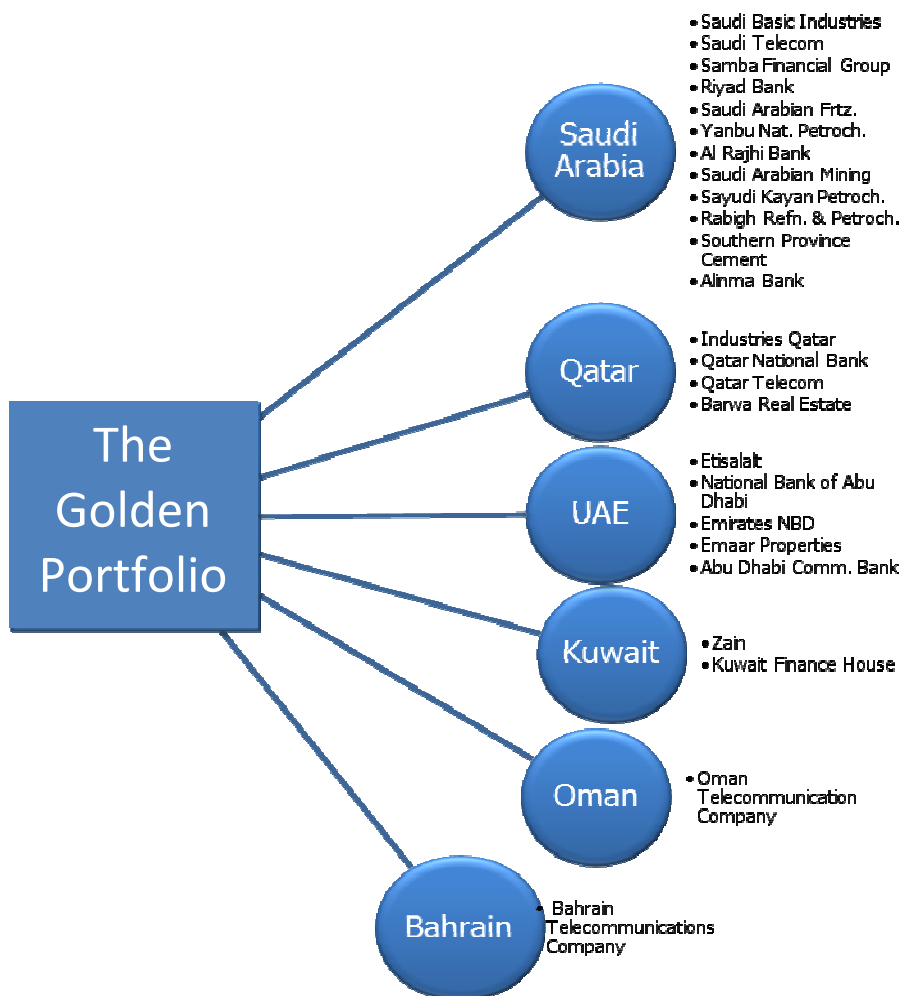


September 2010

# The Golden Portfolio

Reach of Government Owned Entities in GCC

Markaz Research is  
available on Bloomberg.  
Type "MRKZ" <Go>



**M.R. RaghuCFA, FRM**

Head of Research

+965 224 8280

[rmandagolathur@markaz.com](mailto:rmandagolathur@markaz.com)

**Aditi Sabharwal**

Research Intern

**Kuwait Financial Centre  
"Markaz"**

P.O.Box 23444, Safat 13095,  
Kuwait

Tel: +965 224 8000

Fax: +965 242 5828

[www.markaz.com](http://www.markaz.com)

The government is a dominant player in the GCC region and hence is a major stakeholder in local markets. A government owned enterprise/entity is a firm that is either 100% owned by the government or is significantly owned by the government. Back in April 2008, we researched the reach of Government Owned Entities (GOE's) in the stock market. Back then, they accounted for 27% of the stock market holding (as measured by market capitalization) valued at \$300b. A recent visit to the issue point out that they now hold more or less the same share (29%) though their value has come down significantly to \$182b. The 51 GOE's covered in our study spread their tentacles to nearly 180 companies, though the top 25 account for 85% of the total. Even among the GOE's, not all are equal. The top 10 GOE's account for 89% of the total with Saudi Arabia's Public Investment Fund (PIF) accounting for a lion's share of 40%. The GOE's of Saudi Arabia have a strong reach among listed companies especially in sectors like banking, telecom and chemicals. Strong government presence in the stock market opens up a larger debate on their impact, both short-term and long-term. The holdings are mostly strategic and hence may sap free float thereby inhibiting efficient price discovery. However, the companies in the golden portfolio may also enjoy government funding and may add more shareholder value in the long-term.

## 1. Reach of GOE's

**Table 1 GOE: Summary**

Country	No of GOE's	No of co. held	Market Univer se	Amount held in local market (USD mn)	Share	Local Market Capitali zation (USD mn)	Market Penetration
	A	B	C	D	E	F	D/F
Saudi Arabia	10	47	140	109,718	60%	314,556	35%
UAE	10	29	110	28,255	16%	97,247	29%
Qatar	8	18	45	26,001	14%	97,746	27%
Kuwait	10	42	194	11,717	6%	90,871	13%
Bahrain	9	20	44	3,518	2%	16,386	21%
Oman	14	23	127	2,735	2%	16,737	16%
	51	179	660	181,994	100%	633,544	29%

Source: Zawya, Markaz Research. Figures represent data as of July5,2010

51 GOE's hold 29% of GCC stock market capitalization valued at USD 182 bn

Saudi Arabia has the highest share at 35% while Kuwait has the lowest at 13%

Note: A GOE can invest in multiple countries but for calculation purposes we have counted it as a single GOE ignoring the overlap.

Our research reveals that there are 51 GOE's in the region that hold 29% of GCC market capitalization spread over 179 listed companies. Saudi Arabia has the largest share of 60% in GCC followed by UAE and Qatar. Given the size of Kuwait market, the share at 6% seems to be low. In terms of penetration, Saudi Arabia dominates with a 35% penetration followed by UAE and Qatar. Kuwait has the lowest penetration at 13% (Table 1).

While there are 51 GOE's, they have a skewed distribution with the top 10 accounting for nearly 89% of the total (Table 2). The largest is Public Investment Fund of Saudi Arabia that enjoys a 40% share in total thanks to its 70% investment in Sabic, the largest capitalized company in the Middle East in addition to STC. This was distantly followed by Qatar Petroleum with significant holdings in Industries Qatar. While General Organisation for Social Insurance holds stakes in 29 listed Saudi companies, nearly 40% of its holdings are accounted for together by Al Rajhi Bank, Riyad Bank, and Samba Financial Group. It may be surprising to note names like Qatar Petroleum and Sabic figuring in this list. While they may be corporate, they are substantially owned by the government.

While ADIA is a well talked about GOE in the global context, their reach in the local market is mainly through Abu Dhabi Investment Council (ADIC), whose prime holding is that of National Bank of Abu Dhabi.

Public Investment Fund is the largest GOE in terms of local stock market investment.

4 of the top 10 GOE's are from Saudi Arabia

**Table 2: Top GOE's**

GOE	Country	Amount held in local market (USD mn)	Share	Cumulative Share
Public Investment Fund	Saudi Arabia	71,874	39.5%	39.5%
General Organization for Social Insurance - Saudi Arabia	Saudi Arabia	17,768	9.8%	49.3%
Emirates Investment Authority	UAE	13,381	7.4%	56.6%
Qatar Investment Authority	Qatar	11,781	6.5%	63.1%
Qatar Petroleum	Qatar	10,607	5.8%	68.9%
Saudi Basic Industries Corporation	Saudi Arabia	9,392	5.2%	74.1%
Kuwait Investment Authority	Kuwait	8,351	4.6%	78.7%
Abu Dhabi Investment Council	UAE	7,907	4.3%	83.0%
Public Pension Agency	Saudi Arabia	5,962	3.3%	86.3%
Investment Corporation of Dubai	UAE	4,990	2.7%	89.0%
<b>Total</b>		<b>162,012</b>		
<b>Grand Total</b>		<b>181,944</b>		

Source: Zawya, Markaz Research. Figures represent data as of July 5, 2010

### Saudi Arabia

The 10 GOE's in Saudi Arabia have invested in 47 listed companies accounting for 35% of market capitalization valued at \$109 billion, the highest in the GCC. With a share of 66%, Public Investment Fund is the top GOE in Saudi Arabia with its holdings spread among 14 listed companies and has 70% ownership in SABIC. Comparatively, GOSI has more exposure to the Saudi Arabian market with 29 listed companies, Al-Rajhi Bank, Riyadh Bank and Samba Financials collectively constituting 40% of its holdings.

**Table 3: GOE's Saudi Arabia**

GOE	No of companies	Amount held (USD mn)	Share
Public Investment Fund	18	71,874	65.51%
General Organization for Social Insurance - Saudi Arabia	29	17,768	16.19%
Saudi Basic Industries Corporation	3	9,392	8.56%
Public Pension Agency	17	5,962	5.43%
Saudi Arabian Oil Company	2	3,384	3.08%
Saudi Arabian Monetary Agency	1	715	0.65%
National Commercial Bank	3	322	0.29%
Gulf Investment Corporation (Kuwait)	2	249	0.23%
The Arab Investment Company	1	35	0.03%
Islamic Development Bank	1	18	0.02%
	<b>47</b>	<b>109,718</b>	

Source: Zawya, Markaz Research. Figures represent data as of July 5, 2010

SABIC appears to be the top pick company in Saudi Arabia accounting for 43% of all investments by GOE's in Saudi Stocks. STC is the runner-up choice (Table 4).

**Table 4: GOE Holdings Saudi Arabia**

Company	Holdings by GOE's	Market Cap (USD mn)	Value of Holdings (USD mn)	Share	Cumulative Share
Saudi Arabian Basic Industries Corp	70.00%	67,605	47,324	43%	43%
Saudi Telecom Company	77.00%	19,628	15,114	14%	57%
Samba Financial Group	34.30%	13,261	4,549	4%	70%
Riyad Bank	43.30%	11,001	4,763	4%	66%
Saudi Arabian Fertilizer Company	59.49%	9,051	5,384	5%	62%
Total			77,134		
<b>Grand Total</b>			<b>109,718</b>		
<b>Total Stock Market Capitalization</b>			<b>314,556</b>		
<b>Share</b>			<b>35%</b>		

Source: Zawya, Markaz Research. Figures represent data as of July 5, 2010

Sabic, STC and SFG constitute 70% of investments by GOE's in Saudi Arabia

## UAE

The 10 GOE's in UAE hold stakes in 29 listed companies aggregating to \$28 billion and accounting for 29% of the total market capitalization (Table 6). Emirates Investment Authority emerges as the top GOE accounting for 47% of the total shares valued at \$13 billion across 2 listed companies (Etisalat and Deyaar Development Company). Abu Dhabi Investment Council owns 60% of Etisalat which is also accountable for 47% of total investments by GOE's in UAE stocks. Abu Dhabi Investment Council with investment value of \$7 billion across 9 companies is a close second.

**Table 5: GOE's UAE**

GOE	No of companies	Amount held (USD mn)	Share
Emirates Investment Authority	2	13,381	47.36%
Abu Dhabi Investment Council	9	7,907	27.99%
Investment Corporation of Dubai	6	4,990	17.66%
Mubadala Development Company	5	908	3.21%
Abu Dhabi Investment Company	3	465	1.65%
General Holding Corporation	2	462	1.64%
Istithmar World	1	58	0.21%
Abu Dhabi Investment Authority	1	53	0.19%
Islamic Development Bank (Saudi Arabia)	1	21	0.07%
General Pension and Social Securities Authority	1	9	0.03%
	29	<b>28,255</b>	

Source: Zawya, Markaz Research. Figures represent data as of July5, 2010

EIA is the largest GOE in UAE with a share of 47% thanks to its 60% holding of Etisalat, followed by AIC

Etisalat has the largest share among companies in value terms totaling \$13 billion accounting for 47% of the total UAE market. This was followed by National Bank of Abu Dhabi.

**Table 6: GOE Holdings UAE**

Company	Holdings by GOE's	Market Cap (USD mn)	Value of Holdings (USD mn)	Share	Cumulative Share
Etisalat	60.00%	22,278	13,367	47%	47%
National Bank of Abu Dhabi	70.48%	7,260	5,117	18%	65%
Emirates NBD	55.64%	3,708	2,063	7%	73%
Emaar Properties	31.22%	5,308	1,657	6%	79%
Abu Dhabi Commercial Bank	65%	2,095	1,359	5%	83%
<b>Grand Total</b>			<b>28,255</b>		
<b>Total Market Cap</b>			<b>97,247</b>		
<b>GOE Share</b>			<b>29%</b>		

Source: Zawya, Markaz Research. Figures represent data as of July5, 2010

Etisalat has the largest share among companies in value terms in UAE

## Qatar

The 8 GOE's in Qatar hold stakes in 18 listed companies valued at \$26 billion and account for 27% of total market capitalization. Qatar Investment Authority is the top choice of the GOE's valued at \$11 billion, holding 55% of Qatar Telecom. It is closely followed by Qatar Petroleum with investments in 3 listed companies amounting to \$10 billion. Qatar Petroleum owns 70% of Industries Qatar which is accountable for 39% of its total investments in companies.

GOE	No of companies	Amount held (USD mn)	Share
Qatar Investment Authority	8	11,781	45.31%
Qatar Petroleum	3	10,607	40.79%
Government of Qatar	1	1,177	4.53%
Qatar Diar Real Estate Investment Company	3	1,702	6.55%
Qatar Holding	3	353	1.36%
General Retirement and Pension Authority - Qatar	4	327	1.26%
Ministry of Finance - Qatar	1	52	0.20%
Qatar Development Bank	1	3	0.01%
	18	<b>26,001</b>	

Qatar Investment Authority and Qatar Petroleum hold the dominant position among GOE's in Qatar

Industries Qatar is the top pick of the GOE's in the Qatar stock market and accounts for 39% of all investments valued at \$10 billion. This is distantly followed by Qatar National Bank.

Industries Qatar leads the investment level by GOE's

**Table 8: GOE Holdings Qatar**

Company	Holdings by GOE's	Market Cap (USD mn)	Value of Holdings (USD mn)	Share	Cumulative Share
Industries Qatar	70.00%	14,517	10,162	39%	39%
Qatar National Bank	50.00%	14,428	7,214	28%	67%
Qatar Telecom	55.00%	6,679	3,673	14%	81%
Qatar Electricity and Water Company	42.00%	2,801	1,177	5%	85%
Barwa Real Estate Company	45.00%	3,046	1,371	5%	91%
Masraf Al Rayan	20.48%	2,904	595	2%	93%
Al Khalij Commercial Bank	22.24%	1,602	356	1%	94%
<b>Total</b>			<b>26,001</b>		
<b>Total Market Capitalization</b>			<b>97,746</b>		
<b>GOE Share</b>			<b>27%</b>		

Source: Zawya, Markaz Research. Figures represent data as of July 5, 2010

### Kuwait

The 10 GOE's investment in 42 listed companies in the Kuwait stock market amounts to \$11 billion and is the least market penetration at 13% in the GCC. Holding 71% of the total shares, Kuwait Investment Authority has invested in 9 listed companies amounting to \$8 billion. KIA's investment in Mobile Telecommunications Company (Zain Group) and Kuwait Finance House collectively account for 75% of its total investments. The Public Institution for Social Security has the highest reach in terms of the number of companies invested (23); its investments in Al Ahli Bank of Kuwait, Ahli United Bank and Agility together account for 55% of its investments.

Kuwait Investment Authority is the largest GOE in Kuwait in terms of local stock market investment. It has investments in 9 listed companies

**Table 9: GOE's Kuwait**

GOE	No of companies	Amount held (USD mn)	Share
Kuwait Investment Authority	9	8,351	71.28%
Public Institution for Social Security	23	1,224	10.45%
Public Authority for Minors Affairs	4	940	8.02%
Kuwait Awqaf Public Foundation	5	715	6.10%
Government Debt Settlement Office	1	246	2.10%
Kuwait Petroleum Corporation	2	165	1.41%
Islamic Development Bank (Saudi Arabia)	1	28	0.24%
Wafra International Investment Company	2	24	0.21%
Gulf Investment Corporation	1	16	0.14%
Industrial Bank of Kuwait	1	6	0.05%
	<b>42</b>	<b>11,717</b>	

Source: Zawya, Markaz Research. Figures represent data as of July 5, 2010

Mobile Telecommunications Company (Zain) is the top pick of the GOE's valued at \$4 billion accounting for 36% of the GOE's holding in Kuwait. This was closely followed by Kuwait Finance House with 31% share.

Zain is the largest company in terms of investment value followed by Kuwait Finance House

**Table 10: GOE Holdings Kuwait**

Company	Holdings by GOE's	Market Cap (USD mn)	Value of Holdings (USD mn)	Share	Cumulative Share
Mobile Telecommunications Company (Zain)	24.61%	17,366	4,274	36%	36%
Kuwait Finance House	42.77%	8,400	3,592	31%	67%
National Mobile Telecommunications Company	23.54%	3,262	768	7%	74%
Gulf Bank	16.08%	3,669	590	5%	79%
Al Ahli Bank of Kuwait	19.17%	2,580	495	4%	86%
Kuwait Cement Company	29.36%	1,338	393	3%	82%
Agility	19.00%	1,297	246	2%	88%
Ahli United Bank	10.94%	1,921	210	2%	90%
Kuwait Investment Company	76.19%	184	140	1%	91%
Livestock Transport and Trading Company	51.55%	246	127	1%	92%
<b>Total</b>			<b>11,717</b>		
<b>Total Market Cap</b>			<b>90,871</b>		
<b>GOE Share</b>			<b>13%</b>		

Source: Zawya, Markaz Research. Figures represent data as of July 5, 2010

### Oman

The 14 GOE's in Oman hold stake in 23 listed stocks and have invested \$2.7 billion (or 16% of total market cap). Ministry of Finance is the top GOE's in Oman accounting for 62% of total investments valued at \$1.6 billion. It has 70% holding of Oman Telecommunication valued at \$1.5 billion. In terms of reach, Public Authority of Social Insurance has invested in 5 listed companies. Oman Telecommunication Company is the top pick company that accounts for 58% of all investments in Oman aggregating to \$2 billion. This was followed by Bank Dhofar.

**Table 11: GOE's Oman**

GOE	No of companies	Amount held (USD mn)	Share
Ministry of Finance - Oman	4	1,682	61.51%
Civil Service Employees Pension Fund	4	230	8.41%
Public Authority for Social Insurance	5	185	6.78%
Ministry of Commerce and Industry - Oman	1	183	6.68%
Abu Dhabi Fund for Development (UAE)	1	101	3.70%
Islamic Development Bank (Saudi Arabia)	1	83	3.03%
Diwan of Royal Court	2	81	2.97%
Oman Oil Company	1	76	2.77%
Gulf Investment Corporation (Kuwait)	4	34	1.24%
Royal Oman Police Pension Fund	1	26	0.96%
Electricity Holding Company	1	24	0.87%
National Investment Funds Company	2	17	0.61%
The Arab Investment Company (Saudi Arabia)	1	11	0.40%
Oman Development Bank	2	2	0.07%
<b>23</b>		<b>2,735</b>	

Source: Zawya, Markaz Research. Figures represent data as of July5, 2010

**Table 12: GOE Holdings Oman**

Company	Holdings by GOE's	Market Cap (USD mn)	Value of Holdings (USD mn)	Share	Cumulative Share
Oman Telecommunication Company	70.00%	2,264	1,585	58%	58%
Bank Dhofar	18.46%	1,312	242	9%	67%
Raysut Cement Company	26%	707	184	7%	74%
Oman Cement Company	30.43%	601	183	7%	80%
National Bank of Oman	15.11%	908	137	5%	85%
<b>Total</b>			<b>5,998</b>		
<b>Total Market Cap</b>			<b>16,737</b>		
<b>Share</b>			<b>16%</b>		

Source: Zawya, Markaz Research. Figures represent data as of July5, 2010

### Bahrain

The 9 GOE's in Bahrain reach 20 listed companies valued at \$3.5 billion and account for 23% of total market capitalization. With 43% of total investments, Bahrain Mumtalakat Holding Company holds stakes in 5 listed companies valued at \$1 billion. This was followed by The Pension Fund Commission that has invested in 11 listed companies. PISS and GIC of Kuwait has 19% holding in Ahli United Bank and 8% holding in Securities and Investment Company respectively whereas Ministry of Finance and Real Estate Bank of UAE collectively account for 19% of Arab Insurance Group.

**Table 13: GOE Holdings Bahrain**

GOE	No of companies	Amount held (USD mn)	Share
Bahrain Mumtalakat Holding Company	5	1,497	42.55%
The Pension Fund Commission	11	686	19.49%
Public Institution for Social Security (Kuwait)	1	554	15.74%
General Organisation for Social Insurance - Bahrain	5	538	15.29%
The Arab Investment Company (Saudi Arabia)	1	146	4.14%
Islamic Development Bank (Saudi Arabia)	2	48	1.37%
Gulf Investment Corporation (Kuwait)	1	28	0.80%
Ministry of Finance - UAE	1	16	0.46%
Real Estate Bank - UAE	1	6	0.17%
	<b>20</b>	<b>3,518</b>	

Source: Zawya, Markaz Research. Figures represent data as of July 5, 2010

Batelco, the telecom major of Bahrain is held by 2 GOE's to the tune of 55% making it the largest company in value terms.



**Table 14: GOE Holdings Bahrain**

Company	Holdings by GOE's	Market Cap (USD mn)	Value of Holdings (USD mn)	Share	Cumulative Share
Bahrain Telecommunications Company BSC	54.75%	3,209	1,757	35%	35%
Ahli United Bank B.S.C	30.35%	5,087	1,544	31%	65%
National Bank of Bahrain BSC	49.00%	1,693	830	16%	82%
BBK B.S.C.	45.53%	1,348	614	12%	94%
Bahrain Commercial Facilities Co. BSC	38.18%	250	95	2%	96%
<b>Total</b>			<b>3,518</b>		
<b>Total Market Cap</b>			<b>16,386</b>		
<b>Share</b>			<b>21%</b>		

Source: Zawya, Markaz Research

Figures represent data as of July 5, 2010

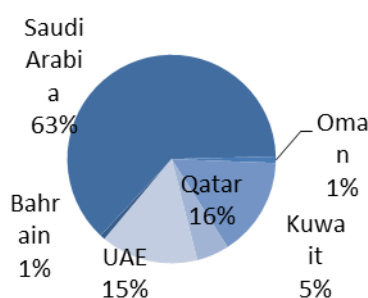
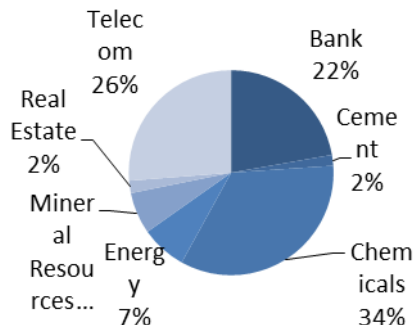
Top 25 companies held by GOE's account for 85% of universe

## 2. The Golden Portfolio

The 1 GOE's hold stake in 179 GCC listed companies with market value \$182 billion accounting for 29% of total market capitalization. However, the top 25 companies account for 85% of the total GOE investments in the GCC market. When looked at this group of 25 companies, they sound like a who's who of GCC stock market. Hence, we chose to call this the "Golden Portfolio" (Appendix 1). Bulk of this portfolio is weighted towards Saudi Arabia and Qatar collectively accounting for 78% share in the GCC market (Figure 1). However, the portfolio appears more balanced from a sector perspective (Figure 2); Banks, Chemicals, and Telecom share the top spots.

Sabir obviously takes a lion's share in the portfolio due to its large market capitalization as well as the relatively large government holding (70%) in it so much so that it accounts for 31% of the golden portfolio. This is followed by Saudi Telecom Company (KSA) and Etisalat (UAE). Kuwait is represented in the portfolio only by two companies (Zain and KFH), while Qatar has a significant presence (4 companies) relative to its market capitalization. As a group, the golden portfolio outperformed the MSCI GCC Index albeit marginally.

GOE portfolio has managed to perform on par with the index with only a few holdings

**Figure 1: Golden Portfolio –**
**Country Allocation**

**Figure 2: Golden Portfolio**
**Sector Allocation**


Source: Zawya, Markaz Research. Figures represent data as of July 5, 2010

**Table 15: Performance of The Golden Portfolio**

	2006	2007	2008	2009	2010
<b>GCC GOE Portfolio</b>	\$1	\$0.77	\$0.99	\$0.57	\$0.63
MSCI GCC Index	\$1	\$0.83	\$1.06	\$0.59	\$0.60

Source: Zawya, Markaz Research. Figures represent data as of July5, 2010

## Appendix 1: The Golden Portfolio

	Company	Country	Sector	No. of GOE's	% held by GOE	Market Cap (USD M)	Total Holding (USD m)	Share	Cumulative Share
1	Saudi Arabian Basic Industries Corporation	Saudi Arabia	Chemicals	1	70%	67,605	47,324	31%	31%
2	Saudi Telecom Company	Saudi Arabia	Telecom	3	84%	19,628	16,409	11%	41%
3	Etisalat	UAE	Telecom	1	60%	22,278	13,367	9%	50%
4	Industries Qatar	Qatar	Mineral Resources	1	70%	14,517	10,162	7%	56%
5	Qatar National Bank	Qatar	Banks	1	50%	14,428	7,214	5%	61%
6	Samba Financial Group	Saudi Arabia	Banks	3	49%	13,261	6,538	4%	65%
7	Riyad Bank	Saudi Arabia	Banks	3	50%	11,001	5,478	4%	69%
8	Saudi Arabian Fertilizer Company	Saudi Arabia	Chemicals	2	59%	9,051	5,384	3%	72%
9	National Bank of Abu Dhabi	UAE	Banks	1	70%	7,260	5,117	3%	76%
10	Mobile Telecommunications Company (Zain)	Kuwait	Telecom	1	25%	17,366	4,274	3%	78%
11	Qatar Telecom	Qatar	Telecom	1	55%	6,679	3,673	2%	81%
12	Kuwait Finance House	Kuwait	Banks	3	43%	8,400	3,592	2%	83%
13	Yanbu National Petrochemical Company	Saudi Arabia	Energy	2	60%	5,941	3,576	2%	85%
14	Al Rajhi Bank	Saudi Arabia	Banks	1	10%	29,902	2,960	2%	87%
15	Saudi Arabian Mining Company	Saudi Arabia	Energy	3	64%	4,194	2,671	2%	89%
16	Saudi Kayan Petrochemical Company	Saudi Arabia	Energy	1	35%	7,061	2,471	2%	91%
17	Rabigh Refining and Petrochemical Company	Saudi Arabia	Energy	1	38%	6,448	2,418	2%	92%
18	Emirates NBD	UAE	Banks	1	56%	3,708	2,063	1%	94%
19	Emaar Properties	UAE	Real Estate	1	31%	5,308	1,657	1%	95%
20	Oman Telecommunication Company	Oman	Telecom	1	70%	2,264	1,585	1%	96%
21	Barwa Real Estate Company	Qatar	Real Estate	1	45%	3,046	1,371	1%	97%
22	Abu Dhabi Commercial Bank	UAE	Banks	1	65%	2,095	1,359	1%	97%
23	Southern Province Cement Company	Saudi Arabia	Cement	2	52%	2,558	1,322	1%	98%
24	Alinma Bank	Saudi Arabia	Cement	3	30%	4,360	1,308	1%	99%
25	Bahrain Telecommunications Company	Bahrain	Telecom	2	58%	2,160	1,246	1%	100%
Total						<b>154,540</b>			

Source: Zawya, Markaz Research

Figures represent as of July 5, 2010

## Appendix 2: Government Owned Entities

GOE	Country	No. of Companies	Amount held in local market (USD m)	Share	Cumulative Share
1 Public Investment Fund	Saudi Arabia	18	71,874	39.504%	39.5%
2 General Organization for Social Insurance - Saudi Arabia	Saudi Arabia	29	17,768	9.766%	49.3%
3 Emirates Investment Authority	UAE	2	13,381	7.354%	56.6%
4 Qatar Investment Authority	Qatar	8	11,781	6.475%	63.1%
5 Qatar Petroleum	Qatar	3	10,607	5.830%	68.9%
6 Saudi Basic Industries Corporation	Saudi Arabia	3	9,392	5.162%	74.1%
7 Kuwait Investment Authority	Kuwait	9	8,351	4.590%	78.7%
8 Abu Dhabi Investment Council	UAE	9	7,907	4.346%	83.0%
9 Public Pension Agency	Saudi Arabia	17	5,962	3.277%	86.3%
10 Investment Corporation of Dubai	UAE	6	4,990	2.742%	89.0%
11 Saudi Arabian Oil Company	Saudi Arabia	2	3,384	1.860%	90.9%
12 Public Institution for Social Security	Kuwait	24	1,778	0.977%	91.9%
13 Qatar Diar Real Estate Investment Company	Qatar	3	1,702	0.935%	92.8%
14 Ministry of Finance - Oman	Oman	4	1,682	0.924%	93.7%
15 Bahrain Mumtalakat Holding Company	Bahrain	5	1,497	0.823%	94.6%
16 Government of Qatar	Qatar	1	1,177	0.647%	95.2%
17 Public Authority for Minors Affairs	Kuwait	4	940	0.517%	95.7%
18 Mubadala Development Company	UAE	5	908	0.499%	96.2%
19 Saudi Arabian Monetary Agency	Saudi Arabia	1	715	0.393%	96.6%
20 Kuwait Awqaf Public Foundation	Kuwait	5	715	0.393%	97.0%
21 The Pension Fund Commission	Bahrain	11	686	0.377%	97.4%
22 General Organisation for Social Insurance - Bahrain	Bahrain	5	538	0.296%	97.7%
23 Abu Dhabi Investment Company	UAE	3	465	0.256%	97.9%
24 General Holding Corporation	UAE	2	462	0.254%	98.2%
25 Qatar Holding	Qatar	3	353	0.194%	98.4%
26 General Retirement and Pension Authority - Qatar	Qatar	4	327	0.180%	98.6%
27 Gulf Investment Corporation	Kuwait	8	327	0.180%	98.7%
28 National Commercial Bank	Saudi Arabia	3	322	0.177%	98.9%
29 Government Debt Settlement Office	Kuwait	1	246	0.135%	99.1%
30 Civil Service Employees Pension Fund	Oman	4	230	0.126%	99.2%
31 Islamic Development Bank	Saudi Arabia	6	198	0.109%	99.3%
32 The Arab Investment Company	Saudi Arabia	3	191	0.105%	99.4%
33 Public Authority for Social Insurance	Oman	5	185	0.102%	99.5%
34 Ministry of Commerce and Industry - Oman	Oman	1	183	0.100%	99.6%
35 Kuwait Petroleum Corporation	Kuwait	2	165	0.091%	99.7%
36 Abu Dhabi Fund for Development (UAE)	Oman	1	101	0.056%	99.8%
37 Diwan of Royal Court	Oman	2	81	0.045%	99.8%
38 Oman Oil Company	Oman	1	76	0.042%	99.8%

39	Istithmar World	UAE	1	58	0.032%	99.9%
40	Abu Dhabi Investment Authority	UAE	1	53	0.029%	99.9%
41	Ministry of Finance - Qatar	Qatar	1	52	0.029%	99.9%
42	Royal Oman Police Pension Fund	Oman	1	26	0.014%	99.9%
43	Wafra International Investment Company	Kuwait	2	24	0.013%	100.0%
44	Electricity Holding Company	Oman	1	24	0.013%	100.0%
45	National Investment Funds Company	Oman	2	17	0.009%	100.0%
46	Ministry of Finance - UAE	Bahrain	1	16	0.009%	100.0%
47	General Pension and Social Securities Authority	UAE	1	9	0.005%	100.0%
48	Industrial Bank of Kuwait	Kuwait	1	6	0.003%	100.0%
49	Real Estate Bank - UAE	Bahrain	1	6	0.003%	100.0%
50	Qatar Development Bank	Qatar	1	3	0.002%	100.0%
51	Oman Development Bank	Oman	2	2	0.001%	100.0%

Total

**181,944**

Source: Markaz Research

Figures represent as of July 5, 2010

**Disclaimer**

This report has been prepared and issued by Kuwait Financial Centre S.A.K (Markaz), which is regulated by the Central Bank of Kuwait. The report is intended to be circulated for general information only and should not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy in any jurisdiction.

The information and statistical data herein have been obtained from sources we believe to be reliable but no representation or warranty, expressed or implied, is made that such information and data is accurate or complete, and therefore should not be relied upon as such. Opinions, estimates and projections in this report constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinion of Markaz and are subject to change without notice. Markaz has no obligation to update, modify or amend this report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate, or if research on the subject company is withdrawn.

This report does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors are urged to seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report and to understand that statements regarding future prospects may not be realized. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Investors should be able and willing to accept a total or partial loss of their investment. Accordingly, investors may receive back less than originally invested. Past performance is historical and is not necessarily indicative of future performance.

Kuwait Financial Centre S.A.K (Markaz) does and seeks to do business, including investment banking deals, with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report.

## Markaz Research Offerings

### Strategic Research

The New Regulations on Kuwait Investment Sector (Jun-10)  
 Persistence in Performance (Jun-10)  
 Kuwait Capital Market Law (Mar-10)  
 What to expect in 2010 (Jan-10)  
 GCC Banks - Done with Provisions? (Jan-10)  
 What is left for 2009? (Sept-09)  
 Kuwait Investment Sector (Jun-09)  
 Missing The Rally (Jun-09)  
 Shelter in a Storm (Mar-09)  
 Diworsification: The GCC Oil Stranglehold (Jan-09)  
 This Too Shall Pass ( Jan-09)  
 Fishing in Troubled Waters(Dec-08)  
 Down and Out: Saudi Stock Outlook (Oct-08)  
 Mr. GCC Market-Manic Depressive (Sept-08)  
 Global Investment Themes (June-08)  
 To Yield or Not To Yield (May-08)  
 The Golden Portfolio (Apr-08)  
 Banking Sweet spots (Apr-08)  
 The "Vicious Square" Monetary Policy options for Kuwait (Feb-08)  
 China and India: Too Much Too Fast (Oct-07)  
 A Potential USD 140b Industry: Review of Asset Management Industry in Kuwait (Sep-07)  
 A Gulf Emerging Portfolio: And Why Not? (Jun-07)  
 To Leap or To Lag: Choices before GCC Regulators (Apr-07)  
 Derivatives Market in GCC (Mar-07)  
 Managing GCC Volatility (Feb-07)  
 GCC for Fundamentalists (Dec-06)  
 GCC Leverage Risk (Nov-06)

### Periodic Research

#### Daily

Markaz Daily Morning Brief  
 Markaz Kuwait Watch  
 Daily Fixed Income Update

#### Weekly

KSE Market Weekly Review  
 International Market Update  
 Real Estate Market Commentary

#### Monthly

Mena Mergers & Acquisitions  
 Option Market Activity  
 GCC Quants  
 Market Review  
 GCC Corporate Earnings

#### Quarterly

GCC Equity Funds  
 Thought Speaks  
 Equity Research Statistics

### Sector Research

#### Infrastructure

GCC Power  
 GCC Ports  
 GCC Water  
 GCC Airports  
 GCC Roads & Railways  
 GCC ICT

#### Real Estate – Market Outlook

- Dubai Real Estate - Trends and Outlook(Apr-10)
- Egypt Real Estate - Trends and Outlook(Feb-10)
- Kuwait Real Estate Outlook(Dec-09)
- Abu Dhabi Residential (Nov-09)
- Office Investment in KSA (Jul-09)
- Saudi Arabia – Residential Real Estate Outlook (Jun-09)
- Saudi Arabia (Sep-08)
- Abu Dhabi (July-08)
- Algeria (Mar-08)
- Jordan (Mar-08)
- Kuwait (Feb-08)
- Lebanon (Dec-07)
- Qatar (Sep-07)
- Saudi Arabia (Jul-07)
- U.S.A. (May-07)
- Syria (Apr-07)

#### Real Estate Strategic Research

- GCC Distressed Real Estate Opportunities (Sep-09)
- GCC Real Estate Financing (Sept-09)
- Real Estate Earnings -2009 (May-09)
- Supply Adjustments Are we done? (Apr-09)
- Dubai Real Estate Meltdown (Feb-09)

## Markaz Research Offerings

Company Research				
Saudi Arabia	Kuwait (For Internal Use Only)	UAE	Qatar	Oman
<ul style="list-style-type: none"> <li>Jabal Omar Development (Jul-10)</li> <li>Arabian Cement Co (Jul-10)</li> <li>Yanbu Cement Co. (Jun-10)</li> <li>Saudi Telecom Co. (Jun-10)</li> <li>Emaar Economic City (Jun-10)</li> <li>Qassim Cement Company (Jun-10)</li> <li>Savola Group (May-10)</li> <li>Alinma Bank (May-10)</li> <li>Jarir Marketing (May-10)</li> <li>Bank Al Bilad (May-10)</li> <li>Bank Al Jazira (Apr-10)</li> <li>Makkah Construction (Apr-10)</li> <li>Saudi Cement Company (Apr-10)</li> <li>Southern Province Cement Co (Mar-10)</li> <li>Saudi Electricity Company (Feb-10)</li> <li>Saudi Arabian Mining Co (Feb-10)</li> <li>Yamama Saudi Cement (Feb-10)</li> <li>Ethad Etisalat (Feb-10)</li> <li>Al Marai Company (Dec-09)</li> <li>Arab National Bank (Oct-09)</li> <li>SAFCO (Oct-09)</li> <li>Al Rajhi Bank (Aug-09)</li> <li>Riyad Bank (Jul-09)</li> <li>Sabic (Mar-09)</li> <li>Samba Financial Group (Feb-09)</li> <li>Saudi Investment Bank (Jan-09)</li> <li>Kingdom Holding Co (Dec-08)</li> <li>Saudi Kayan Petro Co. (Aug-08)</li> <li>Banque Saudi Fransi (Jun-08)</li> </ul>	<ul style="list-style-type: none"> <li>Qurain Petrochem. Ind. (Aug-10)</li> <li>Wataniya (Jul-10)</li> <li>Boubyan Bank (June-10)</li> <li>Agility (June-10)</li> <li>Gulf Bank of Kuwait (May -10)</li> <li>National Bank of Kuwait (Mar-10)</li> <li>Al Deera Holding (Aug-09)</li> <li>Kuwait Finance House (Apr-09)</li> <li>Kuwait Financial Centre (Dec-08)</li> <li>Commercial Bank of Kuwait (Oct-08)</li> <li>National Industries Group (Sept-08)</li> <li>Zain (Sept-08)</li> <li>Global Investment House (Sept-08)</li> <li>Kipco (Sept-08)</li> <li>The Investment Dar (Sept-08)</li> <li>Burgan Bank (Sept-08)</li> <li>Automated Systems Co (Aug-08)</li> <li>Al Safat Investment Co (July-08)</li> </ul>	<ul style="list-style-type: none"> <li>FGB (Aug-10)</li> <li>Etisalat (Aug-10)</li> <li>Dubai Financial Market (Sept-09)</li> <li>ADCB (Jun-09)</li> <li>DP World (Jun-09)</li> <li>NBAD (Feb-09)</li> <li>Sorouh Real Estate (Feb-09)</li> <li>Aldar Properties (Feb-09)</li> <li>Gulf Cement Company (Jan-09)</li> <li>Abu Dhabi National Hotels (Dec-08)</li> <li>Dubai Investments (Dec-08)</li> <li>Arabtec Holding (Dec-08)</li> <li>Air Arabia (Nov-08)</li> <li>Union Properties (Nov-08)</li> <li>Dubai Islamic bank (Oct-08)</li> <li>Union National Bank (Aug-08)</li> <li>Emaar Properties (July-08)</li> <li>Dana Gas (July-08)</li> </ul>	<ul style="list-style-type: none"> <li>Masraf Al-Rayan (Jun-10)</li> <li>Commercial Bank of Qatar (Mar-10)</li> <li>Qatar Telecom (Jun-09)</li> <li>Industries Qatar (Apr-09)</li> <li>Qatar National Bank (Feb-09)</li> <li>United Development Co. (Feb-09)</li> <li>Qatar Fuel Co. (Dec-08)</li> <li>Qatar Shipping Co (Dec-08)</li> <li>Barwa Real Estate Co. (Nov-08)</li> <li>Qatar Int'l Islamic bank (Nov-08)</li> <li>Qatar Insurance Co. (Nov-08)</li> <li>Qatar Gas Transport Co. (Oct-08)</li> <li>Doha Bank (Aug-08)</li> <li>QEWG (July-08)</li> <li>QISB (July-08)</li> </ul>	<ul style="list-style-type: none"> <li>Shell Oman Marketing (Apr-10)</li> <li>Galfar Engineering &amp; Cont. (Nov-08)</li> <li>Oman Telecommunications (Sept-08)</li> <li>Bank Muscat (Sept-08)</li> <li>Oman cement (Sept-08)</li> <li>Raysut Cement Company (Aug-08)</li> <li>National Bank of Oman (Aug-08)</li> <li>OIB (July-08)</li> </ul> <p><b>Jordan</b></p> <ul style="list-style-type: none"> <li>Arab Bank (Sept-08)</li> <li>Cairo Amman Bank (Oct-08)</li> </ul> <p><b>Morocco</b></p> <ul style="list-style-type: none"> <li>Maroc Telecom (Mar-10)</li> </ul> <p><b>Egypt</b></p> <ul style="list-style-type: none"> <li>Sidi Kerir Petrochemicals (Jul-10)</li> <li>Egypt Kuwait Holding (Mar-10)</li> <li>Commercial Int'l Bank (Oct-08)</li> <li>Orascom Telecom (Sep-08)</li> <li>Mobinil (Sep-08)</li> <li>Telecom Egypt (Aug-08)</li> <li>EFG-Hermes (Jun-08)</li> </ul>

Markaz Research is available on: Bloomberg Type "MRKZ" <GO>, Thomson Financial, Reuters Knowledge, Zawya Investor & Nooz.

To obtain a print copy, kindly contact:

Kuwait Financial Centre "Markaz"

Media and Communications Department

Tel: +965 2224 8000 Ext. 1814

Fax: +965 2249 8740

Postal Address: P.O. Box 23444, Safat, 13095, State of Kuwait

Email: [info@markaz.com](mailto:info@markaz.com)

[markaz.com/research](http://markaz.com/research)

Markaz Company Research Coverage			
	MSCI Arabian Markets Conventional	MSCI Arabian Markets Islamic	Local Index
Saudi Arabia	60%	64%	78%
Kuwait	83%	92%	56%
Qatar	92%	90%	95%
UAE	79%	25%	58%
Bahrain	79%	100%	21%
Oman	63%	100%	50%
Egypt	62%	100%	45%
Jordan	39%	0%	32%
Morocco	50%	70%	24%
<b>MENA</b>	<b>79%</b>	<b>93%</b>	<b>63%</b>