

Section 7

FINANCIAL SECTOR & INVESTMENT

Table (31) Capital Market Main Indicators-----	55
Table (32) Recent Acquisitions in the Egyptian Market-----	56
Table (33) Main Privatized and - or Liquidated Companies-----	57
Table (33- continued) Privatization Proceeds -----	57
Table (34) Performance of Emerging Markets IFCG Indices-----	58
Table (35) Distribution of Outstanding Treasury Bills by Holder-----	59
Table (36) Securities Held by Banks-----	60
Table (37) Net Foreign Direct Investments By Countries-----	61

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

	Jun-09	Jun-10	Jun-11 ^{1/}	Jun-12	Jun-13	Jan-14	Feb-14	Mar-14	Apr-14
EGX-30 Index (Previously CASE-30) ^{2/}	5,703	6,033	5,373	4,709	4,752	7,405	8,127	7,805	8,256
Monthly Return (%)	-3.8	-7.9	-2.7	0.5	-12.6	9.18	9.76	-3.97	5.78
Market Volatility ^{3/}	2.0	1.3	1.2	2.6	1.9	0.9	0.8	1.5	1.4
Market Capitalization ^{4/} (LE Billion)	464	410	400	340	322	452	487	470	478
In % of GDP ^{5/}	44.5	34.0	29.2	21.6	18.4	22.2	23.9	23.1	23.5
Number of Companies	333	215	211	212	210	212	212	213	213
Traded Shares and Securities									
Value (In LE millions)	60,285	46,507	20,515	11,838 ^{11/}	10,836	17,778	25,708	29,308	20,429
Monthly Change (%)	69.3	60.9	12.8	-64.3	8.5	15.3	44.6	14.0	-30.3
Annual Change (%)	27.8	-22.9	-55.9	-42.3	-8.5	56.7	106.7	6.7	129.5
Listed Bonds (LE Million)	97,586	171,665	224,837	285,311	328,030	365,587	382,863	--	--
Government ^{6/} , of which:	92,625	159,890	206,891	270,685	315,090	354,358	371,034	--	--
Bonds of the primary dealers	92,500	159,767	206,767	270,567	314,978	354,251	370,928	--	--
Companies	3,096	5,423	6,718	4,285	3,474	2,745	2,745	--	--
Securitization ^{7/}	1,865	6,352	6,228	5,341	4,466	3,484	4,084	--	--
Net Foreigners Purchases									
Value (In US\$ millions)	-106	43	-166	-62	60	2	1	69	121
Volume (In thousand shares)	562	93,610	-59,994	-166,930	83,149	-55	-34	-29	5,958
In % of Overall Trade	12	22	20	19	32	13	12	16	15
Other Indicators									
Price / Earning Ratio ^{8/ 9/}	11.5	12.6	13.0	10.9	11.0	15.2	15.6	15.8	16.5
Dividend Yield (%) ^{9/10/}	7.2	7.5	7.5	8.4	8.5	6.2	5.7	6.3	6.3
Turnover Ratio (%)	11.2	4.5	3.7	1.5	1.5	3.2	3.7	5.1	3.1

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 Planning, GDP (at market prices) for 2013/2014 is projected to reach LE 2033.8 billion compared to a revised figure of LE 1753 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.

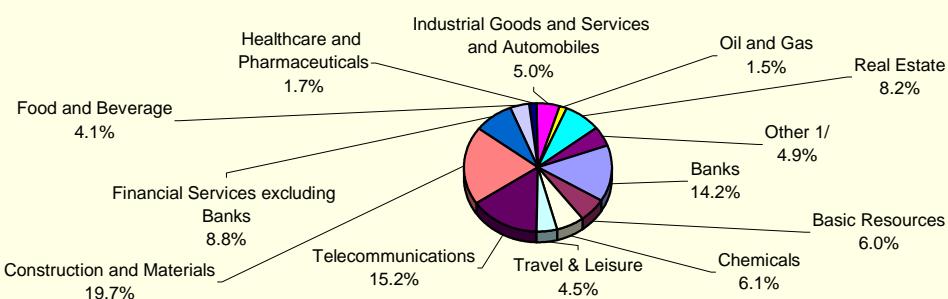
8/ Price / earning ratio, also known as the "Multiple", is calculated by dividing the market price of each stock by its annual earnings.

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 LE 93.9 million shares worth LE 19 billion.

**Fig (21): Market Capitalization by Sector
(31 March 2014)**



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 - February 2014)

Date	Acquirer	Security	Value (LE Million)	Percent Acquired (%)
Feb-14	El Arafah Textiles Investments	Golden Textiles & Clothes Wool	30.7	43.9
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 Estate Investment Co.	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	Tourism 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 ^{1/}	Lord Import & Export	82.5	100.0
Jan-10	Soliman Group Holding for Financial Investments ^{1/}	Lord Precision Industries	95.7	96.9
Jan-10	Soliman Group Holding for Financial Investments ^{1/}	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 ^{2/}	Cairo Feeding Industries	66.4	98.8
Jun-09	Orascom for Fertilizers Factories Maintenance ^{1/}	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-Ataq	14.8	4.0
Dec-08	Red Sea Company for Steel	Misr National Steel-Ataq	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

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 March 2014)**

(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/}	Monthly Change Nov-13	Yield (%)	Cumulative Change (YTD) Nov-13
1	China	4.5		9.2
2	Mexico	2.9		-0.7
3	Poland	1.3		6.9
4	Korea	1.0		4.9
5	Egypt	-0.1		4.3
6	Taiwan	-1.2		7.5
7	Malaysia	-2.0		3.3
8	Morocco	-2.0		1.6
9	Hungary	-2.1		0.1
10	India	-3.1		-9.7
11	Turkey	-3.5		-13.5
12	South Africa	-3.8		-7.9
13	Russia	-4.4		-3.9
14	Czech Republic	-6.1		-11.8
15	Chile	6.6		-21.1
16	Brazil	-6.9		-15.4
17	Philippines	-6.9		-1.4
18	Thailand	-8.0		-5.7
19	Peru	-9.4		-32.8
20	Indonesia	-12.1		-23.1

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	Nov-13	Dec-13	Jan-14	Feb-14
Outstanding Balance	239,080	266,121	356,103	373,398	425,847	454,315	453,932	451,932	453,932
Foreign Customers	4,945	38,370	24,542	800	1,238	1,075	975	434	392
Companies dealing in Securities	988	800	1,034	1,212	762	744	603	583	589
Holding and Investment companies	5,208	5,926	8,966	17,876	11,444	14,928	15,297	15,912	16,378
Banks	194,929	176,520	250,102	257,119	302,380	333,570	335,949	334,183	332,115
Public banks	110,482	91,276	116,892	129,978	166,309	172,893	168,506	166,809	164,316
Private banks	67,570	66,530	110,319	105,451	117,408	140,672	145,857	144,486	145,465
Foreign banks- branches	9,222	10,748	9,304	16,597	11,159	12,216	14,495	15,965	15,521
National Investment Bank	2,715	2,749	820	100	0	0	0	0	300
Specialized banks	4,940	5,217	12,767	4,978	7,504	7,789	7,091	6,923	6,513
Foreign Exchange Bureaus	0	0	0	0	0	0	0	0	0
Insurance Companies	1,568	1,803	6,491	12,510	14,637	14,533	14,932	14,326	13,783
Public Sector	1,095	941	5,028	9,302	12,064	11,760	11,921	11,055	10,523
Private Sector ^{1/}	473	862	1,463	3,208	2,573	2,773	3,011	3,271	3,260
Mutual Funds	24,731	33,034	44,484	47,193	59,818	57,873	55,216	55,118	59,489
Insurance Funds	1,096	757	8,641	5,660	10,165	8,401	8,170	8,564	8,276
Housing & Construction Sector	168	197	441	686	358	631	496	532	529
Trade Sector	3.0	50.0	76.0	190.0	383.0	376	377	359	346
Manufacturing Sector	91	229	268	688	868	816	749	681	551
Financial Sector	42	531	300	127	214	134	154	175	171
Transportation, Electricity, Gas, and Health Sector	1	21	53	85	110	49	60	60	59
Household Sector	495	1,816	3,302	12,878	5,520	5,043	4,969	4,887	4,900
Oil & Mining Sector	2,010	1,922	1,898	2,405	3,685	2,196	2,257	2,564	2,443
Services Sector	94	850	1,871	1,280	509	1,404	1,369	1,450	1,822
Others ^{2/}	2,711	3,295	3,634	12,689	13,756	12,542	12,359	12,104	12,089

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 ^{1/}

(LE Millions)

	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	Nov-13	Dec-13	Jan-14	Feb-14
Total Securities	332,597	405,895	474,176	555,326	653,889	703,431	735,119	744,384	755,615
In Local Currency	297,194	338,834	442,648	494,934	571,204	618,163	627,962	637,474	648,895
In Foreign Currency	35,403	67,061	31,528	60,392	82,685	85,268	107,157	106,910	106,720
Government Sector	276,095	318,876	412,196	498,309	593,939	641,710	671,986	680,854	692,223
In Local Currency (of which):	262,044	303,297	407,814	461,821	536,155	581,923	590,790	599,782	610,671
In Foreign Currency	14,051	15,579	4,382	36,488	57,784	59,787	81,196	81,072	81,552
CBE Notes (In Local Currency)	-	-	-	-	-	-	-	-	-
Public Business Sector	1,338	1,052	980	714	505	525	501	493	510
In Local Currency	1,338	1,052	980	714	505	525	501	493	510
In Foreign Currency	-	-	-	-	-	-	-	-	-
Private Business Sector	39,287	39,991	39,239	37,018	39,044	40,075	40,856	41,211	41,751
In Local Currency	33,755	34,394	33,764	32,310	34,469	35,632	36,591	37,119	37,635
In Foreign Currency	5,532	5,597	5,475	4,708	4,575	4,443	4,265	4,092	4,116
Foreign Sector	15,877	45,976	21,761	19,285	20,401	21,121	21,776	21,826	21,131
In Local Currency	57	91	90	89	75	83	80	80	79
In Foreign Currency	15,820	45,885	21,671	19,196	20,326	21,038	21,696	21,746	21,052

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)

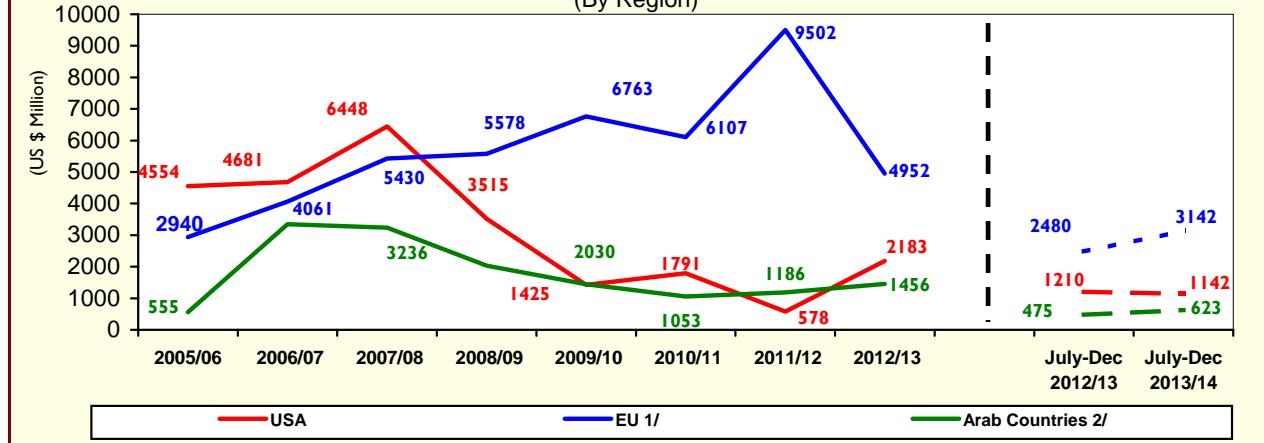
	Annual Profile					Quarterly Profile			
	2008/09	2009/10	2010/11	2011/12	2012/13 [#]	2012/2013* Oct-Dec	2012/2013* Apr-Jun	2013/2014* Jul-Sep	2013/2014* Oct-Dec
Total Net Foreign Direct Investment	8113	6758	2189	3982	5184	1316	1629	1246	1603
I. Inflows (Of which)	12836	11008	9574	11768	9614	2464	2735	2366	2855
USA	3515	1425	1791	578	2183	556	528	562	579
Germany	103	110	275	203	186	73	36	32	51
France	254	286	227	316	266	47	75	26	85
U.K.	3232	4926	4307	5820	3338	881	1169	1282	1205
Spain	27	80.5	46.5	61.0	30.4	4.0	1.8	0.4	0.5
Netherlands	134	129	146	409	164	47	17	9	85
Saudi Arabia	514	323	206	240	192	55	62	51	57
U.A.E	1037	304	411	560	481	129	227	60	105
Kuwait	118	189	59	64	46	8	14	15	78
Bahrain	21	64	66	153	263	39	42	25	67
Oman	11	10	12	13	11	2	4	2	3
Switzerland	155	111	159	125	115	16	19	25	22
Other Countries	3716	3051	1871	2497	2339	608	542	278	519
II. Outflows	-4723	-4250	-7386	-7786	-4430	-1148	-1106	-1120	-1253

Source: Central Bank of Egypt.

Data revised.

* Preliminary.

**Fig (22): FDI Inflows to Egypt
(By Region)**



Source: Central Bank of Egypt.

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

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