Section 6

MONETARY SECTOR

Table (24) : Developments in Main Monetary Aggregates

(February 2020)

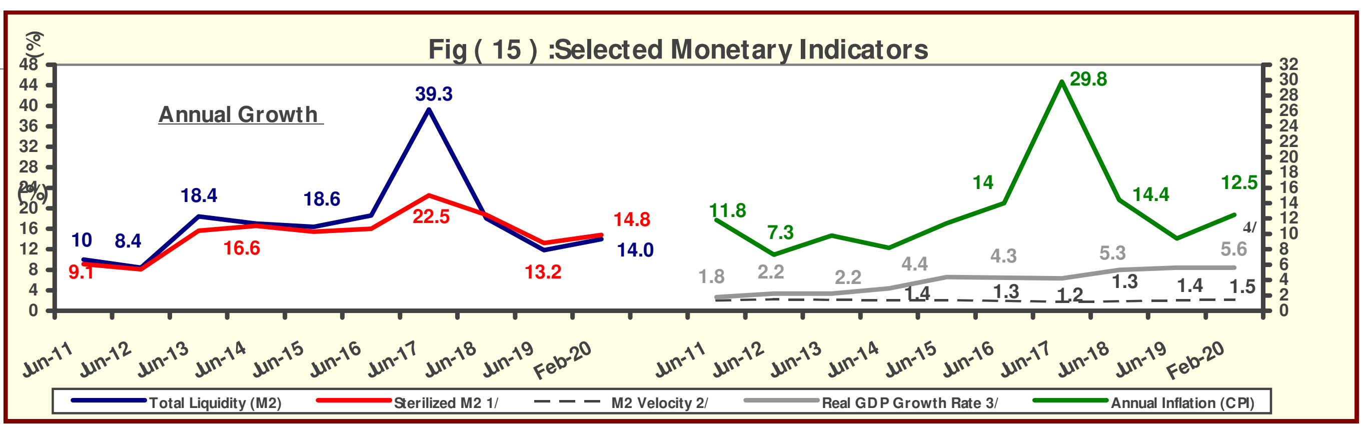
	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change [1/]
Net Foreign Assets (LE terms)	**2.5%**	**9.6%**	**52.3%**	**48.3%**
CBE NFA	-0.4%	-0.8%	11.9%	-3.1%
CBE NIR	--	--	--	--
Banks NFA 2/	17.1%	10.6%	5.2%	21.7%
Net Foreign Assets (US dollar terms)	--	--	--	--
CBE NFA	--	--	8.5%	4.2%
CBE NIR	-1.0%	-3.4%	-7.3%	--
Banks NFA 2/	62.0%	44.8%	--	--
Net Domestic Assets	**1.0%**	**2.7%**	**11.1%**	**13.2%**
Net Claims on Government and GASC	2.1%	2.1%	5.9%	10.1%
Claims on Public Companies	2.1%	0.7%	-3.0%	8.5%
Claims on Private Sector	1.1%	2.8%	12.3%	12.1%
Total Liquidity (M2)	**1.1%**	**3.3%**	**14.0%**	**11.6%**
Money (M1)	1.7%	4.5%	19.5%	13.8%
Quasi Money	1.0%	3.0%	12.3%	10.9%

Source: Central Bank of Egypt.

-- Data unavailable.

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

2/ Commercial, specialized, business and investment banks.



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
(February 2020)
(LE Million)

	Feb-14	Feb-15	Feb-16	Feb-17	Feb-18	Nov-19	Dec-19	Jan-20	Feb-20
Net Foreign Assets 1/	126,847	70,355	(45,899)	(85,011)	313,617	352,269	347,823	375,197	386,051
	-(4.7)	-(44.5)	-(165.2)	-(85.2)	(468.9)	(144.1)	(172.9)	(161.5)	(52.3)
Central bank (Net)	40,475	35,294	(22,732)	(28,239)	253,947	270,162	270,631	304,382	263,041
Foreign Assets	117,011	113,445	124,436	438,663	732,181	726,039	723,079	708,350	701,029
Foreign Liabilities	76,536	78,151	147,168	466,902	478,234	455,877	452,448	403,968	437,988
Banks (Net)	86,372	35,061	(23,167)	(56,772)	59,670	82,107	77,192	70,815	123,010
Foreign Assets	120,454	87,805	72,976	188,377	349,236	324,371	321,607	306,415	358,776
Foreign Liabilities	34,082	52,744	96,143	245,149	289,566	242,264	244,415	235,600	235,766
Net Domestic Assets of which:	1,290,777	1,567,023	1,968,584	2,712,204	2,981,279	3,700,880	3,762,693	3,765,245	3,801,536
	(19.7)	(21.4)	(25.6)	(37.8)	(9.9)	(7.7)	(7.5)	(7.7)	(11.1)
Net Claims on Government, and GASC 2/	937,043	1,163,632	1,524,160	1,933,727	2,073,687	2,602,553	2,656,482	2,680,290	2,669,045
National Currency	925,374	1,141,102	1,467,092	1,537,669	1,527,442	2,031,479	2,087,227	2,170,720	2,157,394
Foreign Currency	11,669	22,530	57,068	396,058	546,245	571,074	569,255	509,570	511,651
Claims on Public Business Sector	43,522	58,902	79,005	141,572	158,528	158,306	161,768	158,888	157,040
National Currency	34,680	42,137	54,852	94,018	106,252	124,683	126,717	124,589	124,922
Foreign Currency	8,842	16,765	24,153	47,554	52,276	33,623	35,051	34,299	32,118
Claims on Private Sector 2/	`	576,319	659,814	909,908	1,018,594	1,272,351	1,287,690	1,294,685	1,308,437
National Currency	383,297	427,118	502,107	630,155	733,718	1,034,738	1,050,842	1,060,661	1,074,933
Foreign Currency	121,250	149,201	157,707	279,753	284,876	237,613	236,848	234,024	233,504
Other Items (net) 1/ 2/	(194,335)	(231,830)	(294,395)	(273,003)	(269,530)	(332,330)	(343,247)	(368,618)	(332,986)
Total Liquidity (M2)	1,417,624	1,637,378	1,922,685	2,627,193	3,294,896	4,053,149	4,110,516	4,140,442	4,187,587
	(17.0)	(15.5)	(17.4)	(36.6)	(25.4)	(13.2)	(13.3)	(13.7)	(14.0)
Money (M1) 3/	378,314	450,816	522,455	633,993	743,810	961,117	968,459	987,282	1,004,160
	(22.5)	(19.2)	(15.9)	(21.3)	(17.3)	(16.1)	(15.8)	(18.6)	(19.5)
Currency in Circulation	255,111	278,661	305,726	384,140	410,336	503,145	507,118	515,803	521,323
Demand Deposits in Local Currency	123,203	172,155	216,729	249,853	333,474	457,972	461,341	471,479	482,837
Quasi Money	1,039,310	1,186,562	1,400,230	1,993,200	2,551,086	3,092,032	3,142,057	3,153,160	3,183,427
	(15.2)	(14.2)	(18.0)	(42.3)	(28.0)	(12.3)	(12.5)	(12.3)	(12.3)
Local Currency Time & Savings Deposits	814,422	943,417	1,124,883	1,409,602	1,861,239	2,430,984	2,486,971	2,513,247	2,555,768
Foreign Currency Demand Deposits	61,067	63,547	66,976	123,856	140,571	127,244	128,537	125,163	122,513
Foreign Currency Time and Savings Deposits	163,821	179,598	208,371	459,742	549,276	533,804	526,549	514,750	505,146

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)
(February 2020)

	Feb-14	Feb-15	Feb-16	Feb-17	Feb-18	Nov-19	Dec-19	Jan-20	Feb-20 *
Net Foreign Assets (In Million US$)4/	18,235	9,258	(5,879)	(5,031)	17,809	21,921	21,698	23,703	23,214
Central bank NFA	5,819	4,644	(2,912)	(1,671)	14,421	16,812	16,883	19,229	15,817
Net International Reserves	29,238	19,541	12,971	22,601	44,966	50,289	49,923	49,224	49,551
Central Bank (Gross)	17,307	15,456	16,534	26,542	42,524	45,354	45,420	45,457	45,457
Banks (net)	12,417	4,614	(2,967)	(3,360)	3,388	5,109	4,815	4,474	7,397
Foreign assets	17,316	11,554	9,347	11,149	19,832	20,185	20,063	19,358	21,574
Foreign Liabilities	4,900	6,940	12,314	14,508	16,443	15,076	15,247	14,884	14,177
In Percent of Beginning of Money Stocks 5/									
Net Foreign Assets	0.28%	-3.22%	-5.52%	0.11%	8.65%	1.2%	1.1%	1.9%	2.2%
Net Domestic Assets	9.10%	11.18%	14.42%	25.32%	4.25%	16.0%	17.8%	17.9%	18.9%
Money (M1)	2.64%	2.65%	1.32%	2.92%	1.25%	4.0%	4.2%	4.7%	5.2%
Quasi Money	6.74%	5.31%	7.58%	22.52%	11.66%	13.3%	14.7%	15.0%	15.9%
Dollarization (% of Total Liquidity) 6/	0.16	0.15	0.14	0.22	0.21	16.3	15.9	15.5	15.0
M2 Multiplier	4.33	4.49	4.69	5.02	4.75	5.78	5.72	5.54	5.60
M2 Velocity	1.50	1.49	1.41	1.32	1.35	1.52	1.50	1.49	1.47
M2 (annual percentage change)	17.03	15.50	17.42	36.64	25.42	13.2	13.3	13.7	14.0
Credit to private sector (annual percentage change) 7/	0.06	0.14	0.14	0.38	0.12	13.0	12.9	12.4	12.3
Exchange Rate 8/	6.96	7.60	7.81	16.90	17.61	16.07	16.03	15.83	16.63

Source: Central Bank of Egypt.

* Preliminary.

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

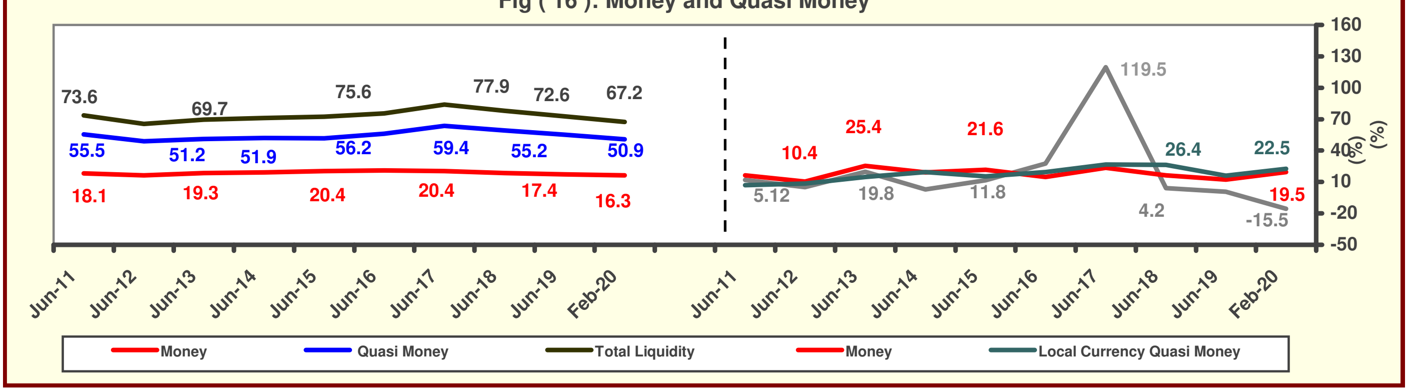
5/ Shows the annual percent change of selected aggregates in percent of total liquidity at beginning of fiscal year. This indicator is intended to show sources of money growth during the

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

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)

	Feb-14	Feb-15	Feb-16	Feb-17	Feb-18	Nov-19	Dec-19	Jan-20	Feb-20 *
Reserve Money	327,171	364,271	410,150	523,337	693,802	700,859	719,192	747,538	747,201
	(18.7)	(11.3)	(12.6)	(27.6)	(32.6)	(4.0)	(17.7)	(13.1)	(12.5)
Currency in Circulation	267,726	293,428	323,832	408,773	439,920	539,890	543,660	551,456	558,098
	(16.7)	(9.6)	(10.4)	(26.2)	(7.6)	(13.8)	(13.9)	(15.7)	(17.1)
Banks LE Deposits with CBE	59,445	70,843	86,318	114,564	253,882	160,969	175,532	196,082	189,103
	(28.5)	(19.2)	(21.8)	(32.7)	(121.6)	-(19.4)	(31.3)	(6.4)	(0.9)
Counter Assets:									
Net Foreign Assets	40,475	35,294	-22,732	-28,239	253,947	270,162	270,631	304,382	263,041
	-(2.6)	-(12.8)	-(164.4)	-(24.2)	(999.3)	-(2.1)	(11.9)	(33.6)	(2.9)
Net Domestic Assets	286,696	328,977	432,882	551,576	439,855	430,697	448,561	443,156	484,160
	(22.4)	(14.7)	(31.6)	(27.4)	-(20.3)	(8.2)	(21.6)	(2.4)	(18.5)
Net Claims on Government [2/]	375,350	471,960	662,216	689,032	676,345	770,954	757,059	665,468	672,523
	(46.1)	(25.7)	(40.3)	(4.0)	-(1.8)	-(5.7)	(1.9)	-(7.8)	-(4.7)
Claims	422,171	578,307	746,791	798,381	765,111	832,904	824,562	779,943	774,396
	(20.0)	(37.0)	(29.1)	(6.9)	-(4.2)	-(4.5)	(3.0)	-(0.2)	-(0.2)
Securities	240,331	300,330	241,830	705,324	682,714	700,207	699,771	698,574	697,559
Credit Facilities	181,840	277,977	504,961	93,057	82,397	132,697	124,791	81,369	76,837
Deposits [3/]	46,821	106,347	84,575	109,349	88,766	61,950	67,503	114,475	101,873
	-(50.6)	(127.1)	-(20.5)	(29.3)	-(18.8)	(12.6)	(18.0)	(91.4)	(45.3)
Net Claims on Banks	361	-26,735	-18,594	77,814	179,436	194,371	187,392	148,264	189,569
Net Balancing Items [4/]	-89,015	-116,248	-210,740	-215,270	-415,926	-534,628	-495,890	-370,576	-377,932
Memorandum Items									
Reserve Money Velocity [5/, 6/]	6.51	6.71	6.60	6.63	6.40	8.79	8.57	8.73	9.73

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)

	Feb-14	Feb-15	Feb-16	Feb-17	Feb-18	Nov-19	Dec-19	Jan-20	Feb-20 *
Total Deposits	1,341,979	1,615,696	1,934,458	2,714,576	3,446,413	4,183,370	4,236,491	4,246,833	4,306,447
	(18.9)	(20.4)	(19.7)	(40.3)	(27.0)	(11.2)	(10.9)	(10.7)	(11.0)
In local currency	1,022,583	1,272,084	1,568,815	1,961,008	2,635,209	3,438,959	3,498,413	3,523,682	3,597,546
In foreign currency	319,396	343,612	365,643	753,568	811,204	744,411	738,078	723,151	708,901
Non Government Deposits [2/]	1,171,575	1,373,303	1,631,375	2,259,368	2,902,906	3,570,795	3,622,908	3,643,918	3,685,819
	(17.1)	(17.2)	(18.8)	(38.5)	(28.5)	(13.0)	(13.0)	(13.4)	(13.5)
In local currency	942,806	1,125,335	1,351,554	1,669,448	2,205,921	2,901,807	2,960,367	2,996,491	3,051,055
In foreign currency	228,769	247,968	279,821	589,920	696,985	668,988	662,541	647,427	634,764
Government Deposits	170,404	242,393	303,083	455,208	543,507	612,575	613,583	602,915	620,628
	(33.1)	(42.2)	(25.04)	(50.19)	(19.4)	(1.7)	(0.0)	-(3.4)	-(1.7)
In local currency	79,777	146,749	217,261	291,560	429,288	537,152	538,046	527,191	546,491
In foreign currency	90,627	95,644	85,822	163,648	114,219	75,423	75,537	75,724	74,137
Memorandum Items (In Percent):									
Dollarization in Total Deposits	23.8	21.3	18.9	27.8	23.5	17.8	17.4	17.0	16.5
Dollarization in Non-Government Deposits	19.5	18.1	17.2	26.1	24.0	18.7	18.3	17.8	17.2
Dollarization in Government Deposits	53.2	39.5	28.3	36.0	21.0	12.3	12.3	12.6	11.9

Source: Central bank of Egypt.

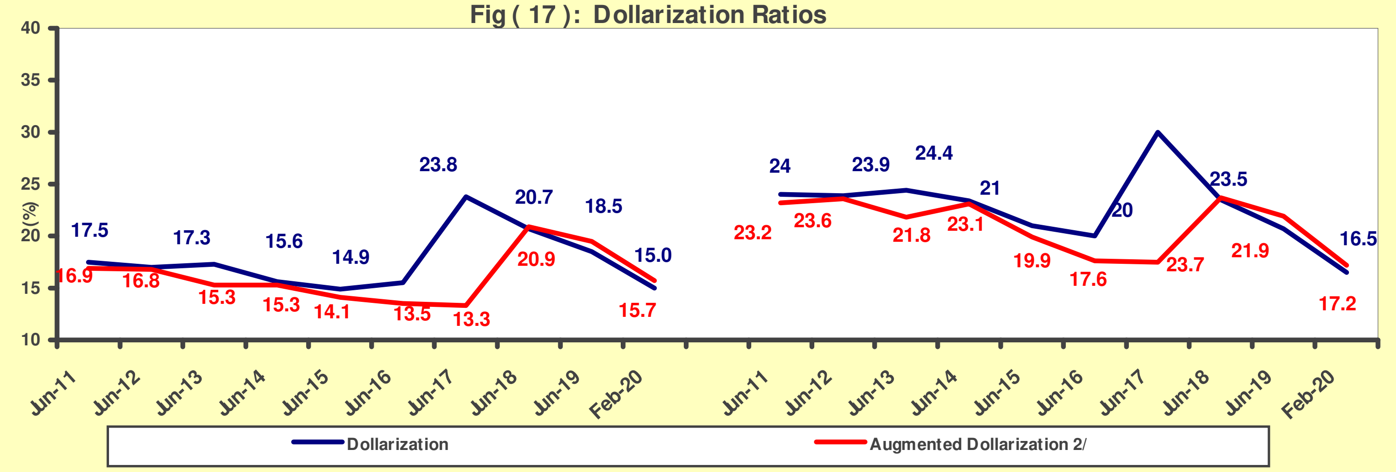
( ) Percent change over same period in previous year.

* 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)

	Feb-14	Feb-15	Feb-16	Feb-17	Feb-18	Nov-19	Dec-19	Jan-20	Feb-20 *
Total lending	556,014	656,043	804,378	1,263,969	1,514,619	1,841,033	1,890,567	1,883,875	1,892,464
	(4.8)	(18.0)	(22.6)	(57.1)	(19.8)	(4.0)	(4.2)	(3.5)	(3.1)
To Government [2/]	39,874	51,979	102,289	270,611	400,087	486,345	523,330	511,811	519,183
	(15.4)	(30.4)	(96.8)	(164.6)	(47.8)	-(10.4)	-(8.3)	-(9.8)	-(8.7)
In local currency	11,839	11,178	40,888	114,625	187,611	241,286	271,523	275,921	288,321
In foreign currency	28,035	40,801	61,401	155,986	212,476	245,059	251,807	235,890	230,862
To Non-Government	516,140	604,064	702,089	993,358	1,114,532	1,354,688	1,367,237	1,372,064	1,373,281
	(4.1)	(17.0)	(16.2)	(41.5)	(12.2)	(10.3)	(9.9)	(9.6)	(8.3)
In local currency	381,217	431,559	519,722	672,745	786,206	1,089,204	1,101,650	1,109,582	1,116,549
In foreign currency	134,923	172,505	182,367	320,613	328,326	265,484	265,587	262,482	256,732
Memorandum Items (In Percent):									
Credit to private sector [3/] / Total Credit	85.0	83.1	77.5	67.4	63.2	65.0	63.8	64.0	64.3
Non Government Loans/ Deposits [4/]	44.1	44.0	43.0	44.0	38.4	37.9	37.7	37.7	37.3
Government Loans / Deposits	23.4	21.4	33.7	59.4	73.6	79.4	85.3	84.9	83.7
Foreign currency denominated credit to total credit	29.3	32.5	30.3	37.7	35.7	27.7	27.4	26.5	25.8
Government foreign currency denominated credit to total government credit	70.3	78.5	60.0	57.6	53.1	50.4	48.1	46.1	44.5
denominated credit to total non-government credit	26.1	28.6	26.0	32.3	29.5	19.6	19.4	19.1	18.7

Source: Central Bank of Egypt.

( ) Percent change over previous year

* Preliminary.

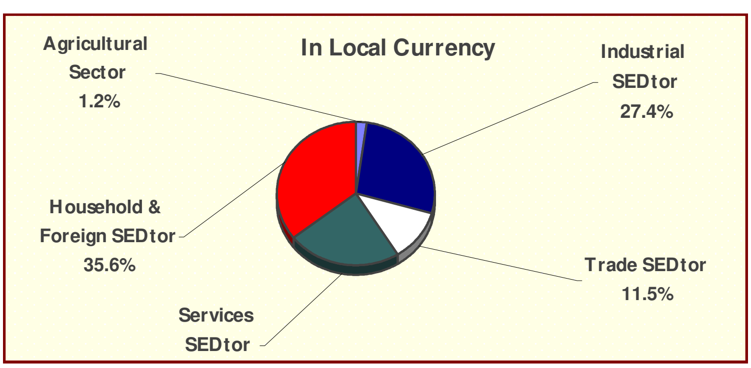
1/ Excludes credit provided by the Central Bank of Egypt.

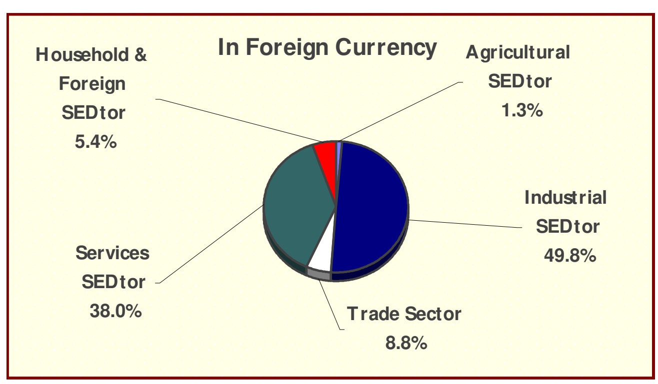
2/ Includes central government and economic authorities.

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	--	--	--	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
Feb-20	12.75	13.25	8.80	13.42	12.00	9.25

Source: Central Bank of Egypt.

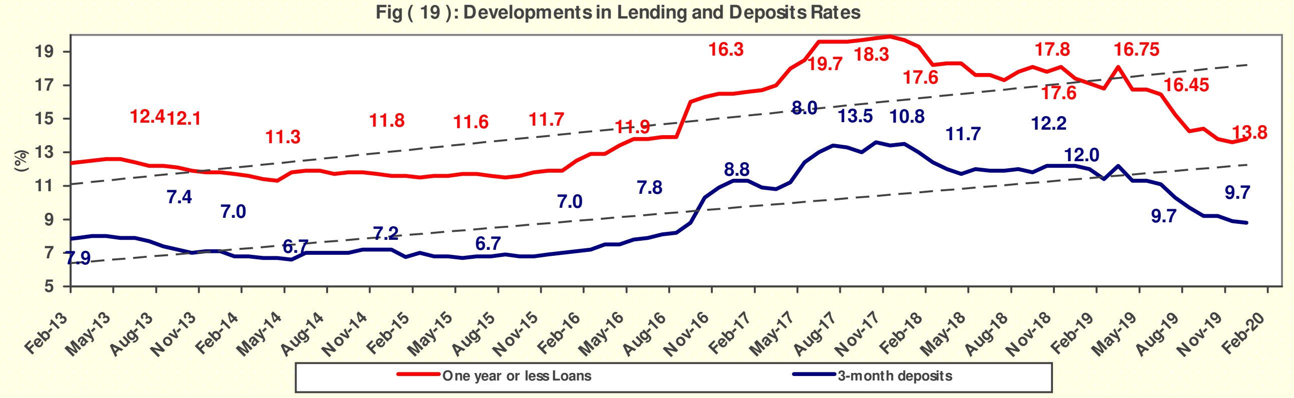
-- Data unavailable.

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.

MONETARY SECTOR

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

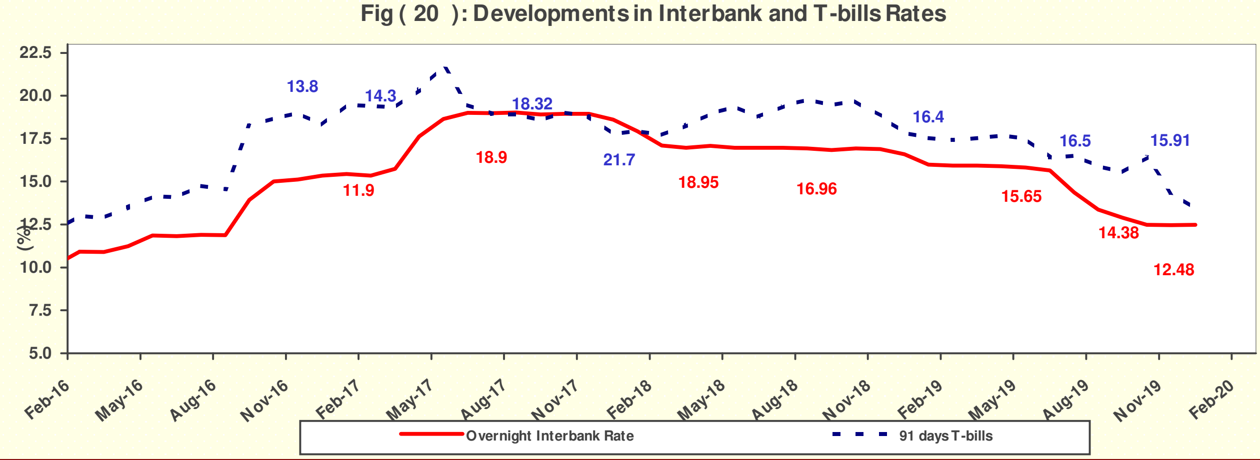
6/2/2019	Overnight	One Week	Month	More than One Month
Yearly Average				
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
2011	9.0	9.1	9.4	9.5
2012	9.4	9.8	10.1	10.2
2013	9.5	9.8	10.2	10.5
2014	8.8	9.1	--	--
2015	8.9	9.2	9.5	8.9
2016	11.5	11.6	--	12.6
2017	17.3	17.6	19.4	17.7
2018	17.4	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	--	--
Nov-19	12.88	13.24	--	--
Dec-19	12.47	12.72	--	--
Jan-20	12.47	12.71	--	--
Feb-20	12.48	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.