Section 6

MONETARY SECTOR

Table (24) : Developments in Main Monetary Aggregates

(January 2020)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change [1/]
Net Foreign Assets (LE terms)	7.9%	-2.5%	172.9%	585.4%
CBE NFA	-0.4%	-0.8%	11.9%	1407.3%
CBE NIR	--	--	--	--
Banks NFA 2/	-0.9%	-6.4%	57.3%	30.8%
Net Foreign Assets (US dollar terms)	--	--	--	--
CBE NFA	--	--	24.7%	1416.1%
CBE NIR	-0.4%	-0.8%	-3.1%	30.8%
Banks NFA 2/	-5.8%	-9.2%	--	--
Net Domestic Assets	1.7%	3.0%	7.5%	13.2%
Net Claims on Government and GASC	2.1%	2.1%	5.9%	13.4%
Claims on Public Companies	2.1%	0.7%	-3.0%	8.5%
Claims on Private Sector	0.5%	3.0%	12.9%	11.4%
Total Liquidity (M2)	1.4%	2.5%	13.3%	17.7%
Money (M1)	0.8%	1.4%	15.8%	15.9%
Quasi Money	1.6%	2.8%	12.5%	18.2%

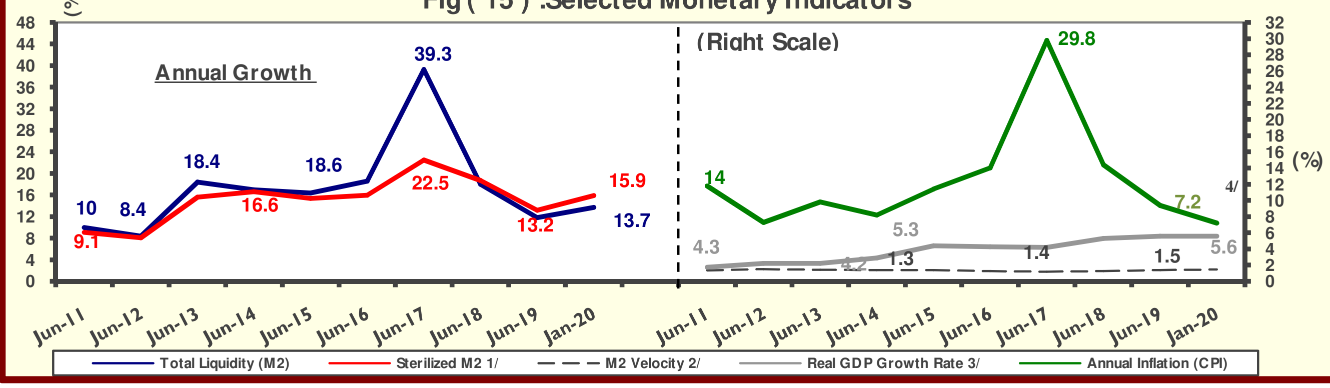
Source: Central Bank of Egypt.

-- Data unavailable.

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
(January 2020)

(LE Million)

	Nov-14	Nov-15	Nov-16	Nov-17	Nov-18	Oct-19	Nov-19	Dec-19	Jan-20
Net Foreign Assets 1/	**102,305**	**(9,935)**	**(191,386)**	**185,878**	**144,312**	**342,402**	**352,269**	**347,823**	**375,197**
	-(12.2)	-(109.7)	-(1826.4)	(197.1)	-(22.4)	(82.2)	(144.1)	(172.9)	(161.5)
Central bank (Net)	**36,382**	**(9,274)**	**(82,343)**	**130,329**	**275,838**	**268,994**	**270,162**	**270,631**	**304,382**
Foreign Assets	110,821	123,739	381,711	635,416	784,256	725,024	726,039	723,079	708,350
Foreign Liabilities	74,439	133,013	464,054	505,087	508,418	456,030	455,877	452,448	403,968
Banks (Net)	**65,923**	**(661)**	**(109,043)**	**55,549**	**(131,526)**	**73,408**	**82,107**	**77,192**	**70,815**
Foreign Assets	102,593	80,754	174,862	334,552	201,365	308,397	324,371	321,607	306,415
Foreign Liabilities	36,670	81,415	283,905	279,003	332,891	234,989	242,264	244,415	235,600
Net Domestic Assets of which:	**1,470,645**	**1,886,763**	**2,792,557**	**2,954,751**	**3,437,271**	**3,681,614**	**3,700,880**	**3,762,693**	**3,765,245**
	(18.2)	(28.3)	(48.0)	(5.8)	(16.3)	(9.1)	(7.7)	(7.5)	(7.7)
Net Claims on Government, and GASC 2/	**1,090,777**	**1,443,503**	**1,988,037**	**2,095,581**	**2,457,228**	**2,612,684**	**2,602,553**	**2,656,482**	**2,680,290**
National Currency	1,076,371	1,381,034	1,531,307	1,549,523	1,727,421	2,045,524	2,031,479	2,087,227	2,170,720
Foreign Currency	14,406	62,469	456,730	546,058	729,807	567,160	571,074	569,255	509,570
Claims on Public Business Sector	**55,776**	**76,095**	**124,218**	**154,726**	**166,317**	**158,968**	**158,306**	**161,768**	**158,888**
National Currency	42,238	53,322	68,414	102,131	123,420	125,008	124,683	126,717	124,589
Foreign Currency	13,538	22,773	55,804	52,595	42,897	33,960	33,623	35,051	34,299
Claims on Private Sector 2/	`	**642,119**	**931,078**	**989,193**	**1,125,490**	**1,256,934**	**1,272,351**	**1,287,690**	**1,294,685**
National Currency	418,303	482,236	586,756	700,003	847,432	1,020,020	1,034,738	1,050,842	1,060,661
Foreign Currency	133,745	159,883	344,322	289,190	278,058	236,914	237,613	236,848	234,024
Other Items (net) 1/ 2/	**(227,956)**	**(274,954)**	**(250,776)**	**(284,749)**	**(311,764)**	**(346,972)**	**(332,330)**	**(343,247)**	**(368,618)**
Total Liquidity (M2)	**1,572,950**	**1,876,828**	**2,601,171**	**3,140,629**	**3,581,583**	**4,024,016**	**4,053,149**	**4,110,516**	**4,140,442**
	(15.6)	(19.3)	(38.6)	(20.7)	(14.0)	(12.9)	(13.2)	(13.3)	(13.7)
Money (M1) 3/	**434,117**	**515,069**	**621,455**	**727,439**	**827,624**	**953,456**	**961,117**	**968,459**	**987,282**
	(17.5)	(18.6)	(20.7)	(17.1)	(13.8)	(15.0)	(16.1)	(15.8)	(18.6)
Currency in Circulation	275,224	303,779	378,950	409,786	440,189	501,715	503,145	507,118	515,803
Demand Deposits in Local Currency	158,893	211,290	242,505	317,653	387,435	451,741	457,972	461,341	471,479
Quasi Money	**1,138,833**	**1,361,759**	**1,979,716**	**2,413,190**	**2,753,959**	**3,070,560**	**3,092,032**	**3,142,057**	**3,153,160**
	(15.0)	(19.6)	(45.4)	(21.9)	(14.1)	(12.3)	(12.3)	(12.5)	(12.3)
Local Currency Time & Savings Deposits	903,002	1,086,608	1,327,102	1,741,316	2,018,831	2,401,451	2,430,984	2,486,971	2,513,247
Foreign Currency Demand Deposits	63,356	69,302	145,903	137,967	146,826	128,845	127,244	128,537	125,163
Foreign Currency Time and Savings Deposits	172,475	205,849	506,711	533,907	588,302	540,264	533,804	526,549	514,750

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)

(January 2020)

	Nov-14	Nov-15	Nov-16	Nov-17	Nov-18	Oct-19	Nov-19	Dec-19	Jan-20 *
Net Foreign Assets (In Million US$) 4/	14,318	(1,261)	(12,103)	10,556	8,080	21,166	21,921	21,698	23,703
Central bank NFA	5,092	(1,177)	(5,207)	7,402	15,444	16,628	16,812	16,883	19,229
Net International Reserves	24,736	15,620	17,243	39,242	36,545	49,355	50,289	49,923	49,224
Central Bank (Gross)	15,882	16,423	23,058	36,723	44,513	45,247	45,354	45,420	45,457
Banks (net)	9,226	(84)	(6,896)	3,155	(7,364)	4,538	5,109	4,815	4,474
Foreign assets	14,358	10,249	11,058	19,000	11,274	19,064	20,185	20,063	19,358
Foreign Liabilities	5,132	10,333	17,954	15,845	18,638	14,526	15,076	15,247	14,884
In Percent of Beginning of Money Stocks 5/									
Net Foreign Assets	-1.11%	-3.48%	-4.97%	4.28%	-4.78%	1.0%	1.2%	1.1%	1.9%
Net Domestic Assets	4.83%	9.79%	29.16%	3.35%	8.38%	15.5%	16.0%	17.8%	17.9%
Money (M1)	1.55%	0.91%	2.32%	0.69%	0.13%	3.8%	4.0%	4.2%	4.7%
Quasi Money	2.16%	5.40%	21.87%	6.94%	3.48%	12.6%	13.3%	14.7%	15.0%
Dollarization (% of Total Liquidity) 6/	0.15	0.15	0.25	0.21	0.21	16.6	16.3	15.9	15.5
M2 Multiplier	4.33	4.35	5.03	4.75	5.31	5.70	5.78	5.72	5.54
M2 Velocity	1.55	1.44	1.33	1.41	1.49	1.53	1.52	1.50	1.49
M2 (annual percentage change)	15.65	19.32	38.59	20.74	14.04	12.9	13.2	13.3	13.7
Credit to private sector (annual percentage change) 7/	0.11	0.16	0.45	0.06	0.14	13.0	13.0	12.9	12.4
Exchange Rate 8/	7.15	7.88	15.81	17.61	17.86	16.18	16.07	16.03	15.83

Source: Central Bank of Egypt.

* Preliminary.

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

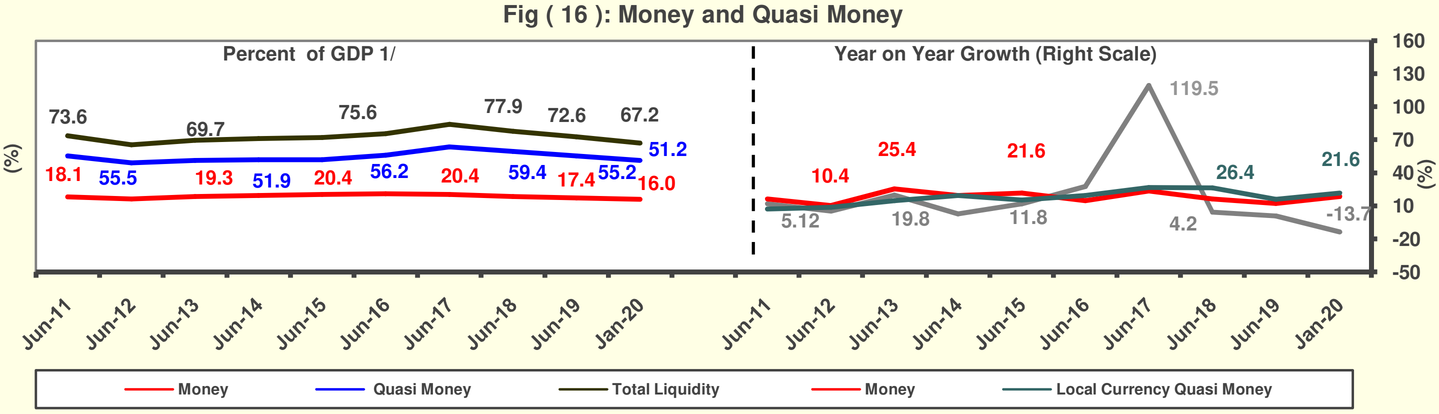
5/ Shows the annual percent change of selected aggregates in percent of total liquidity at beginning of fiscal year. This indicator is intended to show sources of money growth during the fiscal year in study.

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)

	Nov-14	Nov-15	Nov-16	Nov-17	Nov-18	Oct-19	Nov-19	Dec-19	Jan-20 *
Reserve Money	363,202	431,665	517,107	660,972	674,036	705,901	700,859	719,192	747,538
	(7.5)	(18.8)	(19.8)	(27.8)	(2.0)	(3.8)	(4.0)	(17.7)	(13.1)
Currency in Circulation	291,458	322,474	404,459	439,294	474,335	537,638	539,890	543,660	551,456
	(9.2)	(10.6)	(25.4)	(8.6)	(8.0)	(12.9)	(13.8)	(13.9)	(15.7)
Banks LE Deposits with CBE	71,744	109,191	112,648	221,678	199,701	168,263	160,969	175,532	196,082
	(0.8)	(52.2)	(3.2)	(96.8)	-(9.9)	-(17.5)	-(19.4)	(31.3)	(6.4)
Counter Assets:									
Net Foreign Assets	36,382	-9,274	-82,343	130,329	275,838	268,994	270,162	270,631	304,382
	-(9.5)	-(125.5)	-(787.9)	(258.3)	(111.6)	-(6.3)	-(2.1)	(11.9)	(33.6)
Net Domestic Assets	326,820	440,939	599,450	530,643	398,198	436,907	430,697	448,561	443,156
	(9.8)	(34.9)	(35.9)	-(11.5)	-(25.0)	(11.2)	(8.2)	(21.6)	(2.4)
Net Claims on Government [2/]	438,165	626,452	665,411	706,401	817,154	788,851	770,954	757,059	665,468
	(20.2)	(43.0)	(6.2)	(6.2)	(15.7)	(6.6)	-(5.7)	(1.9)	-(7.8)
Claims	541,314	706,909	727,973	768,413	872,183	844,822	832,904	824,562	779,943
	(34.4)	(30.6)	(3.0)	(5.6)	(13.5)	(6.8)	-(4.5)	(3.0)	-(0.2)
Securities	300,330	241,830	462,583	682,983	733,864	700,291	700,207	699,771	698,574
Credit Facilities	240,984	465,079	265,390	85,430	138,319	144,531	132,697	124,791	81,369
Deposits [3/]	103,149	80,457	62,562	62,012	55,029	55,971	61,950	67,503	114,475
	(167.9)	-(22.0)	-(22.2)	-(0.9)	-(11.3)	(9.5)	(12.6)	(18.0)	(91.4)
Net Claims on Banks	-14,130	-177	28,190	164,724	182,073	169,971	194,371	187,392	148,264
Net Balancing Items [4/]	-97,215	-185,336	-94,151	-340,482	-601,029	-521,915	-534,628	-495,890	-370,576
Memorandum Items									
Reserve Money Velocity [5/, 6/]	6.73	6.27	6.71	6.71	7.90	8.73	8.79	8.57	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)

	Nov-14	Nov-15	Nov-16	Nov-15	Nov-18	Oct-19	Nov-19	Dec-19	Jan-20 *
Total Deposits	1,523,333	1,880,860	2,714,391	1,880,860	3,761,331	4,166,578	4,183,370	4,236,491	4,246,833
	(20.7)	(23.5)	(44.3)	(23.5)	(14.9)	(12.7)	(11.2)	(10.9)	(10.7)
In local currency	1,190,198	1,516,287	1,856,117	1,516,287	2,906,196	3,411,432	3,438,959	3,498,413	3,523,682
In foreign currency	333,135	364,573	858,274	364,573	855,135	755,146	744,411	738,078	723,151
Non Government Deposits [2/]	1,308,395	1,587,950	2,239,668	1,587,950	3,159,061	3,542,807	3,570,795	3,622,908	3,643,918
	(17.3)	(21.4)	(41.0)	(21.4)	(15.0)	(12.7)	(13.0)	(13.0)	(13.4)
In local currency	1,068,900	1,307,614	1,579,303	1,307,614	2,415,966	2,865,479	2,901,807	2,960,367	2,996,491
In foreign currency	239,495	280,336	660,365	280,336	743,095	677,328	668,988	662,541	647,427
Government Deposits	214,938	292,910	474,723	292,910	602,270	623,771	612,575	613,583	602,915
	(46.0)	(36.3)	(62.07)	(36.28)	(14.6)	(12.6)	(1.7)	(0.0)	-(3.4)
In local currency	121,298	208,673	276,814	208,673	490,230	545,953	537,152	538,046	527,191
In foreign currency	93,640	84,237	197,909	84,237	112,040	77,818	75,423	75,537	75,724
Memorandum Items (In Percent):									
Dollarization in Total Deposits	21.9	19.4	31.6	19.4	22.7	18.1	17.8	17.4	17.0
Dollarization in Non-Government Deposits	18.3	17.7	29.5	17.7	23.5	19.1	18.7	18.3	17.8
Dollarization in Government Deposits	43.6	28.8	41.7	28.8	18.6	12.5	12.3	12.3	12.6

Source: Central bank of Egypt.

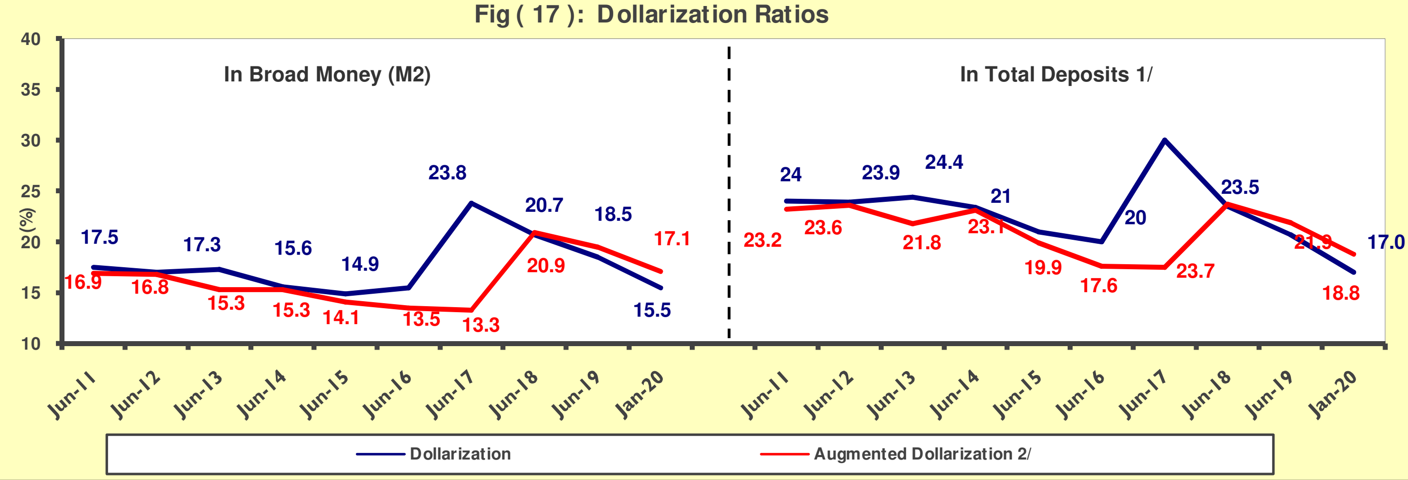
( ) Percent change over same period in previous year.

* 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)

	Nov-14	Nov-15	Nov-16	Nov-17	Nov-18	Oct-19	Nov-19	Dec-19	Jan-20 *
Total lending	618,293	784,836	1,295,407	1,441,200	1,770,716	1,828,934	1,841,033	1,890,567	1,883,875
	(12.4)	(26.9)	(65.1)	(11.3)	(22.9)	(7.5)	(4.0)	(4.2)	(3.5)
To Government [2/]	44,925	100,749	285,116	357,941	542,750	485,961	486,345	523,330	511,811
	(20.6)	(124.3)	(183.0)	(25.5)	(51.6)	-(0.4)	-(10.4)	-(8.3)	-(9.8)
In local currency	11,618	40,687	106,540	151,753	212,540	242,758	241,286	271,523	275,921
In foreign currency	33,307	60,062	178,576	206,188	330,210	243,203	245,059	251,807	235,890
To Non-Government	573,368	684,087	1,010,291	1,083,259	1,227,966	1,342,973	1,354,688	1,367,237	1,372,064
	(11.8)	(19.3)	(47.7)	(7.2)	(13.4)	(10.7)	(10.3)	(9.9)	(9.6)
In local currency	423,500	499,480	615,132	750,847	913,504	1,077,870	1,089,204	1,101,650	1,109,582
In foreign currency	149,868	184,607	395,159	332,412	314,462	265,103	265,484	265,587	262,482
Memorandum Items (In Percent):									
Credit to private sector [3/] / Total Credit	83.8	77.5	68.4	64.5	60.0	64.8	65.0	63.8	64.0
Non Government Loans/ Deposits[4/]	43.8	43.1	45.1	39.4	38.9	37.9	37.9	37.7	37.7
Government Loans / Deposits	20.9	34.4	60.1	68.1	90.1	77.9	79.4	85.3	84.9
Foreign currency denominated credit to total credit	29.6	31.2	44.3	37.4	36.4	27.8	27.7	27.4	26.5
Government foreign currency denominated credit to total government credit	74.1	59.6	62.6	57.6	60.8	50.0	50.4	48.1	46.1
denominated credit to total non-government credit	26.1	27.0	39.1	30.7	25.6	19.7	19.6	19.4	19.1

Source: Central Bank of Egypt.

( ) Percent change over previous year

* Preliminary.

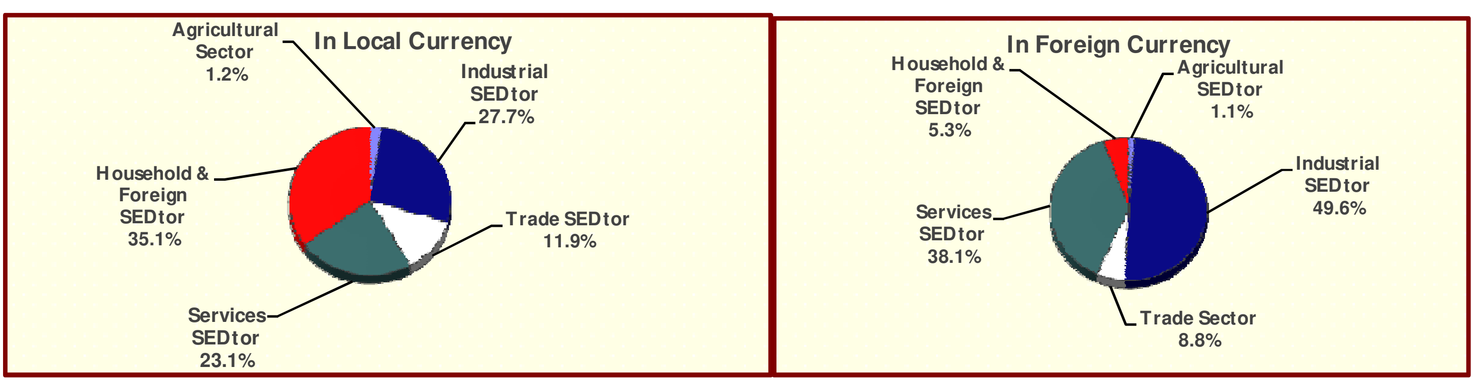
1/ Excludes credit provided by the Central Bank of Egypt.

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	--	--	--	17.53	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
Nov-19	13.25	13.75	12.75	15.55	13.75	9.25
Dec-19	12.75	13.80	9.20	--	--	--
Jan-20	12.75	13.25	8.90	14.34	12.00	9.25

Source: Central Bank of Egypt.

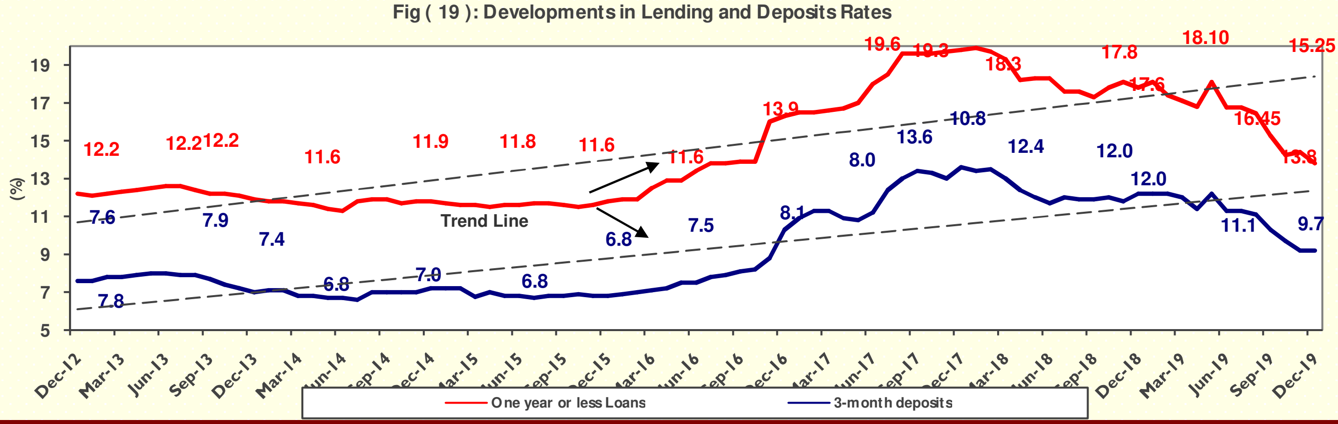
-- Data unavailable.

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.

Table (30) : Average Interbank Rates 1/

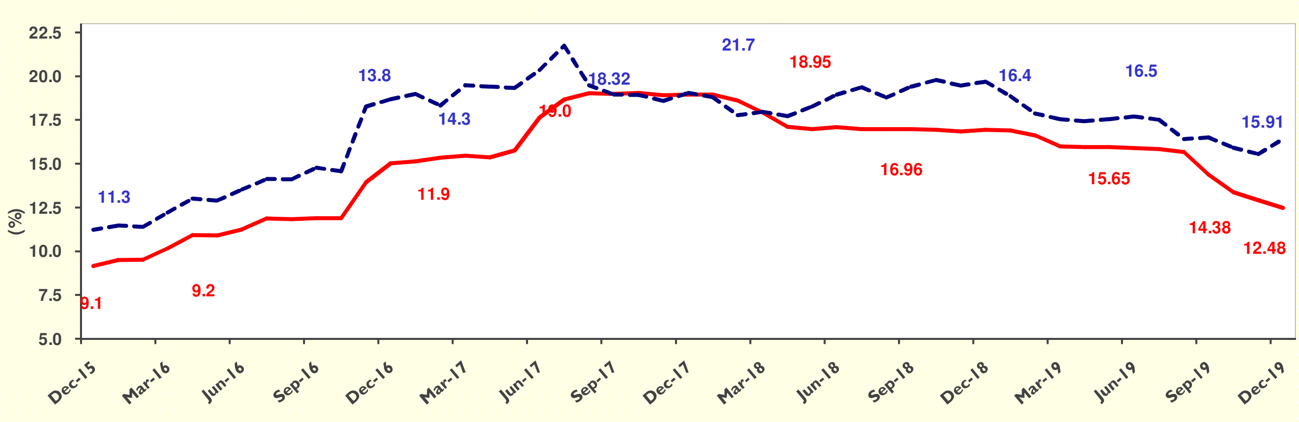
6/2/2019	Overnight	One Week	Month	More than One Month
Yearly Average				
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
2011	9.0	9.1	9.4	9.5
2012	9.4	9.8	10.1	10.2
2013	9.5	9.8	10.2	10.5
2014	8.8	9.1	--	--
2015	8.9	9.2	9.5	8.9
2016	11.5	11.6	--	12.6
2017	17.3	17.6	19.4	17.7
2018	17.4	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	--	--
Nov-19	12.88	13.24	--	--
Dec-19	12.47	12.72	--	--
Jan-20	12.47	12.71	--	--

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.