</b>	<b>714</b>	<b>505</b>	<b>684</b>	<b>528</b>	<b>528</b>	<b>506</b>
In Local Currency	1,338	1,052	980	714	505	684	528	528	506
In Foreign Currency	-	-	-	-	-	-	-	-	-
<b>Private Business Sector</b>	<b>39,287</b>	<b>39,991</b>	<b>39,239</b>	<b>37,018</b>	<b>39,044</b>	<b>40,028</b>	<b>39,216</b>	<b>39,022</b>	<b>39,326</b>
In Local Currency	33,755	34,394	33,764	32,310	34,469	35,238	34,717	34,612	34,899
In Foreign Currency	5,532	5,597	5,475	4,708	4,575	4,790	4,499	4,410	4,427
<b>Foreign Sector</b>	<b>15,877</b>	<b>45,976</b>	<b>21,761</b>	<b>19,285</b>	<b>20,401</b>	<b>20,442</b>	<b>20,633</b>	<b>20,773</b>	<b>20,931</b>
In Local Currency	57	91	90	89	75	83	75	83	84
In Foreign Currency	15,820	45,885	21,671	19,196	20,326	20,359	20,558	20,690	20,847

Source: Central Bank of Egypt.

-- No Issuance during the period.

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



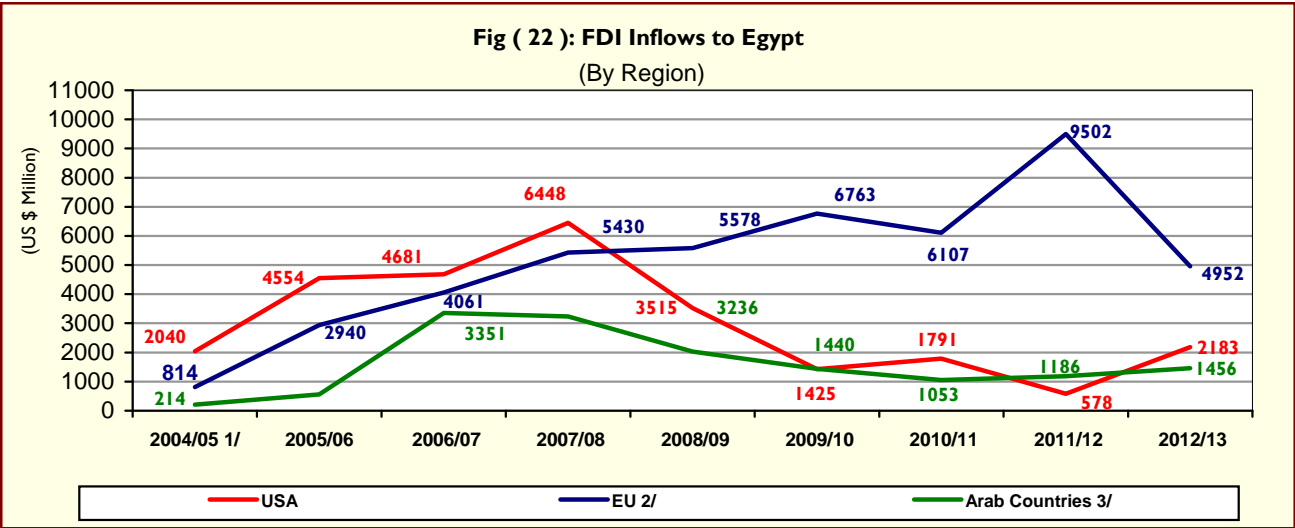
Table ( 37 ): Net Foreign Direct Investments By Countries

(US \$ Million)

	Annual Profile					Quarterly Profile			
	2008/09	2009/10	2010/11	2011/12	12/2013*	2012/2013 July-Sep	2012/2013* Oct-Dec	2012/2013* Jan-Mar	2012/2013* Apr-Jun
<b>Total Net Foreign Direct Investment</b>	<b>8113</b>	<b>6758</b>	<b>2189</b>	<b>3982</b>	<b>3005</b>	<b>108</b>	<b>193</b>	<b>1075</b>	<b>1629</b>
<b>I. Inflows (Of which)</b>	<b>12836</b>	<b>11008</b>	<b>9574</b>	<b>11768</b>	<b>9614</b>	<b>2255</b>	<b>2464</b>	<b>2160</b>	<b>2735</b>
USA	3515	1424.9	1790.5	577.6	2182.9	654.0	555.7	445.5	527.7
Germany	102.6	109.7	274.5	202.5	186.4	41.2	73.2	36.3	35.7
France	254.3	286.2	227.0	315.6	266.1	97.2	46.6	47.8	74.5
U.K.	3231.8	4926.1	4307.1	5819.7	3337.8	701.2	880.6	586.9	1169.1
Spain	27	80.5	46.5	61.0	30.4	23.3	4.0	1.3	1.8
Netherlands	134	128.8	145.6	409.4	163.5	71.7	46.6	27.8	17.4
Saudi Arabia	514.1	323.4	206.3	240.4	191.7	35.3	55.2	39.0	62.2
U.A.E	1037.4	303.5	410.8	559.8	480.6	55.3	129.3	69.3	226.7
Kuwait	118	188.7	58.6	63.5	46.4	11.8	7.6	13.3	13.7
Bahrain	20.5	64.1	66.2	152.5	262.7	25.7	38.7	156.4	41.9
Oman	11.1	9.8	11.9	13.3	10.9	0.8	2.1	4.3	3.7
Switzerland	154.6	111.4	158.8	124.8	115.4	68.1	16.3	12.3	18.7
Other Countries	3715.7	3051.0	1870.6	2496.5	2339.2	469.7	608.3	719.6	541.6
<b>II. Outflows</b>	<b>-4723</b>	<b>-4250</b>	<b>-7386</b>	<b>-7786</b>	<b>-6609</b>	<b>-2147</b>	<b>-2271</b>	<b>-1085</b>	<b>-1106</b>

Source: Central Bank of Egypt.

\* Preliminary.



Source: Central Bank of Egypt.

1/ It is noteworthy that FDI in 2004/05 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.