

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	Mar-11 ^{1/}	Apr-11	May-11	Jul-11
EGX-30 Index (Previously CASE-30) ^{2/}	7,803	9,827	5,703	6,033	5,373	5,464	5,004	5,523	5,036
Monthly Return (%)	0.4	-11.1	-3.8	-7.9	-2.7	-3.2	-8.4	10.4	-6.3
Market Volatility ^{3/}	1.0	1.0	2.0	1.3	1.2	4.7	1.6	1.2	1.5
Market Capitalization ^{4/} (LE Billion)	602	813	464	410	400	408	388	410	384
In % of GDP ^{5/}	80.8	90.8	44.5	34.0	29.1	29.7	28.3	29.9	24.5
Number of Companies	544	375	333	215	211	212	212	211	212
Traded Shares and Securities									
Value (In LE millions)	33,027	47,171	60,285	46,507	20515	13,793	11,424	18,181	9,888
Monthly Change (%)	9.2	-33.0	69.3	60.9	12.8	-42.3	-17.2	59.1	-51.8
Annual Change (%)	166.4	42.8	27.8	-22.9	-55.9	-48.2	-62.3	-37.1	-49.3
Listed Bonds (LE Million)	62,130	84,547	97,586	171,665	229,837	230,285	230,085	229,858	--
Government ^{6/} , of which:	57,598	78,771	92,625	159,890	206,891	206,891	206,891	206,891	--
Bonds of the primary dealers	53,000	74,500	92,500	159,767	206,767	206,767	206,767	206,767	--
Companies	3,843	3,880	3,096	5,423	6,718	6,718	6,713	6,712	--
Securitization ^{7/}	689	1,869	1,865	6,352	6,228	6,676	6,481	6,255	--
Net Foreigners Purchases									
Value (In US\$ millions)	-1,240	199	-106	43	-166	-142	-30	-80	-10
Volume (In thousand shares)	-297,270	23,255	562	93,610	-59,994	-17,371	-10,276	-22,352	90,469
In % of Overall Trade	31	20	12	22	20	40	39	32	26
Other Indicators									
Price / Earning Ratio ^{8/ 9/}	21.9	15.7	11.5	12.6	13.0	12.4	12.9	13.1	13.0
Dividend Yield (%) ^{9/10/}	4.1	6.5	7.2	7.5	7.5	7.5	8.0	7.6	7.6
Turnover Ratio (%)	4.8	4.9	11.2	4.5	3.7	1.7	2.3	3.0	2.2

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 1373 billion expected in 2010/2011.

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

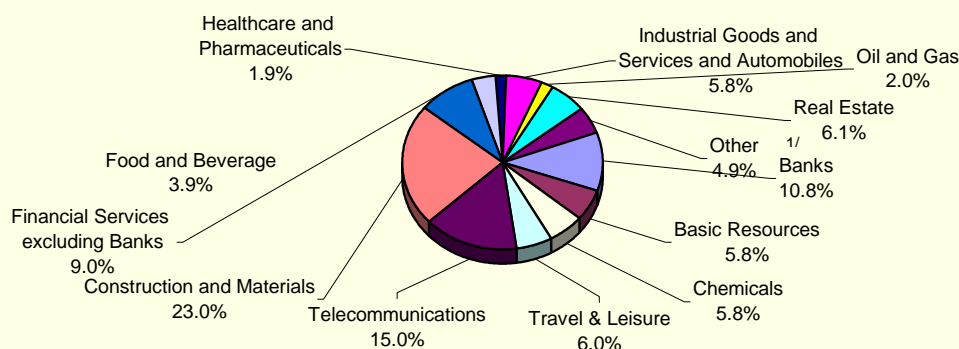
7/ Securitization bonds were listed on the Egyptian Exchange as of September 2006.

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 July 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 - January 2011)

Date	Acquirer	Security	Value (LE Million)	Percent Acquired (%)
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): 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.

Revised

* 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 Jul-11	Cumulative Change (YTD) Jul-11
1	Thailand	12.0	11.4
2	Peru	10.7	-17.9
3	Philippines	8.0	8.2
4	Indonesia	6.7	17.5
5	Russia	2.7	7.9
6	Korea	2.3	10.1
7	Malaysia	0.3	8.1
8	China	-0.2	-0.6
9	South Africa	-0.4	-5.8
10	Taiwan	-1.1	-4.3
11	Mexico	-1.2	-1.7
12	India	-1.5	-10.8
13	Czech Republic	-2.7	12.1
14	Morocco	-3.1	-9.1
15	Poland	-4.4	5.5
16	Brazil	-4.5	-7.4
17	Turkey	-4.6	-14.0
18	Chile	-5.1	-8.9
19	Egypt	-6.0	-30.4
20	Hungary	-7.6	11.5

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-06	Jun-07	Jun-08	Jun-09	Jun-10	Mar-11	Apr-11	May-11	Jun-11
Outstanding Balance	103,144	118,657	146,439	239,080	266,121	320,390	330,890	332,114	356,103
Foreign Customers	--	--	--	4,945	38,370	30,632	24,619	24,190	24,542
Companies dealing in Securities	11	0	17	988	800	1,218	1,237	938	1,034
Holding and Investment companies	190	111	71	5,208	5,926	6,310	7,266	6,935	8,966
Banks	83,400	76,271	100,063	194,929	176,520	221,932	229,373	231,919	250,102
Public banks	46,584	42,747	59,429	110,482	91,276	123,338	118,927	111,865	116,892
Private banks	36,416	31,964	38,783	67,570	66,530	86,709	94,506	99,959	110,319
Foreign banks- branches	--	--	--	9,222	10,748	7,278	7,986	8,570	9,304
National Investment Bank	400	1,560	1,851	2,715	2,749	1,498	1,220	820	820
Specialized banks	--	--	--	4,940	5,217	3,109	6,734	10,705	12,767
Insurance Companies	172	80	81	1,568	1,803	3,375	4,313	5,467	6,491
Public Sector	0	66	--	1,095	941	2,241	3,050	4,156	5,028
Private Sector ^{1/}	172	14	--	473	862	1,134	1,263	1,311	1,463
Mutual Funds	5,105	6,399	12,442	24,731	33,034	38,570	44,655	43,472	44,484
Insurance Funds	1,898	2,511	1,016	1,096	757	8,930	9,079	8,547	8,641
Housing & Construction Sector	--	--	--	168	197	621	546	424	441
Trade Sector	0.0	0.0	0.0	3.0	50.0	12	13	60	76
Manufacturing Sector	39	71	60	91	229	301	288	271	268
Financial Sector	--	--	--	42	531	470	383	307	300
Transporation, Electricity, Gas, and Health Sector	--	--	--	1	21	45	48	50	53
Household Sector	114	134	11	495	1,816	2,331	2,432	3,353	3,302
Oil & Mining Sector	--	--	--	2,010	1,922	870	977	937	1,898
Services Sector	251	299	112	94	850	826	1,772	1,545	1,871
Others ^{2/}	1,658	139	406	2,711	3,295	3,947	3,889	3,699	3,634

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-06	Jun-07	Jun-08	Jun-09	Jun-10	Mar-11	Apr-11	May-11	Jun-11
Total Securities	193,965	176,098	201,858	332,597	405,895	451,398	456,372	456,928	474,176
In Local Currency	162,403	143,598	168,182	297,194	338,834	421,120	425,948	425,932	442,648
In Foreign Currency	31,562	32,500	33,676	35,403	67,061	30,278	30,424	30,996	31,528
Government Sector	131,213	111,288	148,665	276,095	318,876	389,937	395,241	395,514	412,196
In Local Currency (of which):	115,146	96,652	135,129	262,044	303,297	385,777	391,147	391,303	407,814
In Foreign Currency	16,067	14,636	13,536	14,051	15,579	4,160	4,094	4,211	4,382
CBE Notes (In Local Currency)	21,563	17,617	-	-	-	-	-	-	-
Public Business Sector	859	761	1,414	1,338	1,052	1,069	1,073	971	980
In Local Currency	859	761	1,414	1,338	1,052	1,069	1,073	971	980
In Foreign Currency	-	-	-	-	-	-	-	-	-
Private Business Sector	28,380	32,042	36,523	39,287	39,991	39,940	39,340	39,287	39,239
In Local Currency	24,835	28,568	31,609	33,755	34,394	34,184	33,638	33,568	33,764
In Foreign Currency	3,545	3,474	4,914	5,532	5,597	5,756	5,702	5,719	5,475
Foreign Sector	11,950	14,390	15,256	15,877	45,976	20,452	20,718	21,156	21,761
In Local Currency	0	0	30	57	91	90	90	90	90
In Foreign Currency	11,950	14,390	15,226	15,820	45,885	20,362	20,628	21,066	21,671

Source: Central Bank of Egypt.

-- No Issuance during the period.

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

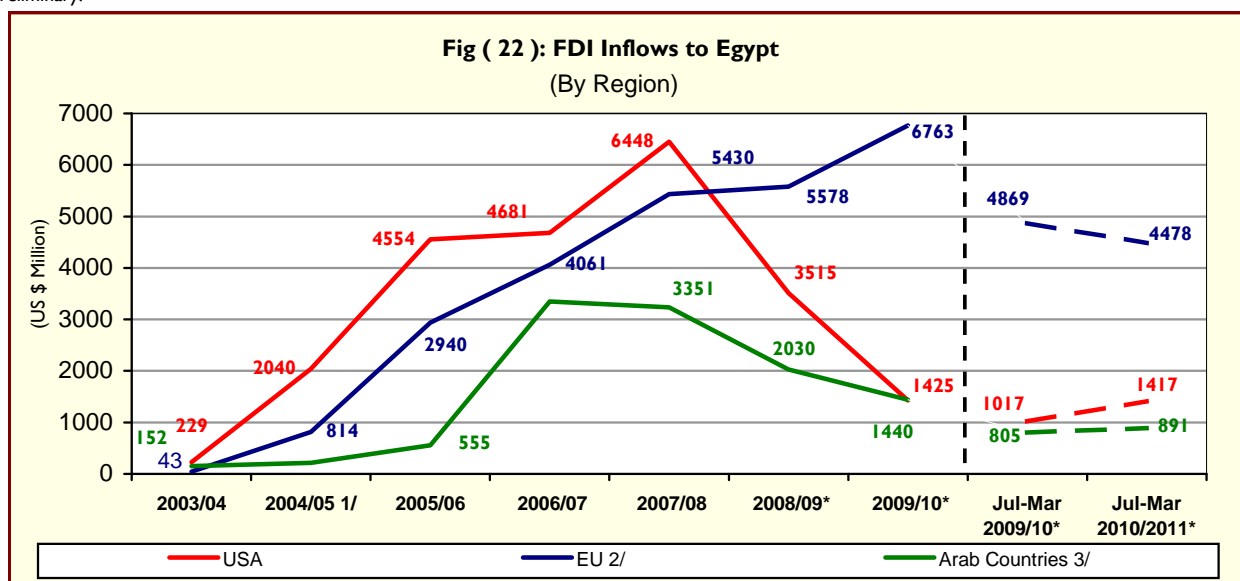
Table (37): Net Foreign Direct Investments By Countries

(US \$ Million)

	Annual Profile					Quarterly Profile			
	2005/06	2006/07	2007/08	2008/09	2009/10*	2009/10* Jan - Mar	2010/2011* Jul-Sep	2010/2011* Oct- Dec	2010/2011* Jan- Mar
Total Net Foreign Direct Investment	6111	11053	13237	8113	6758	1706	1597	656	-164
I. Inflows (Of which)	9098	13084	17802	12836	11008	2927	3122	2341	1815
USA	4553.5	4681.3	6447.8	3515	1424.9	303.2	427.3	822.4	167.4
Germany	113.6	97.2	250.3	102.6	109.7	28.2	43.4	94.1	50.7
France	565.7	36.7	1302.7	254.3	286.2	29.8	29.1	77.5	53.8
U.K.	1724.7	2209.6	3239.3	3231.8	4926.1	1750.9	1887.7	446.2	831.9
Spain	361.4	6.7	20.8	27	80.5	29.7	25.3	2.7	3.6
Netherlands	8.4	39.6	55.7	134	128.8	28.3	85.7	19.7	17.2
Saudi Arabia	99.0	204	365.4	514.1	323.4	136.0	112.8	18.7	21.1
U.A.E	63.0	3049.5	726.2	1037.4	303.5	99.9	42.8	185.7	142.4
Kuwait	72.5	24.8	1597.2	118	188.7	17.2	5.0	14.0	23.0
Bahrain	65.6	18.6	39.6	20.5	64.1	15.2	16.6	22.7	14.1
Oman	0.0	1.2	4.9	11.1	9.8	3.3	3.3	3.3	3.7
Switzerland	78.3	49.4	236	154.6	111.4	27.6	24.1	80.6	33.8
Other Countries	1392.2	2665.7	3516.3	3715.7	3051.0	457.2	419.2	553.1	451.9
II. Outflows	-2987	-2031	-4566	-4723	-4250	-1220	-1525	-1685	-1978

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.