Section 6

MONETARY SECTOR

Table (24) : Developments in Main Monetary Aggregates
(October 2019)

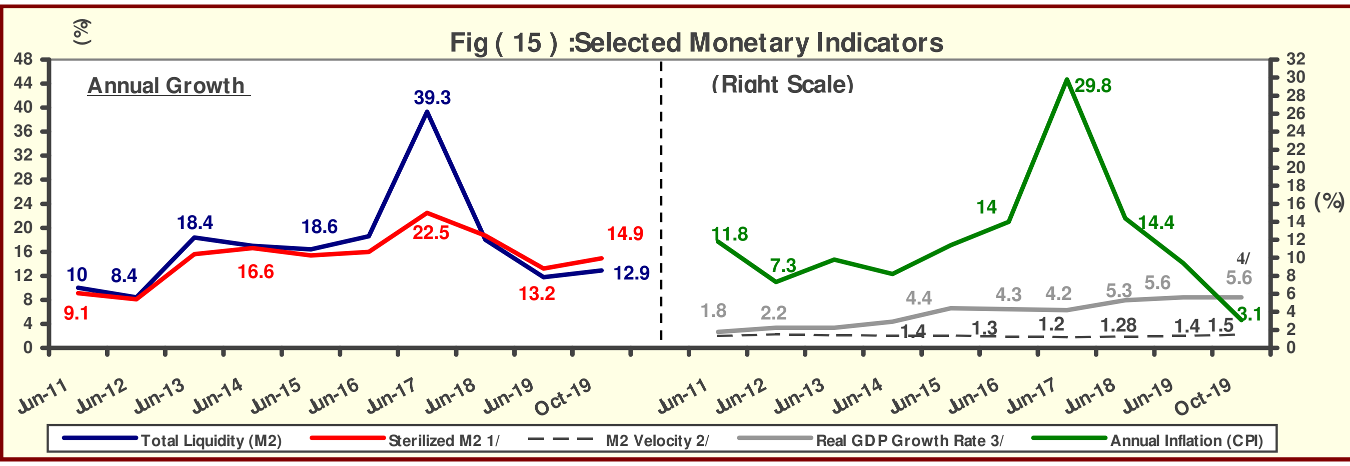
	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change 1/
Net Foreign Assets (LE terms)	**-4.0%**	**13.5%**	**27.5%**	**1.4%**
CBE NFA	-0.4%	6.4%	-9.7%	10.3%
CBE NIR	-0.8%	-0.3%	-5.4%	23.3%
Banks NFA 2/	-15.3%	63.0%	-244.7%	62.7%
Net Foreign Assets (US dollar terms)	**-3.0%**	**15.9%**	**36.9%**	**6.6%**
CBE NFA	0.7%	8.6%	-3.1%	13.6%
CBE NIR	0.2%	1.8%	1.5%	23.3%
Banks NFA 2/	-14.4%	66.4%	-4.6%	3.6%
Net Domestic Assets	**0.8%**	**2.6%**	**10.5%**	**13.6%**
Net Claims on Government and GASC	0.4%	6.8%	10.2%	13.3%
Claims on Public Companies	-1.0%	-2.5%	-2.3%	2.0%
Claims on Private Sector	0.6%	1.9%	13.6%	13.9%
Total Liquidity (M2)	**0.3%**	**3.5%**	**11.8%**	**12.2%**
Money (M1)	-0.1%	4.1%	12.9%	13.2%
Quasi Money	0.5%	3.3%	11.4%	11.9%

Source: Central Bank of Egypt.

1/ Average year on year growth for twelve successive observations.

2/ Commercial, specialized, business and investment banks.

Fig (15) :Selected Monetary Indicators



Source: Central Bank of Egypt.

1/ This concept neutralizes the impact of exchange rate movements on M2 by applying previous year's prevailing exchange rate to current period foreign currency component in total liquidity.

2/ GDP actuals for FY18/19 has been revised to reach LE 5322.3 billion instead of LE 5250.9 billion. Meanwhile GDP for FY19/20 is projected to reach LE 6162.6 billion as per the Ministry of Finance Calculations

3/ Real Growth of GDP at market prices.

4/ Reflects Real GDP growth for July-Sep 19/20

Table (25) : Monetary Survey
Assets and Liabilities of The Banking Sector
(October 2019)

(LE Million)

	Oct-14	Oct-15	Oct-16	Oct-17	Oct-18	Jul-19	Aug-19	Sep-19	Oct-19
Net Foreign Assets 1/	111,643	7,461	(121,937)	189,180	187,905	346,380	336,530	356,658	342,402
	-(8.5)	-(93.3)	-(1734.3)	(255.1)	-(0.7)	(22.7)	(27.5)	(64.4)	(82.2)
Central bank (Net)	43,092	(4,009)	(59,468)	109,993	287,187	271,927	276,107	269,954	268,994
Foreign Assets	117,908	126,278	163,318	633,722	784,129	738,676	740,162	729,056	725,024
Foreign Liabilities	74,816	130,287	222,786	523,729	496,942	466,749	464,055	459,102	456,030
Banks (Net)	68,551	11,470	(62,469)	79,187	(99,282)	74,453	60,423	86,704	73,408
Foreign Assets	106,029	82,155	79,387	369,751	219,316	333,304	319,593	343,718	308,397
Foreign Liabilities	37,478	70,685	141,856	290,564	318,598	258,851	259,170	257,014	234,989
Net Domestic Assets of which:	1,448,684	1,860,713	2,320,133	2,898,872	3,375,471	3,535,839	3,592,943	3,653,723	3,681,614
	(18.1)	(28.4)	(24.7)	(24.9)	(16.4)	(11.1)	(10.5)	(9.6)	(9.1)
Net Claims on Government, and GASC 2/	1,057,611	1,402,879	1,787,469	2,036,286	2,412,573	2,492,256	2,556,575	2,601,257	2,612,684
National Currency	1,044,687	1,342,283	1,618,108	1,488,361	1,761,846	1,919,326	1,986,727	2,035,887	2,045,524
Foreign Currency	12,924	60,596	169,361	547,925	650,727	572,930	569,848	565,370	567,160
Claims on Public Business Sector	55,747	76,059	95,954	150,321	165,380	160,246	160,145	160,618	158,968
National Currency	41,965	52,795	68,298	100,865	121,844	125,174	125,627	126,407	125,008
Foreign Currency	13,782	23,264	27,656	49,456	43,536	35,072	34,518	34,211	33,960
Claims on Private Sector 2/	`	638,328	736,252	987,181	1,112,611	1,221,063	1,232,447	1,249,978	1,256,934
National Currency	416,350	466,557	563,283	697,013	832,182	983,525	991,735	1,012,614	1,020,020
Foreign Currency	133,390	171,771	172,969	290,168	280,429	237,538	240,712	237,364	236,914
Other Items (net) 1/ 2/	(214,414)	(256,553)	(299,542)	(274,916)	(315,093)	(337,726)	(356,224)	(358,130)	(346,972)
Total Liquidity (M2)	1,560,327	1,868,174	2,198,196	3,088,052	3,563,376	3,884,907	3,929,472	4,010,381	4,024,016
	(15.7)	(19.7)	(17.7)	(40.5)	(15.4)	(12.1)	(11.8)	(13.0)	(12.9)
Money (M1) 3/	431,396	519,344	613,309	724,799	829,155	925,185	946,749	954,730	953,456
	(16.9)	(20.4)	(18.1)	(18.2)	(14.4)	(13.6)	(12.9)	(13.6)	(15.0)
Currency in Circulation	277,725	308,321	373,333	408,915	440,710	490,233	502,064	499,340	501,715
Demand Deposits in Local Currency	153,671	211,023	239,976	315,884	388,445	434,952	444,685	455,390	451,741
Quasi Money	1,128,931	1,348,830	1,584,887	2,363,253	2,734,221	2,959,722	2,982,723	3,055,651	3,070,560
	(15.3)	(19.5)	(17.5)	(49.1)	(15.7)	(11.6)	(11.4)	(12.8)	(12.3)
Local Currency Time & Savings Deposits	891,661	1,068,254	1,258,012	1,697,893	1,999,976	2,251,085	2,283,376	2,369,223	2,401,451
Foreign Currency Demand Deposits	64,367	71,245	74,815	138,293	148,400	137,376	137,993	135,899	128,845
Foreign Currency Time and Savings Deposits	172,903	209,331	252,060	527,067	585,845	571,261	561,354	550,529	540,264

Source: Central Bank of Egypt.

( ) Percent change over previous year.

* Preliminary.

1/ Includes claims on private business sector and household sector.

2/ Includes capital accounts, unclassified net assets and liabilities, net interbank debt, and credit positions.

3/ Excludes drafts and checks under collection.

Table (25) : Monetary Survey (continued)

(Memorandum Items)

(October 2019)

	Oct-14	Oct-15	Oct-16	Oct-17	Oct-18	Jul-19	Aug-19	Sep-19	Oct-19 *
Net Foreign Assets (In Million US$) 4/	15,622	943	(13,732)	10,756	10,522	20,920	20,372	21,816	21,166
Central bank NFA	6,030	(506)	(6,697)	6,254	16,081	16,423	16,714	16,513	16,628
Net International Reserves	26,092	17,402	11,357	40,533	38,347	49,110	48,464	49,899	49,355
Central Bank (Gross)	16,909	16,415	19,041	36,703	44,501	45,037	45,090	45,247	45,354
Banks (net)	9,593	1,449	(7,035)	4,502	(5,559)	4,497	3,658	5,304	4,538
Foreign assets	14,837	10,379	8,940	21,023	12,280	20,130	19,347	21,025	19,064
Foreign Liabilities	5,244	8,930	15,975	16,520	17,840	15,634	15,689	15,721	14,526
In Percent of Beginning of Money Stocks 5/									
Net Foreign Assets	-0.50%	-2.49%	-1.65%	4.39%	-3.52%	1.1%	0.8%	1.4%	1.0%
Net Domestic Assets	3.38%	8.31%	6.60%	1.43%	6.59%	11.2%	12.9%	14.6%	15.5%
Money (M1)	1.37%	1.15%	1.93%	0.60%	0.17%	2.9%	3.6%	3.8%	3.8%
Quasi Money	1.51%	4.67%	3.02%	5.23%	2.91%	9.4%	10.1%	12.2%	12.6%
Dollarization (% of Total Liquidity) 6/	0.15	0.15	0.15	0.22	0.21	18.2	17.8	17.1	16.6
M2 Multiplier	4.23	4.39	4.33	4.57	5.24	5.54	5.22	5.63	5.70
M2 Velocity	1.57	1.45	1.58	1.44	1.49	1.59	1.57	1.54	1.53
M2 (annual percentage change)	15.71	19.73	17.67	40.48	15.39	12.1	11.8	13.0	12.9
Credit to private sector (annual percentage change) 7/	0.11	0.16	0.15	0.34	0.13	13.4	13.6	13.8	13.0
Exchange Rate 8/	7.15	7.92	8.88	17.59	17.86	16.56	16.52	16.35	16.18

Source: Central Bank of Egypt.

* Preliminary.

4/ Net Foreign Assets equals Central Bank NFA plus banks (net).

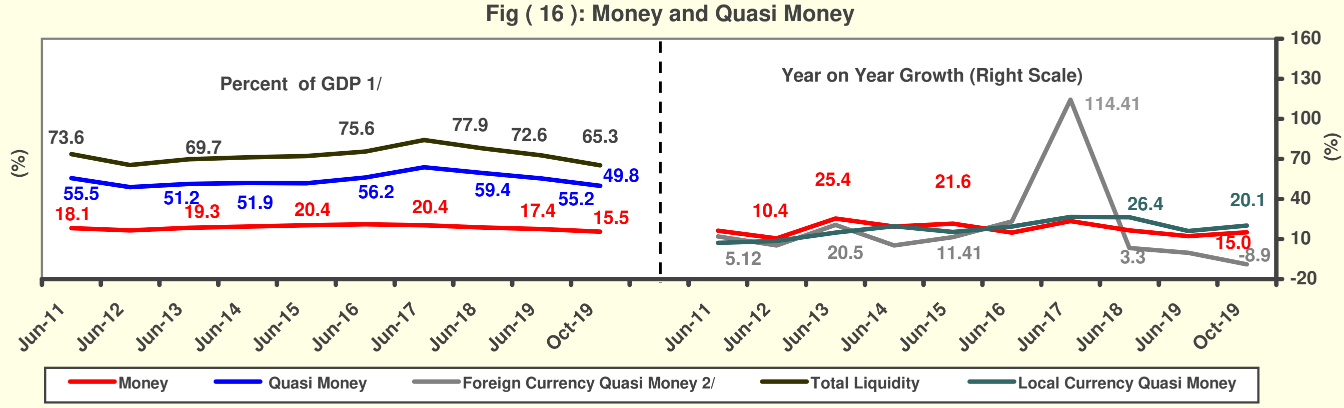
5/ Shows the annual percent change of selected aggregates in percent of total liquidity at beginning of fiscal year. This indicator is intended to show sources of money growth during th

6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity. It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

7/ Includes claims on private business sector and household sector.

8/ Starting January 2003 rates are based on buy rates only, while prior to that date rates were based on the average buy / sell rates.

Fig (16): Money and Quasi Money



Source: Central Bank of Egypt.

1/ GDP actuals for FY18/19 has been revised to reach LE 5322.3 billion instead of LE 5250.9 billion. Meanwhile GDP for FY19/20 is projected to reach LE 6162.6 billion as per the Ministry of Finance Calculations

2/ Foreign currency demand, and time and savings deposits.

Table (26) : Central Bank Reserve Money [1/]

(LE Million)

	Oct-14	Oct-15	Oct-16	Oct-17	Oct-18	Jul-19	Aug-19	Sep-19	Oct-19 *
Reserve Money	368,636	425,386	507,549	675,069	679,987	701,395	752,565	711,946	705,901
	(10.1)	(15.4)	(19.3)	(33.0)	(0.7)	-(4.6)	(6.2)	(1.0)	(3.8)
Currency in Circulation	294,086	325,495	396,109	439,364	476,126	530,629	542,590	540,447	537,638
	(7.8)	(10.7)	(21.7)	(10.9)	(8.4)	(12.1)	(10.5)	(12.3)	(12.9)
Banks LE Deposits with CBE	74,550	99,891	111,440	235,705	203,861	170,766	209,975	171,499	168,263
	(20.2)	(34.0)	(11.6)	(111.5)	-(13.5)	-(34.8)	-(3.4)	-(23.3)	-(17.5)
Counter Assets:									
Net Foreign Assets	43,092	-4,009	-59,468	109,993	287,187	271,926	276,107	269,954	268,994
	(2.3)	-(109.3)	-(1383.4)	(285.0)	(161.1)	-(10.4)	-(9.7)	-(6.6)	-(6.3)
Net Domestic Assets	325,544	429,395	567,017	565,076	392,800	429,479	476,458	441,992	436,907
	(11.3)	(31.9)	(32.1)	-(0.3)	-(30.5)	-(0.6)	(18.3)	(6.3)	(11.2)
Net Claims on Government [2/]	411,143	605,246	694,366	726,261	739,709	734,400	777,458	789,341	788,851
	(15.3)	(47.2)	(14.7)	(4.6)	(1.9)	(1.6)	(4.8)	(1.1)	(6.6)
Claims	515,510	686,774	753,387	795,877	790,836	780,656	829,150	843,883	844,822
	(15.5)	(33.2)	(9.7)	(5.6)	-(0.6)	(1.7)	(7.7)	(1.8)	(6.8)
Securities	210,330	241,830	392,330	712,720	687,974	702,595	702,479	700,970	700,291
Credit Facilities	305,180	444,944	361,057	83,157	102,862	78,061	126,671	142,913	144,531
Deposits [3/]	104,367	81,528	59,021	69,616	51,127	46,256	51,692	54,542	55,971
	(16.1)	-(21.9)	-(27.6)	(18.0)	-(26.6)	(2.3)	(82.3)	(13.0)	(9.5)
Net Claims on Banks	-10,785	3,926	83,479	174,047	182,899	188,244	174,947	170,362	169,971
Net Balancing Items [4/]	-74,814	-179,777	-210,828	-335,232	-529,808	-493,165	-475,947	-517,711	-521,915
Memorandum Items									
Reserve Money Velocity [5/, 6/]	6.63	6.37	6.84	6.57	7.83	8.79	8.19	8.66	8.73

Source: Central Bank of Egypt.

( ) Percent change over same period in previous year.

* Preliminary.

1/ Revised series due to the new accounting treatment of "Open market operations". Starting June 2003 data under the new treatment value of open market operations was excluded from banks deposits in local currency with the CBE and instead incorporated under net balancing items.

2/ Includes net claims on public economic authorities and National Investment Bank (NIB).

3/ All government deposit accounts (including public economic and services authorities) were switched, as of December 2006, to the Treasury Single Account (TSA) at the Central Bank, pursuant to the Law no. 139 of 2006.

4/ Includes net unidentified assets and liabilities and open market operations.

5/ GDP / Reserve Money (M0).

6/ GDP actuals for FY18/19 has been revised to reach LE 5322.3 billion instead of LE 5250.9 billion. Meanwhile GDP for FY19/20 is projected to reach LE 6162.6 billion as per the Ministry of Finance Calculations

Table (27) : Deposits With Banks [1/]

(LE Million)

	Oct-14	Oct-15	Oct-16	Oct-15	Oct-18	Jul-19	Aug-19	Sep-19	Oct-19 *
Total Deposits	1,496,015	1,872,685	2,224,158	1,872,685	3,696,506	3,997,783	4,026,169	3,155,251	4,166,578
	(20.5)	(25.2)	(18.8)	(25.2)	(14.9)	(11.5)	(11.6)	-(13.4)	(12.7)
In local currency	1,160,157	1,496,608	1,790,367	1,496,608	2,857,183	3,171,601	3,231,556	3,384,224	3,411,432
In foreign currency	335,858	376,077	433,791	376,077	839,323	826,182	794,613	771,027	755,146
Non Government Deposits [2/]	1,293,020	1,575,056	1,838,165	1,575,056	3,142,412	3,415,409	3,450,272	3,533,376	3,542,807
	(17.7)	(21.8)	(16.7)	(21.8)	(16.5)	(12.1)	(11.9)	-(18.9)	(12.7)
In local currency	1,051,838	1,289,199	1,507,316	1,289,199	2,399,754	2,698,375	2,741,853	2,838,655	2,865,479
In foreign currency	241,182	285,857	330,849	285,857	742,658	717,034	708,419	694,721	677,328
Government Deposits	202,995	297,629	385,993	297,629	554,094	582,374	575,897	621,875	623,771
	(42.2)	(46.6)	(29.69)	(46.62)	(6.4)	(8.2)	(10.1)	(19.4)	(12.6)
In local currency	108,319	207,409	283,051	207,409	457,429	473,226	489,703	545,569	545,953
In foreign currency	94,676	90,220	102,942	90,220	96,665	109,148	86,194	76,306	77,818
Memorandum Items (In Percent):									
Dollarization in Total Deposits	22.5	20.1	19.5	20.1	22.7	20.7	19.7	24.4	18.1
Dollarization in Non-Government Deposits	18.7	18.1	18.0	18.1	23.6	21.0	20.5	19.7	19.1
Dollarization in Government Deposits	46.6	30.3	26.7	30.3	17.4	18.7	15.0	12.3	12.5

Source: Central bank of Egypt.

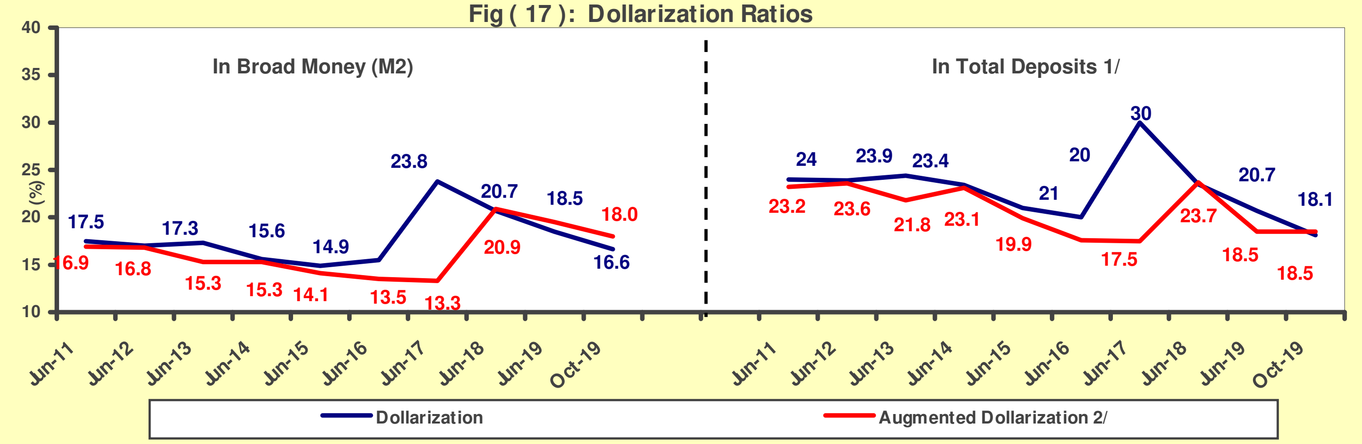
( ) Percent change over same period in previous year.

* Preliminary.

1/ Excludes deposits held with the Central Bank of Egypt.

2/ Includes deposits of private business sector, public business sector, household sector, and non-resident (foreign sector). Excludes drafts and checks under collection.

Fig (17): Dollarization Ratios



Source: Central Bank of Egypt.

1/ Excludes Deposits with CBE.

2/ "Augmented Dollarization" excludes the impact of exchange rate revaluation on dollarization ratios. For example in June-08, dollarization in total deposits would have been 27.1% instead of 25.8% if exchange rate was unchanged during the previous year.

Table (28) : Credit Provided By Banks [1/]

(LE Million)

	Oct-14	Oct-15	Oct-16	Oct-17	Oct-18	Jul-19	Aug-19	Sep-19	Oct-19 *
Total lending	615,707	782,393	981,167	1,433,139	1,701,020	1,819,130	1,810,649	1,822,645	1,828,934
	(12.0)	(27.1)	(25.4)	(46.1)	(18.7)	(11.5)	(10.9)	(9.9)	(7.5)
To Government [2/]	43,629	102,449	189,436	356,121	487,675	507,938	487,349	485,761	485,961
	(13.6)	(134.8)	(84.9)	(88.0)	(36.9)	(10.9)	(8.4)	(5.9)	-(0.4)
In local currency	11,934	40,784	102,229	150,889	212,758	231,634	238,901	246,167	242,758
In foreign currency	31,695	61,665	87,207	205,232	274,917	276,304	248,448	239,594	243,203
To Non-Government	572,078	679,944	791,731	1,077,018	1,213,345	1,311,192	1,323,300	1,336,884	1,342,973
	(11.8)	(18.9)	(16.4)	(36.0)	(12.7)	(11.7)	(11.9)	(11.5)	(10.7)
In local currency	422,238	482,874	592,010	746,339	896,654	1,043,677	1,053,386	1,070,428	1,077,870
In foreign currency	149,840	197,070	199,721	330,679	316,691	267,515	269,914	266,456	265,103
Memorandum Items (In Percent):									
Credit to private sector [3/] / Total Credit	83.9	77.2	70.9	64.7	61.6	63.3	64.3	64.6	64.8
Non Government Loans/ Deposits [4/]	44.2	43.2	43.1	39.9	38.6	38.4	38.4	37.8	37.9
Government Loans / Deposits	21.5	34.4	49.1	68.4	88.0	87.2	84.6	78.1	77.9
Foreign currency denominated credit to total credit	29.5	33.1	29.2	37.4	34.8	29.9	28.6	27.8	27.8
Government foreign currency denominated credit to total government credit	72.6	60.2	46.0	57.6	56.4	54.4	51.0	49.3	50.0
denominated credit to total non-government credit	26.2	29.0	25.2	30.7	26.1	20.4	20.4	19.9	19.7

Source: Central Bank of Egypt.

( ) Percent change over previous year

* Preliminary.

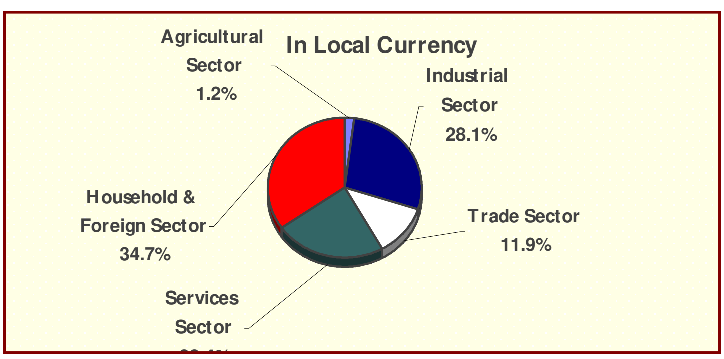
1/ Excludes credit provided by the Central Bank of Egypt.

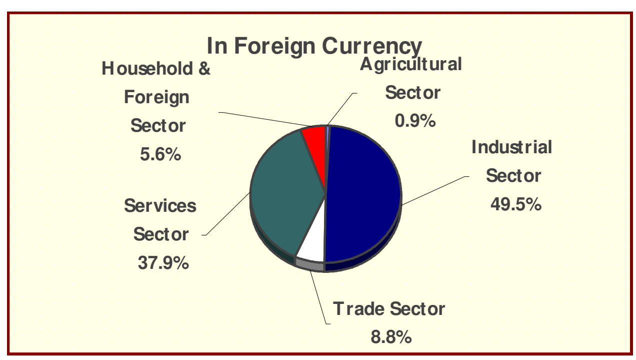
2/ Includes central government and economic authorities.

3/ Includes private business sector, household sector, and non-resident (foreign sector).

4/ Non government sector includes public business sector, private business sector, household sector, and non resident (foreign sector).

Fig (18): Sectoral Distribution of Non-Government Credit Facilities





Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

	CBE Discount Rate [1/]	Lending Rate (Less than one year loans) [2/]	3 Months Deposit Rate [2/]	3 Months T-bills	Investment Certificates [1/ 3/]	Post Office Saving Deposits [1/]
7/2/2019						
2012/2013	10.25	12.20	7.77	13.35	11.92	9.00
2013/2014	8.75	11.92	7.19	10.88	10.48	8.63
2014/2015	9.25	11.71	6.99	11.44	9.83	8.46
2015/2016	12.25	12.12	7.00	11.83	11.92	8.00
2016/2017	17.25	15.75	9.79	17.53	15.08	9.50
2017/2018	17.25	19.20	12.89	18.85	15.77	10.25
2018/2019	9.00	17.54	11.93	18.61	15.00	10.25
Monthly Average						
Jul-18	17.25	17.60	12.00	19.37	15.00	10.25
Aug-18	17.25	17.60	11.90	18.78	15.00	10.25
Sep-18	17.25	17.30	11.90	19.39	15.00	10.25
Oct-18	17.25	17.80	12.00	19.77	15.00	10.25
Nov-18	17.25	18.10	11.80	19.46	15.00	10.25
Dec-18	17.25	17.80	12.20	19.68	15.00	10.25
Jan-19	17.25	18.10	12.20	18.84	15.00	10.25
Feb-19	16.75	17.40	12.20	17.86	15.00	10.25
Mar-19	16.25	17.10	12.00	17.53	15.00	10.25
Apr-19	16.25	16.80	11.40	17.42	15.00	10.25
May-19	16.25	18.10	12.20	17.53	15.00	10.25
Jun-19	16.25	16.75	11.30	17.70	15.00	10.25
Jul-19	--	--	--	--	15.00	10.25
Aug-19	14.75	15.25	11.10	16.40	14.00	9.25
Sep-19	14.75	15.25	10.30	16.50	14.00	9.25
Oct-19	13.75	14.25	9.70	15.91	14.00	9.25

Source: Central Bank of Egypt.

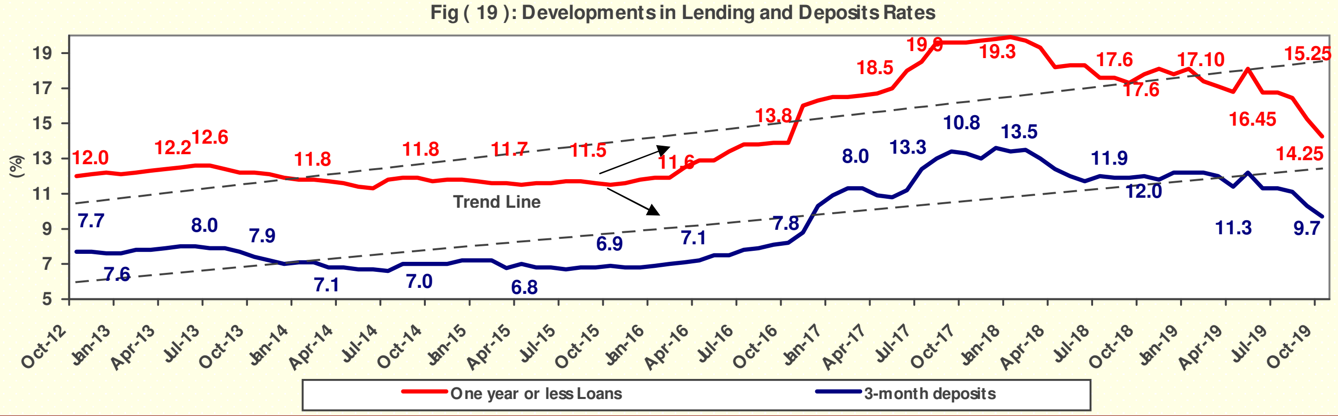
-- Data unavailable.

1/ End of period rate.

2/ Starting September 2005, data reflects weighted average monthly interest rates for a sample of banks representing 80 percent of banking system operations. Prior to this date, figures reflect simple average weekly interest rates for most banks' operations.

3/ Simple Interest.

Fig (19): Developments in Lending and Deposits Rates



Source: Central Bank of Egypt.

MONETARY SECTOR

Table (30) : Average Interbank Rates[1/]

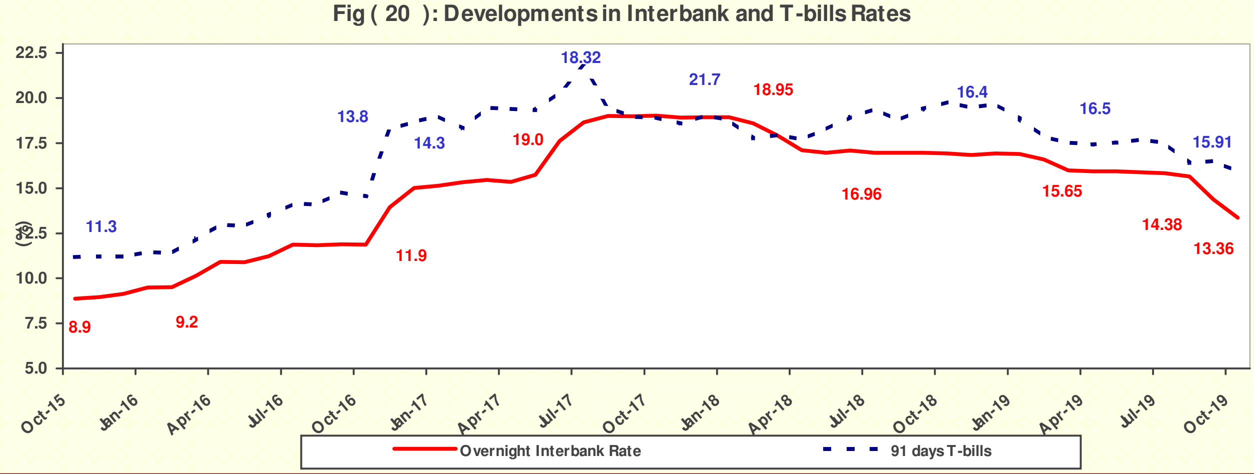
6/2/2019	Overnight	One Week	Month	More than One Month
Yearly Average				
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
2011	9.0	9.1	9.4	9.5
2012	9.4	9.8	10.1	10.2
2013	9.5	9.8	10.2	10.5
2014	8.8	9.1	--	--
2015	8.9	9.2	9.5	8.9
2016	11.5	11.6	--	12.6
2017	17.3	17.6	19.4	17.7
2018	17.4	17.6	17.4	17.5
2019	16.6	16.9	16.9	16.7
Monthly Average				
Jul-18	16.97	17.24	17.23	16.87
Aug-18	16.96	17.25	--	16.88
Sep-18	16.96	17.24	--	--
Oct-18	16.93	17.24	--	16.86
Nov-18	16.88	17.22	17.00	16.80
Dec-18	16.93	17.24	17.25	16.76
Jan-19	16.90	17.22	17.13	16.76
Feb-19	16.60	17.06	--	--
Mar-19	15.99	16.22	--	--
Apr-19	15.94	16.21	15.98	15.78
May-19	15.94	16.19	--	--
Jun-19	15.86	16.13	--	--
Jul-19	-	-	--	15.83
Aug-19	15.65	16.11	--	15.80
Sep-19	14.38	14.68	--	--
Oct-19	13.36	13.60	--	--

Source: Central Bank of Egypt.

-- Data not available.

1/ Starting March 2003, average interbank rate replaced CAIBOR average " Bid " rate. The interbank rate is considered to be a better measurement to market developments for its wider coverage of commercial , specialized, and investment banks'.

Fig (20): Developments in Interbank and T-bills Rates



Source: Central Bank of Egypt.