IMPORTANT: Before purchasing the Bonds (as defined below), prospective investors are advised to carefully read this Private Placement Offering Memorandum and make an independent investment decision. The prospective investors fully understand that the Bonds have been registered with NAFMII (as defined below) and such registration does not constitute any evaluation by NAFMII on the investment in the Bonds nor any assessment on the risks involved in an investment in the Bonds.

The Arab Republic of Egypt

2023 Renminbi Bonds (Series 1) (Sustainable Development Bonds) (Bond Connect)

Unconditionally and irrevocably guaranteed by

Asian Infrastructure Investment Bank

and

African Development Bank

Private Placement Offering Memorandum

Lead Underwriter and Bookrunner	*Joint Lead Underwriter and Joint Bookrunner*
Bank of China Limited	**HSBC Bank (China) Company Limited**

Prospective Investors:

Specialized Institutional Investors

and

Selected Specific Institutional Investors (if any)

13 October 2023

IMPORTANT NOTICE AND STATEMENTS

The Arab Republic of Egypt's 2023-2025 Renminbi Sustainable Bonds Issuance Programme (the "**Programme**") has been registered with the National Association of Financial Market Institutional Investors ("**NAFMII**"), under which the Arab Republic of Egypt (the "**Issuer**") may, from time to time for a period of up to two years from the date of the issuance by NAFMII of a notice of acceptance of registration, issue Renminbi-denominated bonds in an aggregate principal amount up to RMB3.5 billion on China's national interbank bond market (the "**Interbank Market**"). The Issuer intends to issue the Arab Republic of Egypt 2023 Renminbi Bonds (Series 1) (Sustainable Development Bonds) (Bond Connect) (the "**Bonds**") under the Programme, through private placement on the Interbank Market to qualified institutional investors ("**Investors**") in an aggregate principal amount of RMB3.5 billion. The payment obligations with respect to the outstanding principal and accrued interest under the Bonds are unconditionally and irrevocably guaranteed by Asian Infrastructure Investment Bank ("**AIIB**") and African Development Bank ("**AfDB**", together with AIIB, the "**Guarantors**", and each, a "**Guarantor**"), up to an amount of RMB3,911,955,500 (the "**Maximum Guarantee Amount**") (such guarantee provided severally, and not jointly, by the Guarantors, the "**Guarantee**"), pursuant to and subject to the terms of the letter of guarantee dated 13 October 2023 (the "**Letter of Guarantee**"). Under the Guarantee, each Guarantor will assume joint liability with the Issuer for the payment of the outstanding principal and accrued and unpaid interest on the outstanding Bonds up to the AIIB Maximum Guarantee Amount (in the case of AIIB) and AfDB Maximum Guarantee Amount (in the case of AfDB).

Investors should read this Private Placement Offering Memorandum (this "**Offering Memorandum**") and the relevant Disclosure Documents (as defined below and listed under "*Disclosure Documents for the Offering of the Bonds*" in Section 11 "*Disclosure Arrangements*") carefully, and make their own independent investment decisions. The registration of the Programme with NAFMII does not constitute an evaluation by NAFMII of an investment in the Bonds nor an assessment of the risks involved in an investment in the Bonds.

This Offering Memorandum is prepared in accordance with the requirements under the applicable PRC Laws (as defined in Section 1 "*Definitions*"), including, but not limited to, the *Interim Measures for the Administration of Bonds Issued by Overseas Issuers on the National Interbank Bond Market* (《全国银行间债券市场境外机构债券发行管理暂行办法》) (the "**Interim Measures**"), the relevant regulations and regulatory documents of the People's Bank of China ("**PBOC**"), the *Guidelines on Bond Issuance by Foreign Governmental Agency and International Development Institution Issuers (for Trial Implementation)* (《外国政府类机构和国际开发机构债券业务指引（试行）》) (the "**Guidelines**"), the *Q&As on Pilot Program of Social Bonds and Sustainability Bonds (《关于试点开展社会责任债券和可持续发展债券业务的问答》)* and other relevant self-regulatory rules of NAFMII as well as the registration requirements of NAFMII, and are based on the actual circumstances of the Issuer as of the date of this Offering Memorandum.

This Offering Memorandum is intended to provide Investors with basic information relating to the Issuer, the Guarantors as well as information relating to the offer and subscription of the Bonds. The Issuer shall assume responsibility for the truthfulness, accuracy and completeness in all material aspects of the disclosure in this Offering Memorandum, and confirm that, to the best knowledge and belief of the Issuer, having made all reasonable inquiries, as of the date set out on the cover of this Offering Memorandum, there are no representations or statements which are misleading in any material aspect nor are there any other facts with respect to the Issuer or the Bonds the omission of which would, in the context of the offering of the Bonds, make any statement in this Offering Memorandum misleading in any material aspect.

Neither AIIB nor AfDB makes any representation or warranty with respect to, and does not accept any responsibility for the information contained in this Offering Memorandum or any supplement thereof, or any other document incorporated herein by reference, or any other issuance document, and accordingly, neither AIIB nor AfDB accepts any responsibility for the accuracy, completeness and timeliness of the information contained in any of these documents, or any other statement made or purported to be made on each of their behalf in connection with the issue or offering of the Bonds or the

Guarantee. Each of AIIB and AfDB accordingly disclaims any and all liability, whether arising in contract, tort or otherwise which it might otherwise have in respect of this Offering Memorandum or any such statements.

The Issuer has not commissioned or authorized any other persons or entities to provide, in the context of the offering of the Bonds, information not disclosed in this Offering Memorandum, or to give any explanations as to this Offering Memorandum. Any information or representation not contained herein must not be relied upon as having been authorized by the Issuer, the Guarantors or the Principal Underwriters. The delivery of this Offering Memorandum does not at any time imply that the information contained in this Offering Memorandum is correct at any time subsequent to its date. Should any Investor have any queries about this Offering Memorandum or any documents made available for inspection, it should consult its own securities brokers, legal advisors, professional accountants or other professional advisors.

The distribution of this Offering Memorandum and the offering or sale of the Bonds in certain jurisdictions may be restricted by law. Persons who receive this Offering Memorandum are required by the Issuer, the Guarantors and the Principal Underwriters to familiarize themselves with and observe any such restrictions.

None of the Issuer, the Guarantors and the Principal Underwriters makes any representation to any Investor regarding the legitimacy of its investment in the Bonds under any applicable laws. Any Investor should be capable of assuming the risks arising out of an investment in the Bonds.

Any acquisition and holding of the Bonds through subscription or transfer is deemed as the Bondholder's consent to the rights and obligations under the Bonds as prescribed in this Offering Memorandum.

Statement regarding the non-accelerable nature of the Bonds and the Guarantee

Investors should take note that both the Bonds and the Guarantee are non-accelerable. Therefore, upon the occurrence of an Event of Default (as defined below), Bondholders may not declare any interest on or principal of any Bonds to be immediately due and payable, and are only entitled to interest payments or repayment of the principal of the Bonds on the scheduled Interest Payment Date(s) (as defined below) and the Maturity Date (as defined below), respectively. Under no circumstances (whether following the occurrence of an Event of Default or otherwise) shall any Bondholder (or any other person) take any action to accelerate the Bonds or demand immediate payment of any or all of the outstanding amounts due under the Bonds or the Guarantee prior to the originally scheduled Interest Payment Dates or the Maturity Date (as applicable). Please refer to Section 2 "*Risk Factors — Risks relating to the Bonds and the Guarantee — The Bonds cannot be accelerated in an Event of Default*" and "*Risk Factors — Risks relating to the Bonds and the Guarantee —The Guarantee is limited by the terms of the Letter of Guarantee, including the Maximum Guarantee Amount, and the Guarantee cannot be accelerated*" of this Offering Memorandum for a risk disclosure relating to the non-accelerable nature of the Bonds and the Guarantee.

Statement regarding Business Day

"**Business Day**" referred to in this Offering Memorandum means a day (other than a statutory holiday in China) on which commercial banks are open for corporate business in Beijing, China and the Depositary (as defined below) is open for trading, clearing and settlement of bonds. In reading this Offering Memorandum and determining the payment date, Investors should take note of the definition of "Business Day".

Statement relating to forward-looking statements

This Offering Memorandum contains forward-looking statements in respect of the economic and other conditions of the Issuer. Such forward-looking statements only indicate the Issuer's beliefs and expectations, instead of statements of the historical facts. Some expressions, e.g., "anticipate", "expect", "intend", "plan", "believe", "seek", "estimate", "potential" and "reasonably possible" and other combinations and similar wordings are all intended to enable the readers to identify forward-looking statements easily. As such representations are made based on the current plans, estimates and forecasts, Investors should not overly rely on them while reading this Offering Memorandum. Such forward-looking statements have been made on the basis of the objective circumstances existing on the date when they were made, and it should not be assumed that such relevant statements have been amended or updated so as to reflect the latest information or events occurring thereafter. Forward-looking statements involve various inherent risks and uncertain factors. Many factors may result in actual results deviating from the conditions expected or implied from such forward-looking statements, and under certain circumstances significant deviations may arise.

Statements regarding the financial reporting standards applicable to AIIB

The financial year of AIIB begins on 1 January and ends on 31 December of each year.

The audited financial statements of AIIB as of and for the year ended 31 December 2022 and the comparative period for 31 December 2021 have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and were audited by PricewaterhouseCoopers, AIIB's independent auditor.

The condensed interim financial statements of AIIB as of and for the six months ended 30 June 2023 have been prepared in accordance with IFRS: IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the annual financial statements for the year ended 31 December 2022.

Investors should read the financial information and indicators provided or referred to in this Offering Memorandum in conjunction with the financial statements of AIIB and the notes thereto.

Statements regarding the accounting standards adopted by AfDB

The financial year of AfDB runs between 1 January and ends on 31 December of each year.

AfDB's individual financial statements are prepared and presented in accordance with IFRS as issued by IASB. AfDB's annual financial statements as of and for the year ended 31 December 2022 and the comparative period for 31 December 2021 have been audited by Deloitte & Associés, AfDB's independent auditor.

AfDB's unaudited condensed interim financial statements for the six-month period ended 30 June 2023 including the comparative for 30 June 2022 have been prepared in accordance with IFRS, including the requirements of IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the audited financial statements for the year ended 31 December 2022.

Investors should read the financial information and indicators provided or referred to in this Offering Memorandum in conjunction with AfDB's financial statements for the reporting periods presented herein, including the notes to these financial statements.

Statement relating to the use of Egyptian legal terminology in this Offering Memorandum

This Offering Memorandum contains certain terms and words (including but not limited to, in relation to Egyptian law) that are defined in accordance with applicable Egyptian law. As such terms and words may have implications different from those contained in PRC Laws, Investors need to refer to the definitions given under the relevant Egyptian law while reading this Offering Memorandum. For any enquiries, Investors should consult their own legal and other professional advisors.

Statement relating to the "Collective Actions" Clauses

The terms of the Bonds include certain provisions relating to the amendments, modifications and waivers to certain terms of the Bonds, which are commonly referred to as Collective Action Clauses ("**CACs**"). Such provisions allow the decisions made by a majority of the Bondholders to bind all the Bondholders, including those who did not vote and who voted against such decisions. See Section 2 "*Risk Factors — Risks relating to the Bonds and the Guarantee — The Terms of the Bonds contain CACs*" of this Offering Memorandum for a risk disclosure relating to CACs.

Statement relating to the language used for information disclosure

Certain disclosure or transaction documents prepared by the Issuer or the Guarantors for the purpose of offering of the Bonds are made in English only or in English with a Chinese translation or summary. In particular, the Letter of Guarantee is prepared in English and Chinese, with the English version prevailing. Investors should take note that certain words, terms and expressions in English may have meanings or implications different from the same words, terms or expressions commonly used in Chinese documents due to the differences in culture, business environment and legal and regulatory systems.

Access to information

Investors may obtain full access to this Offering Memorandum through the Integrated Service Platform (as defined below) or such other information disclosure platform as otherwise designated by NAFMII during the offering period of the Bonds.

Statement relating to the foreign currency translation and rates of exchange

Amounts specified in Section 4 "*Description of the Issuer*", Section 5 "*Principal Economic Data of Egypt*", Section 6 "*Description of the Guarantors*" and Section 10 "*Credit Enhancement*" are expressed in EGP, USD or Unit of Account (or U.A), as the case may be.

For illustration purposes only, (i) the CNY/EGP reference rate published on 28 September 2023 and expressed as the amount of EGP per CNY was 4.3037, and (ii) the USD/CNY central parity rate published on 11 October 2023 and expressed as the amount of CNY per USD was 7.1779, each of which was published on http://www.chinamoney.com.cn/index.html by the China Foreign Exchange Trade System ("**CFETS**"), a sub-institutional organization of PBOC. For Unit of Account or U.A, based on the information published on the website of International Monetary Fund, as of 11 October 2023, rate of 1 U.A = 1.314880 USD.

Statement regarding selling restrictions

The distribution of this Offering Memorandum, the offer, sale and delivery of any of the Bonds may be restricted by law in certain jurisdictions. Persons receiving this Offering Memorandum are required by the Issuer, the Guarantors and the Principal Underwriters to inform themselves about, and to observe, any such restrictions. For a description of certain restrictions on the offer and sale of the Bonds and on the distribution of this Offering Memorandum, please see Section 8 "*Selling Restrictions*" of this Offering Memorandum.

In particular, the Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"). The Bonds may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act. The Bonds are being offered outside the United States in reliance on Regulation S under the U.S. Securities Act.

Neither this Offering Memorandum nor any supplement thereto constitutes an offer to sell or solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation.

Statement relating to "Bond Connect"

Offshore Specific Institutional Investors participating in the subscription of the Bonds through the "Bond Connect" regime should, in connection with the registration, custody, clearing, settlement of the Bonds and remittance and conversion of funds, comply with applicable laws and regulations, including the *Interim Measures for the Connection and Cooperation between the Mainland and the Hong Kong Bond Market* published by PBOC, as well as rules of other relevant parties and service providers.

Statement relating to governing law of the Bonds, the Guarantee and certain other disclosure documents

The Bonds and the Guarantee are governed by, and any dispute in connection with the Bonds and/or the Guarantee should be resolved pursuant to, PRC Laws.

The consent letter issued by Deloitte & Associés, AfDB's independent auditor, which is disclosed to Investors together with this Offering Memorandum and other Disclosure Documents, is governed by, and construed in accordance with French law, rather than PRC Laws. The courts of France (within the jurisdiction of the Cour d'Appel de Paris) shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning such consent letter and any matter arising from it. Investors should take note of such governing law and dispute resolution forum for such consent letter and carefully consider the potential risks and uncertainties relating thereto.

Statement relating to amounts and figures in this Offering Memorandum

Certain amounts and percentage figures included in this Offering Memorandum have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

Statement relating to fiscal year of the Issuer

Investors should take note that the Issuer's fiscal year commences on 1 July of each calendar year and ends on 30 June of the succeeding calendar year, and, thus, except as otherwise indicated, the annual economic data and certain other information presented in this Offering Memorandum are for the periods starting 1 July of the respective calendar year and ending 30 June of the succeeding calendar year.

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SECTION 1 DEFINITIONS

In this Offering Memorandum, unless otherwise specified or the context otherwise requires, the following terms shall have the following meanings:

"AfDB"	African Development Bank.
"AfDB Maximum Guarantee Amount"	RMB2,476,375,500, being the maximum amount, in aggregate, of the principal and interest amounts payable under the Bonds that will be guaranteed by AfDB pursuant to and under the Letter of Guarantee upon the issuance, and during the tenor, of the Bonds.
"AIIB"	Asian Infrastructure Investment Bank.
"AIIB Maximum Guarantee Amount"	RMB1,435,580,000, being the maximum amount, in aggregate, of the principal and interest amounts payable under the Bonds that will be guaranteed by AIIB pursuant to and under the Letter of Guarantee upon the issuance, and during the tenor, of the Bonds.
"BFAE"	Beijing Financial Assets Exchange, which is a platform authorized by PBOC for issuance and trading of bonds, a state-owned financial assets transaction platform designated by the Ministry of Finance of the People's Republic of China, and a transaction platform designated by NAFMII.
"Bonds"	The Arab Republic of Egypt 2023 Renminbi Bonds (Series 1) (Sustainable Development Bonds) (Bond Connect) to be issued by the Issuer and offered under this Offering Memorandum.
"Bondholders"	holders of the Bonds, whose names are listed on the registry maintained by the Depositary.
"Bookbuilding"	the process of determining the final interest rate/price and placement by the Bookrunners through recording the interest rate/price and quantity of the Bonds to be subscribed by the Underwriting Syndicate/Investors, in accordance with an agreed method of pricing and placement, after the Issuer and the Principal Underwriters have determined the range of interest rate/price and the members of the Underwriting Syndicate/Investors have submitted a subscription order. The Bookbuilding for the Bonds will be undertaken through a centralized online process at BFAE's central bookbuilding system.
"Bookrunners"	the institutions responsible for the Bookbuilding of the Bonds, including all aspects of centralized bookbuilding such as formulating the centralized bookbuilding workflow and specifically operating the centralized bookbuilding, including the Lead Bookrunner and the Joint Bookrunner.
"Business Day"	a day (other than a statutory holiday in China) on which commercial banks are open for corporate business in Beijing, China and the Depositary is open for trading, clearing and settlement of bonds.

“CBE”	Central Bank of Egypt.
“**CFETS**”	China Foreign Exchange Trade System, a sub-institutional organization of PBOC.
“China” or the “PRC”	the People’s Republic of China.
“CIETAC”	China International Economic and Trade Arbitration Commission.
“CIETAC Arbitration Rules”	the CIETAC arbitration rules in effect at the time of submission of a dispute relating to the Bonds and/or the Guarantee for arbitration to CIETAC.
“COVID-19”	Coronavirus Disease 2019.
“Depositary”	Interbank Market Clearing House Co., Ltd., also referred to as the “**Shanghai Clearing House**”.
“Designated Disclosure Methods”	the disclosure of the relevant information through the Integrated Service Platform and other platforms or methods designed by the regulators (if any).
“Disclosure Documents”	this Offering Memorandum and the other documents listed under Section 11 “*Disclosure Arrangements*”, including any amendments or supplements thereto.
“Egyptian Pound”, “EGP” or “LE”	the lawful currency of the Arab Republic of Egypt.
“EU”	European Union.
“Euro” or “€”	the single currency introduced at the start of the third stage of European Economic and Monetary Union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended.
“GDP”	Gross Domestic Product.
“Government”	the government of Egypt.
“Guarantee”	the unconditional and irrevocable guarantee provided by the Guarantors (severally and not jointly) for the benefit of the Bondholders for the due payment of the principal of and accrued and unpaid interest, if any, on the outstanding Bonds, up to the Maximum Guarantee Amount and subject to the Pro-rata Share of each Guarantor, in accordance with and subject to the terms of the Letter of Guarantee.
“Guarantors”	AIIB and AfDB.
“Hong Kong”	the Hong Kong Special Administrative Region of China.
“IMF”	the International Monetary Fund.

"Integrated Service Platform"	the NAFMII Integrated Operations and Information Service Platform.
"Interbank Market"	China's national interbank bond market.
"Interest Payment Date"	17 October of each year during the Interest Payment Period. The first Interest Payment Date shall be 17 October 2024 and the last Interest Payment Date shall be 17 October 2026.
"Investors"	Specialized Institutional Investors and selected Specific Institutional Investors.
"Issuer" or "Egypt"	The Arab Republic of Egypt, the issuer of the Bonds.
"Joint Bookrunner"	HSBC Bank (China) Company Limited.
"Joint Lead Underwriter"	HSBC Bank (China) Company Limited.
"Lead Bookrunner"	Bank of China Limited.
"Lead Underwriter"	Bank of China Limited.
"Letter of Guarantee"	the Letter of Guarantee dated 13 October 2023 issued by the Guarantors setting out the terms and conditions of the Guarantee.
"Maturity Date"	17 October 2026.
"Maximum Guarantee Amount"	RMB3,911,955,500, the maximum liability of the Guarantors collectively under the Guarantee, being the sum of the AIIB Maximum Guarantee Amount and the AfDB Maximum Guarantee Amount, which constitutes the maximum amount, in aggregate, of the principal and interest amounts payable under the Bonds that will be guaranteed by, collectively (on a several, not joint, basis), AIIB and AfDB pursuant to and under the Letter of Guarantee upon the issuance, and during the tenor, of the Bonds.
"MENA region"	the Middle East and North Africa region.
"MoF" or "Ministry of Finance"	the Ministry of Finance of Egypt.
"Moody's"	Moody's Investors Service, Inc.
"NAFMII"	National Association of Financial Market Institutional Investors.
"New York Convention"	United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards concluded in New York on 10 June 1958.
"Offering Memorandum" or "this Offering Memorandum"	this "Arab Republic of Egypt 2023 Renminbi Bonds (Series 1) (Sustainable Development Bonds) (Bond Connect) Private Placement Offering Memorandum" prepared by the Issuer for the purposes of the offering of the Bonds, which discloses to Investors certain information relating to the Bonds, the Guarantee, the Issuer and the Guarantors.

"PBOC"	People's Bank of China, the central bank of China.
"Principal Underwriters"	collectively, the Lead Underwriter and Joint Lead Underwriter.
"Post-issuance Manager"	Bank of China Limited, the institution responsible for advising the Issuer on the performance of its on-going obligations under the Bonds.
"PRC Laws"	Laws, regulations, rules and regulatory documents issued by an authority having legislative, judicial or administrative power pursuant to laws of the PRC (for the purpose of this Offering Memorandum, excluding laws, regulations, rules and regulatory documents issued by an authority having legislative, judicial or administrative power in Hong Kong, the Macau Special Administrative Region or Taiwan Region) and the rules of self-regulatory authorities or organizations of the PRC, including NAFMII.
"Programme"	the Arab Republic of Egypt's 2023-2025 Renminbi Sustainable Bonds Issuance Programme, under which the Issuer may, from time to time for a period of up to two years from the date of issuance by NAFMII of a notice of acceptance of registration with respect thereto, issue Renminbi-denominated bonds in an aggregate principal amount of up to RMB3.5 billion.
"Pro-rata Share"	in the case of AIIB, 37% of each Instalment of Payment (as defined in the Letter of Guarantee) and, in the case of AfDB, 63% of each Instalment of Payment.
"Regulation S"	Regulation S under the U.S. Securities Act.
"Renminbi", "RMB" or "CNY"	Renminbi, the lawful currency of the PRC.
"Reserved Matters"	as defined in Term (41) (*Meetings of Bondholders*) under part "*1. Terms of the Bonds*" in Section 3 "*Terms of the Bonds and Offering Arrangements*" of this Offering Memorandum.
"SDR"	Special drawing rights, as allocated by the IMF.
"Sovereign Sustainable Financing Framework" or the "Framework"	Egypt's Sovereign Sustainable Financing Framework (Nov 2022).
"Specialized Institutional Investor"	a qualified institutional investor who, in addition to having significant experience in investing in the debt market and the capability to identify related risks, is knowledgeable about the risk characteristics and investment process of private placement notes, is willing and able to assume the risks, voluntarily accepts the self-regulatory supervision of NAFMII, and commits to fulfilling its obligations as a member of NAFMII.

"Specific Institutional Investor"	a qualified institutional investor who is knowledgeable about, and capable of identifying, the risk characteristics and investment process with respect to the Bonds being privately placed hereunder, is willing and able to assume the investment risks associated with such Bonds, voluntarily accepts the self-regulatory supervision of NAFMII, and commits to fulfilling its obligations as a member of NAFMII.
"S&P"	S&P Global Ratings Europe Limited.
"Terms"	the terms of the Bonds as set out under the heading "*1. Terms of the Bonds*" in Section 3 "*Terms of the Bonds and Offering Arrangements*" of this Offering Memorandum and any reference therein to a particularly term.
"U.A"	Unit of Account.
"UN"	United Nations.
"Underwriting Syndicate"	the underwriting syndicate organized by the Principal Underwriters for the purpose of underwriting the Bonds, consisting of the Principal Underwriters and other underwriters.
"United States" or "U.S."	United States of America.
"U.S. Securities Act"	U.S. Securities Act of 1933, as amended.
"$", "U.S.$", "USD" or "U.S. dollars"	United States dollars, the lawful currency of the United States.

SECTION 2 RISK FACTORS

The following section does not describe all of the risks and investment considerations (including those relating to each prospective Investor's particular circumstances) with respect to an investment in the Bonds. Prior to making an investment decision, each prospective Investor should carefully consider the following risk factors, along with the other matters set out in this Offering Memorandum. All of these factors may have a material adverse effect on the Issuer, the Guarantors, the Bonds or the Guarantee. Prior to making an investment decision with respect to the Bonds, each prospective Investor should carefully consider all the information set out in this Offering Memorandum.

1. Risks relating to Egypt

(1) Political risks

On 25 January 2011, concurrent with the events around the Arab World known as the "Arab Spring", demonstrations and protests began in Cairo, Alexandria and a number of other Egyptian cities, with protestors demanding the overthrow of President Mubarak. Following several weeks of unrest, President Mubarak dissolved the Government and resigned, ending 30 years in power (the "**2011 Revolution**"). Power was then assumed by the Supreme Council of the Armed Forces (the "**SCAF**"), which suspended the constitution and announced it would govern Egypt until elections were held. Demonstrations and protests, which often escalated into violence, continued throughout 2011 in response to the perceived slow pace of political change. Egypt has experienced considerable political uncertainty and instability since the 2011 Revolution. There can be no assurance that there will not be protests, attacks or other violent or political reactions to further or new proceedings, which could, in turn, have a material adverse effect on the political climate and economic activity of Egypt.

In January 2014, the current constitution (the "**Constitution**") was adopted, coming into force on 18 January 2014. In March 2014, the then-defence minister, Field Marshal Al-Sisi, announced his intention to run for president and resigned from the military. Mr. Al-Sisi won the presidential elections in 2014 and 2018. Article 140 of the Constitution provided that Presidents serve a four-year term and could be re-elected once. Accordingly, this would have been President Al-Sisi's final term, expiring in March 2022.

On 3 February 2019, a motion was submitted to the speaker of Parliament proposing certain amendments to the Constitution, including extending the presidential term from four years to six years, changing the appointment process for various entities within the judiciary, as well as other amendments. On 14 February 2019, Parliament voted in favour of these amendments. On 16 April 2019, the Legislative Committee of the Parliament approved the amendments to the Constitution and adopted a transitional article, which applies exclusively to President Al-Sisi, permitting him to be elected for a further six-year term after his current term expires in 2024. On 5 October 2023, the National Election Authority announced that voting in the 2024 presidential elections in Egypt will take place from 10 to 12 December 2023, with the final result set to be announced on 18 December 2023. On 2 October 2023, President Abdel-Fattah El-Sisi officially announced that he will run for the presidency in the upcoming elections.

In January 2016, the House of Representatives held its first session, the first parliamentary session in more than three years. Parliamentary elections for the House of Representatives took place in October and November 2020. The first round of Senate elections was held in August 2020, with a second round held in September 2020. The next parliamentary elections are scheduled to take place in 2025.

In 2019, certain amendments were proposed to the Constitution, including making the Parliament a bicameral body. The Shoura Council (the "**Shoura Council**"), which was abolished in 2014, was to be restored as the Senate, an advisory body without legislative powers. On 16 April 2019, the Parliament approved the proposed amendments, which were subsequently approved by referendum in April 2019.

On 25 October 2021, President Sisi announced that the state of emergency, which has been in place since 2017, would no longer be renewed. Revoking the state of emergency ended the exceptional powers granted to the President of Egypt under Emergency Law No. 162 for 1958.

The Government is likely to continue to face social, economic and political challenges and the risk of instability that often accompanies political transition. Any change in policy or any delay or reversal of economic reforms may lead to political instability or uncertainty regarding the completion of economic reforms, which could, in turn, negatively affect Egypt and its economy. These challenges, together with incidents of social and political unrest and violence in Egypt and in the wider region, have had and may continue to have a significant adverse effect on the Egyptian economy. There can be no assurance that further incidents of political or social instability, terrorism, protests or violence will not directly or indirectly negatively affect Egypt and its economy.

(2) Russia-Ukraine conflict

The military conflict between Russia and Ukraine started in February 2022 has resulted in significant disruption to the global economy. In the wake of this conflict, many markets around the world have experienced and continue to experience volatility and disruption. The United States and the EU, among other countries, have announced sanctions against Russia, including sanctions targeting the Russian oil sector, such as a prohibition on the import of oil from Russia to the United States. The ongoing conflict could result in the imposition of further economic sanctions by the United States, the EU or other countries against Russia, which could have uncertain impacts on the global economy, including on the economy of Egypt. Please also see "— *Regional and international considerations*" in this Section. As such, the Russia-Ukraine conflict could significantly and adversely impact Egypt, its economy and its political environment. These events may reduce Investors' interest in emerging markets in general, including Egypt, and there can be no assurance that Egypt will not be affected by Investors' reactions to the negative economic conditions in other emerging markets or elsewhere or more generally if a "contagion" effect occurs. Please also see "— *Deterioration of economic conditions in the EU and the wider global economy could adversely affect the Egyptian economy*" in this Section.

The Russia-Ukraine conflict has further disrupted supply chains and caused further instability in the energy markets. The conflict could lead to further global supply chain shortages and market disruptions, including further significant volatility in commodity prices, the credit and capital markets and inflation. According to Eurostat, the annual inflation rate in April 2022 was almost 8.1% in the EU, compared to 2.0% in April 2021. In October 2022, the annual inflation in the EU was 11.5% compared to 4.4% in October 2021. According to the U.S. Bureau of Labor Statistics, the annual inflation rate based on the consumer price index (the "**CPI**") was almost 8.3% in the United States in April 2022, compared to 4.2% in April 2021. In 2022, the United States saw its highest level of inflation in more than 40 years. In October 2022, the annual inflation rate (based on CPI) was 7.7% compared to 6.2% in October 2021.

In Egypt, headline annual inflation was 37.4% in August 2023, compared to 14.6% in August 2022. The Russia-Ukraine conflict and the effects from this conflict have had and are expected to continue to have an adverse impact on Egypt's key policy rates, expenditures and budget. In a special Monetary Policy Committee (the "**MPC**") of the Central Bank of Egypt (the "**CBE**") meeting on 21 March 2022, the CBE decided to hike key interest rates by 100 basis points, setting the overnight deposit rate, the overnight lending rate, the rate of the CBE's main operation and the discount rate to 9.25%, 10.25%, 9.75% and 9.75%, respectively. In the MPC meeting held on 19 May 2022, the MPC decided to raise the CBE's overnight deposit rate, the overnight lending rate, the rate of the main operation, and the discount rate by 200 basis points to 11.25%, 12.25%, 11.75%, and 11.75%, respectively. In its meetings held on 23 June 2022, 18 August 2022, and 22 September 2022, the MPC decided to keep key policy rates unchanged. In its meeting held on 22 September 2022, the MPC decided to increase the required reserve ratio to 18% from 14%. This works as a catalyst, complementing the tightening stance that the CBE is maintaining, by calibrating liquidity conditions. In its special meeting held on 27 October 2022, the MPC raised the CBE's overnight deposit rate, the overnight lending rate, and the rate of the main operation by 200 basis points to 13.25%, 14.25% and 13.75%, respectively. The discount rate was also raised to 13.75%. In its meeting on 22 December 2022, the MPC raised the overnight deposit rate, overnight lending rate and the rate of the main operation by 300 basis points to reach 16.25%, 17.25% and 16.75% respectively; the discount rate was also raised by 300 basis points to 16.75%. In its meeting on 30 March 2023, the MPC raised the overnight deposit rate, overnight lending rate and the rate of the main operation by 200 basis points to reach 18.25%, 19.25% and 18.75% respectively; the discount rate was also raised by 200 basis points to 18.75%. In its meeting on 3 August 2023, the MPC raised the overnight deposit rate, overnight lending rate and the rate of the main operation by 100 basis points to reach 19.25%, 20.25% and 19.75% respectively; the discount rate was also raised by 100 basis points to 19.75%.

Furthermore, Russia and Ukraine are major exporters of basic foods, such as oil seeds and wheat. Egypt sourced almost 95% of its supply of vegetable oil from abroad in 2020/21, with approximately 75% of such imports being sourced from Russia and Ukraine. During the same period, Egypt also purchased over 80% of its wheat imports from Russia and Ukraine. Russia is also a large exporter of natural gas, energy products and industrial inputs such as fertilizers and metals, such as aluminium, nickel, palladium and platinum, which has resulted in greater pressures on major economies and supply chains. The Russia-Ukraine conflicts may lead to food shortages globally, which may have an indirect impact on Egypt, which may lead to instances of social unrest.

For more information, please also see "*— Inflation risks*", "*— Egypt's deficit and debt levels*", "*— Egypt faces socio-economic challenges, including high youth unemployment*" and "*— Exchange rate risks*" in this Section, and Section 4 "*Description of the Issuer — Public Finance — Expenditures*".

(3) Egypt's deficit and debt levels

Egypt's fiscal deficits have led to increased levels of Government borrowing, which have, in turn, increased the public debt. Egypt's fiscal deficit remains high, representing 6.8% of GDP in 2020/21, 6.1% of GDP in 2021/22 and 6.0% of GDP in 2022/23 (based on preliminary actual numbers). The 2023/24 budget targets at fiscal deficit of 7.0% of GDP.

Further, several factors have recently put further pressure on the Egyptian economy, including the ongoing Russia-Ukraine conflict, which impacted foreign trade and commodities prices globally. Such pressures have in turn had an effect on the inflation rate and exchange rates in Egypt, and subsequently on Egypt's deficit and debt levels as well. Please also see "*— Inflation risks*", "*— Exchange rate risks*" and "*— Russia-Ukraine conflict*" in this Section.

If Egypt is unable to continue to reduce its fiscal deficit and the resulting effect on the public debt, it could raise the country's cost of funding of its debt, negatively affect the Egyptian economy, strain the general resources of the Government and the Government's finances, hinder the Government's structural reform efforts and materially impair Egypt's capacity to service its debt (including the Bonds issued under the Programme).

Over the past few fiscal years, public debt, as a percentage of GDP, has remained high. Total budget sector debt represented 84.6% of GDP as at 30 June 2021 and 87.2% of GDP as at 30 June 2022.

Total external public debt was 34.2% of GDP as at 30 June 2021 and decreased to 32.6% of GDP as at 30 June 2022.

Gross external Government debt was 19.8% of GDP as at 30 June 2021 and 19.2% of GDP as at 30 June 2022.

As at 1 April 2023, Egypt's projected medium- and long-term total public external debt service (including principal and interest) was U.S.$11.8 billion for the six months ended 31 December 2023 and U.S.$29.2 billion in 2024. High levels of indebtedness, which may increase as a result of continued borrowing, could negatively impact Egypt's credit rating and could have a material adverse effect on the Egyptian economy, the Government's finances and its ability to service its debt (including the Bonds issued under the Programme).

Devaluations of the Egyptian Pound against foreign currencies have also contributed to the increase in debt to GDP ratios in recent years. See "*— Exchange Rate Risks*".

The Government's ability to finance fiscal deficits and roll over its existing debt depends in part on the ability and willingness of Egyptian banks to purchase securities and other credit instruments issued by the Government. In addition, a significant portion of short-term treasury instruments issued by the Government are purchased by international investors. Any market development which reduces foreign investor appetite for Government securities at current yields could force the CBE to issue new, higher coupon debt to continue to attract foreign investor inflows. Global macroeconomic turbulence, or a deterioration in investor perceptions of the creditworthiness of the Government and the broader health of the Egyptian economy could cause government security sell-offs, which could have an adverse effect on Egypt's foreign and local-currency sovereign credit ratings, the economy and public finances, as well as its ability to service debt in the future. Further, should foreign investor appetite for government securities issuances decrease sufficiently, it could erode the value of outstanding securities held by Egyptian banks, adversely affecting banks' balance sheets and the Egyptian banking system generally. In addition, as at 31 March 2022, 41.4% or LE2,139.0 billion of outstanding domestic debt had a maturity of less than one year (as compared to 39.1% or LE1,796.7 billion as at 30 June 2021). This high proportion of short-term debt, as well as increased Government borrowing requirements, could expose Egypt to increased rollover risk with respect to its public debt.

On 5 October 2023, Moody's downgraded Egypt's long-term foreign- and local-currency issue ratings to Caa1 from B3, with a stable outlook, citing "Egypt's worsening debt affordability trend and the persistence of foreign currency shortages in the face of increasing external debt service payments over the next two years, amid increasingly constrained policy options to rebalance the economy without exacerbating social risk". Moody's noted that the stable outlook "captures the government's track record of fiscal reform implementation capacity and the launch of the asset sale strategy, as well as Moody's expectation of continued external financial support from the International Monetary Fund (IMF), subject to compliance with reform conditionality, and from the Gulf Cooperation Council (GCC)*"*.

In December 2022, the Executive Board of the IMF approved a three-year extended arrangement under the extended fund facility ("**EFF**") for Egypt in an amount of SDR 2,350.17 million (approximately U.S.$3.0 billion). The approval of the EFF allowed for the immediate disbursement of SDR 261.13 million (approximately U.S.$347 million) in December 2022. In March 2023, Egypt and the World Bank also agreed a country partnership framework for 2023-2027, with an envisaged financial envelope of U.S.$7 billion. See "*Public Debt—Recent Developments*". If Egypt is unable to satisfy the conditions for disbursement in order to allow it to receive further funding under arrangements with multilateral or bilateral creditors, including the EFF, or is otherwise unable to borrow at an acceptable cost, it could have a material adverse effect on the Egyptian economy, the Government's structural reform efforts, the Government's finances and its ability to service its debt.

(4) Inflation risks

Following the depreciation of the Egyptian Pound in November 2016 and the fiscal consolidation measures implemented, annual headline inflation increased significantly, reaching 33.0% in July 2017 but declined to 7.1% in December 2019, and to 5.4% in each of December 2020 and July 2021. Annual headline inflation was 5.9% in December 2021, 7.3% in January 2022, and 8.8% in February 2022, 10.5% in March 2022, 13.1% in April 2022, and 13.5% in May 2022. It decreased slightly to 13.2% in June 2022. From July 2022, annual headline inflation continued to increase to 30.6% in April 2023, 32.7% in May 2023, 35.7% in June 2023 and 36.5% in July 2023, to reach 37.4% in August 2023.

The Egyptian economy is subject to continued risk of high or increasing inflation due to, *inter alia*, any further potential depreciation or devaluations of the Egyptian Pound from future pressure on the Egyptian Pound, rising food prices (as a result of subsidy reform, volatility in global wheat harvests and other factors), rising energy prices (as a result of subsidy reform, including recent increases in petroleum, gasoline, diesel, kerosene and fuel oil prices, and future increases in international energy prices). In addition, further planned reductions of fuel subsidies and other measures as part of the Government's economic reform programme may have an adverse impact on inflation, and, in past years, most recently in 2018, price increases, particularly in respect of food and transportation, have led to social unrest. Further, the global economy is currently facing a highly inflationary environment. The recovery of global economies resulted in rising commodity prices and production inputs as well as bottlenecks in supply chains. These pressures were further amplified, and continue to be amplified by the ongoing Russia-Ukraine conflict. Rising international commodity prices, such as oil, wheat, metals and minerals, which resulted from further supply chain disruptions in addition to increased risk-off sentiment, have added to domestic inflationary pressures as well as external imbalances.

The global environment remains susceptible to high level of uncertainty with global growth projected to slow down and global inflation may remain high. Risks emanate domestically and globally from adverse weather-related events, which could impact harvests, and contribute to already high food inflation, as well as from an intensification of the conflict between Ukraine and Russia and its repercussions on international commodity prices, particularly energy prices. The priority of CBE remains to achieve price stability through sustained disinflation by assessing the cumulative impact of CBE's tightening policy while ensuring financial stability.

The CBE has implemented a number of measures to try to contain inflationary pressures. Between November 2016 and July 2017, the MPC raised benchmark policy rates by an aggregate of 700 basis points. In addition, the CBE has used deposit auctions to reduce balances on banks' overnight and seven-day deposits. In May 2017, the CBE announced an inflation target of 13% by the fourth quarter of 2018 and single digits thereafter. As a result of the moderation of underlying inflationary pressures, the MPC has progressively reduced the overnight deposit rate, the overnight lending rate, the rate of the CBE's main operation and the discount rate. In September 2021, the overnight deposit rate, the overnight lending rate, the rate of the CBE's main operation and the discount rate were 8.25%, 9.25%, 8.75% and 8.75%, respectively. In December 2020, the CBE announced an inflation target of 7% annual headline inflation (+/- 2 percentage points) on average in the fourth quarter of 2022.

In a special MPC meeting scheduled on 21 March 2022, the CBE decided to hike key interest rates by 100 basis points, setting the overnight deposit rate, the overnight lending rate, the rate of the CBE's main operation and the discount rate to 9.25%, 10.25%, 9.75% and 9.75%, respectively. In the MPC meeting held on 19 May 2022, the MPC decided to raise the CBE's overnight deposit rate, the overnight lending rate, the rate of the main operation, and the discount rate by 200 basis points to 11.25%, 12.25%, 11.75% and 11.75%, respectively. In its meetings held on 23 June 2022, 18 August 2022, and 22 September 2022, the MPC decided to keep key policy rates unchanged. In its meeting held on 22 September 2022, the MPC decided to increase the required reserve ratio to 18% from 14%. This works as a catalyst, complementing the tightening stance that the CBE is maintaining, by calibrating liquidity conditions. In its special meeting held on 27 October 2022, the MPC raised the CBE's overnight deposit rate, the overnight lending rate, and the rate of the main operation by 200 basis points to 13.25%, 14.25% and 13.75%, respectively. The discount rate was also raised to 13.75%.

In its meeting on 22 December 2022, the MPC raised the overnight deposit rate, overnight lending rate and the rate of the main operation by 300 basis points to reach 16.25%, 17.25% and 16.75% respectively; the discount rate was also raised by 300 basis points to 16.75%. In December 2022, the Monetary Policy Committee has set the inflation target at 7% (±2 percentage points) on average by the fourth quarter of 2024 and 5% (±2 percentage points) on average by the fourth quarter of 2026. In its meeting on 30 March 2023, the MPC raised the overnight deposit rate, overnight lending rate and the rate of the main operation by 200 basis points to reach 18.25%, 19.25% and 18.75% respectively; the discount rate was also raised by 200 basis points to 18.75%. In its meeting on 3 August 2023, the MPC raised the overnight deposit rate, overnight lending rate and the rate of the main operation by 100 basis points to reach 19.25%, 20.25% and 19.75% respectively; the discount rate was also raised by 100 basis points to 19.75%.

There can be no assurance, however, that measures taken by the CBE and the Government will be successful in meeting the CBE's inflation target or otherwise controlling inflation. Increases in the

CBE's benchmark policy rates have also increased the Government's domestic borrowing costs and may result in lower levels of lending and a decrease in economic growth. A failure to control inflation could have a material adverse effect on the investment climate in Egypt and negatively affect the Egyptian economy.

(5) Terrorism risks

In recent years, Islamic militants, including the so-called "Islamic State", have operated in a number of countries in the region. In common with other countries in the Middle East, Egypt has experienced a number of terrorist attacks. Since the removal of President Morsi, terrorist attacks in North Sinai on Egyptian military bases, in particular, have increased, resulting in the deaths of soldiers and police. In July 2015, the so-called "Islamic State" launched a wave of further attacks in North Sinai, which have continued in subsequent periods, including during 2020 and 2021. Between 2018 and 2020, it is estimated that 67 Egyptian security forces personnel and 840 so-called "Islamic State" militants were killed in the Sinai region. In 2021, further clashes between so-called "Islamic State" militants and Egyptian security forces have occurred resulting in injuries and deaths on both sides. For example, in August 2021, it was announced that Egyptian forces had killed 89 so-called "Islamic State" militants in North Sinai. As a result of these attacks and the related security situation prevailing in North Sinai, Egyptian Natural Gas Holding Company was facing difficulties transporting gas through the Sinai Peninsula to Jordan.

These events have affected the Egyptian economy and, in particular, the tourism sector. While combatting terrorism continues to be a priority of the Government, there can be no assurance that extremists or terrorist groups will not continue violent activities in Egypt. Terrorist attacks in Egypt have adversely affected, and may continue to adversely affect, the Egyptian economy.

(6) Regional and international considerations

Egypt is located in a region that has been subject to ongoing political and security concerns, especially in recent years. Political instability in the Middle East has increased since the terrorist attacks of 11 September 2001, the U.S.-led intervention in Iraq, the ongoing conflict in Syria, the threat of the so-called "Islamic State", the ongoing conflict in Yemen, instability and conflict in Libya and the crisis involving Qatar. Some Middle Eastern and North African countries have experienced in the recent past or are currently experiencing political, social and economic instability, extremism, terrorism, armed conflict and war. Within Egypt, state and civilian institutions have been the targets of terrorist attacks in recent years.

A number of Arab countries have experienced significant political and military upheaval, conflict and revolutions as part of the Arab Spring, which has led to the departure of long-time rulers in Tunisia, Egypt, Yemen and Libya. Among the short-term effects of the Arab Spring has been a destabilisation of the region and increased political and social instability. In addition, a number of Arab countries, including Iraq, Libya, Syria and Yemen, have continued to experience significant civil unrest and internal conflict. In particular, the ongoing conflicts in Syria and Libya have been the subject of significant international attention and intervention, including by the Russian, Turkish and other national militaries, and the impact, or any resolution, of such conflicts are difficult to predict. Any further escalation of these conflicts, additional international military intervention in Syria or elsewhere in the region, or a more aggressive stance by parties to such conflicts, could further destabilise the region. The instability caused by ongoing conflict in the broader region has been exacerbated by terrorist attacks by the so-called "Islamic State" and other armed entities in the region and internationally, which has, in turn, increased the security challenges faced by Egypt, as well as other countries in the region and beyond.

In March 2015, a coalition of Arab countries led by Saudi Arabia and including other Gulf Co-operation Council (the "**GCC**") members, Egypt, Jordan, Morocco, Sudan and others, supported by the United States and other western governments, announced its intention to intervene in the civil war in Yemen on the side of the Yemeni government against the Houthi rebels, who have taken control of Yemen's capital, Sana'a.

The continuation of such events or the occurrence of new, similar events in the region could further strain political stability in the region and the Government's finances. These events have had, and are likely to continue to have, a material adverse impact on the Egyptian economy, including, but not limited to, by reducing tourism (which historically has been an important source of foreign currency). Any of the foregoing could also lead to a reduction in, and increased difficulty in, attracting foreign direct investment (the "**FDI**") to Egypt, as well as the diversion of Government resources towards increased military and security spending.

International investors' reactions to events occurring in one emerging market, country or region sometimes appear to demonstrate a contagion effect, in which an entire region or class of investment is disfavoured by such investors. If such a "contagion" effect occurs, Egypt could be adversely affected by negative economic, security or financial developments in other emerging market countries. Egypt has been adversely affected by "contagion" effects in the past, including recent events in Sudan, Yemen and Libya, violence involving the so-called "Islamic State" and other recent events in the MENA region, as well as global events, such as the Eurozone crisis and the global financial crisis. No assurance can be given that it will not be affected by similar events in the future.

In addition, certain emerging markets, including Turkey and Argentina, are currently experiencing adverse economic events, including depreciation of the local currency and rising inflation. Further, U.S. and global markets are experiencing volatility and disruption following the escalation of geopolitical tensions and the military conflict between Ukraine and Russian started in February 2022. Although the length and impact of the ongoing military conflict is highly unpredictable, the continuing conflicts and recent developments in Ukraine, geopolitical events, terrorist or other attacks, and war (or threatened war) or international hostilities, such as between Russia and Ukraine, may lead to armed conflict or acts of terrorism around the world, which may contribute to further economic instability in the global financial markets and international commerce. The recent escalation of conflict between Russia and Ukraine may lead to further regional and international conflicts or armed action. This conflict has disrupted supply chains and caused instability in the energy markets and could lead to further market disruptions, including significant volatility in commodity prices, credit and capital markets on a global scale. The United States and the EU, among other countries, have announced sanctions against Russia, including sanctions targeting the Russian oil sector, such as a prohibition on the import of oil from Russia to the United States. The ongoing conflict could result in the imposition of further economic sanctions by the United States and the EU against Russia, with uncertain impacts on the global economy. Such events may reduce Investors' interest in emerging markets in general, including Egypt, and there can be no assurance that Egypt will not be affected by Investors' reactions to the negative economic conditions in other emerging markets or elsewhere or more generally if a "contagion" effect occurs.

(7) Economic risks

The 2011 Revolution and subsequent events have had material negative macroeconomic consequences for the Egyptian economy. These events have contributed to declines in economic growth, as well as decreases in FDI and tourism revenues. The real GDP growth rate slowed in recent years following the economic shock that occurred primarily due to the effects of the Arab Spring and the 2011 Revolution. Although real GDP growth has increased in recent periods, growth rates still remain below 2009/10 levels. Net FDI inflows have followed a similar trend.

Tourism income was U.S.$4.9 billion in 2020/21, as compared to U.S.$9.9 billion in 2019/20. In 2019/20 and 2020/21, Egypt's tourism sector suffered materially from the COVID-19 pandemic.

During 2021/22, tourism receipts increased to U.S.$10.7 billion, as compared to U.S.$4.9 billion in 2020/21 despite the conflict between Russia and Ukraine and the large number of Russian and Ukrainian tourists that have historically visited Egypt (accounting for approximately 30% to 40% of the total number of tourists who visited Egypt in 2020/21). In 2022/23, Ministry of Tourism data indicates a 26.8% increase in tourism revenues, reaching around U.S.$13.6 billion (compared to around U.S.$10.7 billion), due to a 27.6% rise in tourist nights, totalling about 146.1 million nights.

In 2022/23, the deficit of the current account improved by 71.5% to reach U.S.$4.7 billion (as compared to U.S.$16.6 billion in 2021/22). This was primarily due to the decline in the trade deficit by 28.2% to reach U.S.$31.2 billion. Moreover, the services balance surplus doubled, recording U.S.$21.9 billion, driven by an increase in Suez Canal receipts. There can be no assurance, however, that this trend will continue and further increases in the current account deficit could have a material adverse effect on the Egyptian economy, the Government's finances and its ability to service its foreign currency debt. Such factors have also contributed to Egypt's fiscal deficit.

Following the liberalisation of the Egyptian Pound in November 2016 and the CBE's subsequent policy of non-intervention in foreign exchange markets, Net International Reserves (the "**NIR**") with the CBE increased from U.S.$31.3 billion as at 30 June 2017, to U.S.$38.2 billion as at 30 June 2020, equivalent to 7.3 months of merchandise imports, to U.S.$40.6 billion as at 30 June 2021, equivalent to 6.9 months of merchandise imports and decreasing to U.S.$33.4 billion as at 30 June 2022, equivalent to 4.6 months of merchandise imports. As at 30 June 2023, NIR with the CBE were U.S.$34.8 billion, covering 5.9 months of merchandise imports. As at 30 September 2023, NIR with the CBE were U.S.$35.0 billion, covering 5.9 months of merchandise imports. There can be no assurance, however, that NIR will increase or be maintained at such levels.

In 2020/21, the Government announced the launch of the second phase of its economic reform programme, known as the National Structural Reform Programme (the "**NSRP**"). The NSRP aims to achieve comprehensive, balanced, and sustainable growth, as well as achieving flexibility, productivity and competitiveness while enhancing job opportunities, reducing the trade deficit, and bridging the financing gap. As part of the NSRP, according to preliminary data of Ministry of Planning and Economic Development, the economic growth rate is expected to reach 4.5% on average during the period 2022/23 to 2025/26 (with an economic growth rate of 4.1% targeted in 2023/24 according to the MOPED), a primary surplus of 2.0% by the end of 2023/24 (with a primary surplus of 1.5% targeted in the 2021/22 budget) and a decrease in the budget deficit to 5.5% by the end of 2023/24. The ability of the Government to meet the targets set out in the NSRP depends on the implementation of well-identified policy measures to achieve the stated objectives. In December 2020, the CBE announced a new annual headline inflation target of 7% (±2 percentage points) on average during the fourth quarter of 2022. In December 2022, the CBE set its upcoming inflation targets at 7% (± 2 percentage points) on average by the fourth quarter of 2024 and 5% (± 2 percentage points) on average by the fourth quarter of 2026. A number of the targets in the Government's previous programme, including the inflation and fiscal deficit targets were revised in response to the COVID-19 pandemic. There can be no assurance that the Government's targets in the NSRP or other policies will not need to be further revised in the future. In addition, there can be no assurance that the Government's planned reforms will be fully implemented or that, if implemented, they will achieve the anticipated results or meet anticipated targets.

There can be no assurance that Egypt will be able to address adequately these and other economic issues or that economic growth will continue. Any failure to maintain economic growth or address continuing economic issues will negatively affect investor confidence in Egypt and the willingness of investors to invest money, and engage in transactions in, Egypt and will affect the Government's finances and, accordingly, Egypt's capacity to service its debt (including the Bonds issued under the Programme).

For details on the economic risks relating to the Russia-Ukraine conflict, please see "— Russia-Ukraine conflict" in this Section.

(8) Exchange rate risks

The exchange rate of the Egyptian Pound has been volatile when measured against the U.S. dollar, the Euro and other major foreign currencies and has generally declined in recent years. While the CBE historically managed the Egyptian Pound/U.S. dollar exchange rate, it does not do so any longer. The CBE has acted within its mandate to maintain national financial and price stability in response to dislocations in financial markets, and any such responses in the future may involve interventions in currency markets, which could lead to fluctuation in foreign reserve levels. The value of the Egyptian Pound has been and continues to be impacted by a number of factors, many of which are outside of the control of the Government and the CBE. In addition, restrictions in auctions and on the interbank market, as well as only partial clearance of foreign exchange requests from commercial banks, historically generated a parallel market for foreign exchange. From time to time, there has also been a shortage of U.S. dollars in the Egyptian market to service foreign currency transactions as a result of which, the ability to repatriate foreign currency has been limited or curtailed, which has resulted and may, in the future continue to result in reduced FDI and, therefore, reduced economic growth in Egypt. Since the 2011 Revolution, the currency has depreciated in value, and any future currency depreciation would increase, external debt servicing costs.

In March 2016, the Egyptian Pound was devalued against the U.S. dollar by 13%, representing the then-largest devaluation of the Egyptian Pound in more than ten years. On 3 November 2016, the CBE announced the move to a liberalised exchange rate regime and other measures in order to quell distortions in the domestic foreign currency market and reduce foreign exchange shortages. Pursuant to the new exchange rate regime, banks and other market participants are at liberty to quote and trade at any exchange rate, and bid and ask exchange rates are determined by supply and demand. As a result, the Egyptian Pound depreciated against the U.S. dollar to LE14.64 per U.S.$1.00 (buy rate) on 3 November 2016, as compared to LE8.8 (buy rate) per U.S.$1.00 on 2 November 2016. In 2018, 2019 and 2020, the average U.S. dollar to Egyptian Pound exchange rate (buy rate), as published by the CBE, was U.S.$1.00 = LE17.77, U.S.$1.00 = LE16.81 and U.S.$1.00 = LE15.76, respectively.

On 28 February 2022, the official exchange rate (buy rate), as published by the CBE, was U.S.$1.00 = LE15.6504. A number of factors have caused the Egyptian Pound to depreciate in 2022, including foreign currency outflows from foreign portfolio investors in reaction to the Russia-Ukraine conflict and the tightening of global monetary policies led by the U.S. Federal Reserve. There have also been foreign currency exchange pressures in terms of local supply and demand dynamics, partially due to the increase in global oil and commodity prices. On 21 March 2022, the CBE announced the devaluation of the Egyptian Pound against the U.S. dollar. On 28 April 2022, the official exchange rate (buy rate), as published by the CBE, was U.S.$1.00 = LE18.4360. On 27 October 2022, the Egyptian Pound depreciated for the second time in 2022. The official exchange rate (buy rate) on 22 November 2022, as published by the CBE, was U.S.$1.00 = LE22.4947. The Egyptian Pound continued its decline and is currently, as of 4 October 2023, trading at U.S.$1 = LE30.8949. There can be no assurance that the currency will not depreciate further and exhibit a continued or a higher degree of volatility than it has historically displayed.

As at 30 June 2023, 68.4% of Egypt's total external debt was denominated in U.S. dollars and 11.1% was denominated in Euros. As at 30 June 2022, 66.5% of Egypt's total external debt was denominated in U.S. dollars and 10.5% was denominated in Euros (as compared to 62.0% and 12.7% respectively, as at 30 June 2021).

The depreciation of the Egyptian Pound against the U.S. dollar, the Euro or other major foreign currencies could have an effect on Egypt's ability to repay its debt denominated in currencies other than the Egyptian Pound, including amounts due under the Bonds. Furthermore, there may be mismatches between U.S. dollar denominated loans and individual borrowers' access to U.S. dollar denominated revenues, as well as between U.S. dollar denominated loans and deposits within individual banks, which could enhance the impact of depreciations. In addition, a significant depreciation of the Egyptian Pound against the U.S. dollar, the Euro or other foreign currencies may result in reduced Government and other revenues and outflows of capital from Egypt, each of which could have a material adverse effect on Egypt's economy. Recent depreciation in the value of the Egyptian Pound has led, and future depreciation could lead, to greater inflation, which, in turn, could have an adverse effect on the Egyptian economy, as well as on bank capitalisation. Significant interventions in the exchange rate (or a lack thereof), however, may affect Egypt's foreign currency reserves and may, in turn, have a material adverse effect on the Egyptian economy, the Government's finances and its ability to service its external debt. Historically, though, Egypt has proven to not have defaulted on its debt, either foreign or domestic debt.

(9) Egypt's foreign currency credit rating is sub-investment grade

Egypt's long-term foreign currency debt is currently assigned a rating of "B" with a negative outlook by S&P, a rating of "Caa1" with a stable outlook by Moody's and a rating of "B" with a negative outlook by Fitch. See "— *Egypt's deficit and debt levels*" above.

These ratings are sub-investment grade, and past rating downgrades have negatively affected, and may continue to negatively affect, investor confidence in Egypt. There can be no assurance that a credit rating will remain for any given period of time or that a credit rating will not be downgraded or withdrawn entirely by the relevant rating agency if, in its judgment, circumstances in the future so warrant. Egypt has no obligation to, and will not, inform the holders of the Bonds of any such revision, downgrade or withdrawal. A suspension, downgrade or withdrawal at any time of the credit rating assigned to Egypt may adversely affect the market price of the Bonds.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Any decrease in the rating of the Issuer's debt securities could raise the cost of financing required by Egypt so as to put further pressure on fiscal deficits and adversely affect the price that a purchaser will be willing to pay for the Bonds, cause trading in the Bonds to be volatile, adversely affect the trading price of the Bonds and limit Egypt's access to the debt capital markets.

(10) The statistics published by Egypt may differ from those produced by other sources

A range of Ministries, public statistic agencies (including CAPMAS) and the CBE produce statistics relating to Egypt and its economy, including statistics in relation to GDP, balance of payments, revenues and expenditure of the Government and indebtedness of Egypt. The statistical data appearing in this Offering Memorandum has been obtained from public sources and documents. Investors may be able to obtain similar statistics from other sources, but the underlying assumptions, methodology and, consequently, the resulting data may vary from source to source.

Additionally, the statistics produced by Egypt may have certain weaknesses that could impede an analysis of the Egyptian economy. Egypt subscribed to the Special Data Dissemination Standard of the IMF (the "**SDDS**") in January 2005, but data improvements in certain areas are still required. In its 2017 annual observance report for SDDS, the IMF noted, *inter alia*, that while Egypt met the SDDS requirements for coverage for all data categories and the periodicity and timeliness requirements for most data categories (with some being exceeded), there were delays in respect of the release of certain data, including national accounts and balance of payments data, and periodicity requirements were not met for certain labour and central Government operating data. In addition, the Government does not currently publish breakdowns of Government-guaranteed debt and is in the process of developing a comprehensive system to evaluate and govern the decision-making process regarding Government guarantees. Any estimate which includes the guaranteed debt of state-owned enterprises that are not economic authorities or service authorities will be approximate.

As a result of the foregoing, financial and economic information may differ from previously published figures and may subsequently be adjusted or revised. No assurance can be given that material changes will not be made. Consequently, the statistical data contained in this Offering Memorandum should be treated with caution by prospective Investors.

(11) Failure to adequately address actual and perceived risks of corruption may adversely affect Egypt's economy and its ability to attract FDI

The incidence and perception of elevated levels of corruption remains a significant issue in Egypt. Egypt maintained its ranking at 130 out of 180 countries, with a score of 30 (with 1 being the most corrupt score and 100 being the least corrupt) in Transparency International's 2022 Corruption Perceptions Index.

Egypt's business climate and competitive indicators are also negatively affected by bureaucracy, infrastructure bottlenecks, cumbersome regulations, an unpredictable judicial system and poor enforcement of contracts and protections for minority investors. Please see Section 4 "*Description of the Issuer — External Sector — Foreign Direct Investment*". In the World Bank's 2020 Doing Business Survey, Egypt ranked 114 out of 190 countries for ease of doing business.

The Government has committed to take proactive actions to improve the business climate to attract more foreign and domestic investment. However, failure to address continued or perceived corruption and governance failures in the public sector and any future allegations, or perceived risk, of corruption in Egypt, as well as failure to implement the proposed reforms to improve Egypt's business climate, including proposed changes to investment, bankruptcy and corporate laws and regulations, could have a material adverse effect upon Egypt's ability to attract FDI, lead to further instances of political instability, and have a material adverse effect on the Egyptian economy.

(12) The level of foreign grants to Egypt has declined in recent years and it may continue to decline

Since the 2011 Revolution, the Government's budget has benefited from foreign grants. Total grants amounted to LE3.0 billion (or less than 0.3% of total revenues and grants) in 2020/21, LE4.1 billion (or less than 0.5% of total revenues and grants) in 2021/22 and LE3.5 billion (or less than 0.3% of total revenues and grants) in 2022/23 (according to preliminary figures). The 2023/24 budget forecasts total grants of LE1.9 billion (or less than 0.2% of total revenues and grants).

The largest foreign grants have typically come from GCC countries. Foreign grants decreased in 2020/21 and 2021/22. There can be no assurance that Egypt will be able to attract the same level or increased foreign grants in the future, that it will be able to fulfil any conditions attached to grants or aid or that it will be able to raise sufficient funds to fill the gaps left by previous foreign grants, which could, in turn, lead to increased fiscal deficits, further straining Government financials and forcing the Government to rely on more costly funding sources.

(13) Egypt faces socio-economic challenges, including high youth unemployment

Egypt faces certain socio-economic challenges, including high levels of youth unemployment. These challenges require continuing attention by the Government. According to figures published by CAPMAS, the unemployment rate was 7.0% in the second quarter of 2023, as compared to 7.2% in the second quarter of 2022 and 7.3% in the second quarter of 2021.

In the past, the impact of terrorist attacks in Egypt has negative impacted tourism receipts. Declines in tourism receipts has led to an increase in unemployment in the tourism sector, as the difficulties in the tourism sector result in lay-offs and fewer seasonal job opportunities. In addition, structural reforms, which Egypt has implemented, and is in the process of continuing to implement, as a condition for receiving funds from creditors, require actions, including subsidy reform, which may have an adverse impact on the financial circumstances of certain sectors of the Egyptian population, which have in the past and may continue to lead to instances of social unrest.

(14) Deterioration of economic conditions in the EU and the wider global economy could adversely affect the Egyptian economy

The EU is Egypt's largest trading partner. During 2022/23, the EU was the largest importer of Egyptian goods, purchasing 31.1% of Egyptian exports, as compared to 28.7% in 2021/22. The Egyptian economy is impacted by events in the EU, including events affecting the Euro and the Eurozone.

A decline in economic growth in Eurozone countries, any inability of such countries to issue securities in the sovereign debt market or to service existing debt or a protracted period of slow or negative economic growth in the Eurozone would reduce demand for Egyptian imports and may lead to reduced levels of FDI and tourism revenues received from the Eurozone. Economic weakness in the EU and other European and Mediterranean countries could lead to declines in Suez Canal traffic as import demand weakens in such countries, which could reduce the revenues the Government receives from such traffic. In addition, in March 2021, transport through the Suez Canal was disrupted when a ship became lodged sideways across the waterway, resulting in the temporary closure of the canal and significantly delaying shipping. Further such disruptions could lead to long-term declines in Suez Canal traffic should alternative shipping routes become more reliable or otherwise more attractive. These events could have a material adverse impact on Egypt's balance of trade and have a material adverse effect on the Egyptian economy.

More broadly, Egypt's economy is vulnerable to external shocks, such as those which have previously been caused, and may in the future be caused, by instability in the global financial markets.

Should macroeconomic conditions continue to deteriorate, including as a result of the Russia-Ukraine conflict, it could result in Egypt experiencing volatility in exchange rates, increases in interest rates or inflation or liquidity shortfalls. Furthermore, a negative external shock, particularly on a global level or to one or more of Egypt's primary export markets, could result in decreased demand for Egyptian goods and services, which would, in turn, put pressure on Egypt's balance of payments and foreign currency reserves.

(15) A significant portion of the Egyptian economy is not recorded

A significant portion of the Egyptian economy is comprised of an informal, or shadow, economy. The informal economy is not recorded and is only partially taxed. This results in a reduction of potential tax and other revenue for the Government in respect of this portion of the economy, ineffective regulation, unreliable statistical information (including a possible understatement of GDP and the contribution to GDP of various sectors) and an inability to otherwise monitor this portion of the economy.

The Government is making efforts to encourage the inclusion of the informal economy, including by way of financial inclusion and simplified tax systems for small and medium enterprises (the "**SMEs**"). The CBE's financial inclusion strategy aims to help draw SMEs into the formal economy by digitalising payments and providing support for financially distressed SMEs, including by easing certain regulations and tightening others, such as regulations on how banks manage non-performing loans.

In July 2020, the Government also introduced the Micro, Small and Medium Enterprises (the "**MSME**") Development Law (the "**MSME Law**"), through which taxes will be simplified according to the volume of sales or business. As part of this, MSMEs will have no need for purchase books, documents or invoices. The MSME Law allows business owners to determine the volume of their own sales.

Although the Government is attempting to reform the informal economy, there can be no assurance that such reforms will adequately address the issues and bring the informal economy into the formal economy, which could, in turn, have a material adverse effect on the Egyptian economy.

(16) Investment treaty arbitrations and cases challenging the privatisation of formerly public sector companies may have an impact on the financial condition of Egypt if material adverse awards or judgments are issued against Egypt or further cases are brought seeking to invalidate privatisation transactions

During the 1990's, a number of public sector companies were privatised by Egypt as part of an effort to deal with macroeconomic imbalances. Since 2010, a number of cases have been filed before the State Council challenging the validity of the privatisation of companies that are alleged to have been undervalued and not disposable in accordance with Egyptian law. In certain of these cases, Egypt has been named as a defendant. In the majority of these cases, the Supreme Administrative Court has upheld the decisions of the State Council invalidating the privatisations. The State Council has cited allegations of corruption and violation of laws and Governmental decrees in connection with certain cases. The State Council considers a number of matters when judging a privatisation dispute, including the fairness of the financial evaluation of the company, the preservation of employees, the continuation of existing activities and the disposal of land. In addition, arbitration initiated by investors challenging the renationalisation of certain companies are also being disputed in international arbitrations pursuant to the rules of the International Centre for Settlement of Investment Disputes (the "**ICSID**"). These cases, and the consequent uncertainty surrounding privatisations or acquisitions of state-owned enterprises, may deter foreign investment, which could have a negative impact on Egypt's overall balance of payments deficit and adversely affect its economy if more lawsuits are filed and successful.

In April 2014, the then-interim President Adly Mansour issued Law No. 32 of 2014 (the "**Law 32**") by Presidential decree, which regulates the process of challenging the contracts to which Egypt or any Government authorities are a party (the "**State Contracts**"). Law 32 limited contractual parties' rights to file any lawsuit contesting the validity of any State Contracts and *provided that* courts should ex officio hold all lawsuits pending before the courts or any future lawsuits yet to be filed, inadmissible without prejudice to the res judicata effects of the final verdicts. A claim before the Supreme Constitutional Court was, made challenging the constitutionality of Law 32, and the Supreme Constitutional Court upheld the constitutionality of Law 32 in January 2023.

In June 2017, an investment law was passed (Law No. 72 of 2017) (the "**Investment Law**"), which provides for different dispute resolution mechanisms for disputes arising either among investors on the one hand or between investors and the government on the other as the case may be. Among these dispute mechanisms is the formation of two ministerial committees: one for the resolution of investment disputes and the other for the settlement of investment contract disputes. The Investment Law further provides for the establishment of one or more committees at the General Authority of Investment and Free Zones to review complaints against administrative decisions. On 9 December 2020, Prime Minister Decree No. 2592 of 2020 was issued, which established the Supreme Commission for Arbitration and International Disputes to study and provide opinions in international arbitration disputes.

There are a number of ongoing investment treaty arbitrations and arbitral awards issued against Egypt and companies ultimately owned by Egypt. As of the date of this Offering Memorandum, there are 10 investment treaty arbitrations and international litigation proceedings against Egypt, of which five are ICSID arbitrations. Egypt is defending these claims. Please see Section 4 "*Description of the Issuer — Overview of Egypt — Legal Proceedings*" for more information. If these awards are not successfully annulled, or if other proceedings are adversely determined or further awards are rendered, Egypt or the relevant company may face significant payment obligations, which could have a material adverse impact on Egypt's financial position and liquidity.

(17) Ethiopia is constructing a dam, which could reduce Nile River flows

In April 2011, the Ethiopian government began construction of the Grand Ethiopian Renaissance Dam (the "**GERD**") on the Blue Nile River, a tributary of the Nile River. The Government has stated its opposition to the construction of this dam due to the potential impact on Nile River flows. Following a series of delays, in January 2021, government officials from Ethiopia, Egypt and Sudan re-opened negotiations surrounding the construction of the GERD. In March 2021, a request was made by Sudan for mediation by the UN in respect of the dispute. In June 2021, it was reported that African Union mediated talks aimed at negotiating an agreement between Ethiopia, Egypt and Sudan had stalled. In July 2021, the UN Security Council backed the African Union's mediation efforts, noting it was the most appropriate venue to address the dispute. There can be no assurance, however, that such negotiations will be continued and, if continued, successful.

Egypt, Sudan and Ethiopia have agreed on a schedule that includes a plan for filling GERD in stages, and on mechanisms for dealing with droughts, prolonged droughts, and years of water scarcity during the process of filling the dam, and during the dam operation. In September 2023, Ethiopia announced that it had completed the final phase of filling a reservoir for the planned dam. When the dam is completed, Nile River flows reaching Egypt may be reduced over several years as the reservoir behind the GERD fills. In future years, Nile River flows may also be reduced, as may the energy-generation capacity of the Aswan High Dam due to increased water volumes being retained in Ethiopia, rather than behind the Aswan High Dam. The impacts of such reduced flows cannot presently be assessed but may adversely affect agriculture and industry in Egypt and lead to social unrest and other economic and political challenges, which may have a significant adverse effect on the Egyptian economy.

(18) The Egyptian legal system may create an uncertain environment for investment or business activity and may take longer to resolve economic disputes than is the case in non-emerging market jurisdictions

Egypt's legal and regulatory systems and institutions are in various stages of development and are not yet as sophisticated as similar institutions in more developed markets. As a result, procedural safeguards, as well as formal regulations and laws, may not be applied consistently. In certain circumstances, it may not be possible to obtain the legal remedies provided under the relevant law and regulations in a timely manner. As the legal environment remains subject to ongoing development, investors in Egypt may face uncertainty as to the security of their investments. Any unexpected changes in Egypt's legal system may have a material adverse effect on the rights of Bondholders.

2. Risks relating to Investing in Emerging Markets

(1) Investing in securities involving emerging markets generally involves a higher degree of risk

Investors in emerging markets, such as Egypt, should be aware that these markets are subject to greater risk than more developed markets, including in some cases significant legal, economic and political risks. These risks have been exacerbated by the 2011 Revolution and subsequent events in Egypt. Investors should also note that emerging economies, such as the Egyptian economy, are subject to rapid change and that the information set out herein may become outdated relatively quickly. Accordingly, Investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in the light of those risks, their investment is appropriate. Generally, investment in emerging markets is suitable only for sophisticated investors who fully appreciate the significance of the risks involved.

In addition, market participants in countries in emerging markets, including Egypt, may be particularly susceptible to disruptions in the capital markets and the resulting reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty and limit their ability to service their indebtedness, including the Bonds.

3. Risks relating to the Bonds and the Guarantee

(1) The Bonds may not be a suitable investment for all Investors

Each Investor who intends to invest in any of the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, such Investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation on such investment, the merits and risks of investing in the Bonds and the information contained in this Offering Memorandum;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where principal or interest is payable in one or more currencies where the currency for principal or interest payments is different from the Investor's currency;

(d) understand thoroughly the Terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

(2) The Terms of the Bonds contain CACs

The Terms of the Bonds include certain provisions relating to the amendments, modifications and waivers to certain terms of the Bonds, which are commonly referred to as Collective Action Clauses ("**CACs**"). Such provisions allow the decisions made by a majority of the Bondholders to bind all the Bondholders, including those who did not vote and who voted against such decisions. Such provisions also permit that, with respect to Reserved Matters (as defined herein), Debt Securities Capable of Aggregation (as defined herein, including, but not limited to, the Bonds) issued by the Issuer in multiple series be taken in aggregate in voting, provided that the terms of all these series of debt securities also contain the CACs.

The inclusion of the above-referenced CACs in the Terms of the Bonds would allow the Issuer to make modifications or take other actions with respect to any Reserved Matters of the Bonds. This means that the resolutions passed by a majority of holders of Bonds may bind all the Bondholders.

(3) The Issuer is not required to effect equal or rateable payment(s) with respect to its other debt obligations pursuant to the Terms of the Bonds, and is not required to pay other debt obligations at the same time or as a condition of paying sums on the Bonds and vice versa

The Bonds will at all times rank at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer. However, the Issuer will have no obligation to effect equal or rateable payment(s) at any time with respect to any other unsubordinated and unsecured obligations of the Issuer and, in particular, will have no obligation to pay other unsubordinated and unsecured obligations of the Issuer at the same time or as a condition of paying sums due on the Bonds and vice versa. Accordingly, the Issuer may choose to grant preferential treatment to, and therefore prioritise payment obligations to, other unsecured and unsubordinated creditors of the Issuer as payments fall due.

(4) There may be no active trading market or secondary market liquidity for the Bonds

The Bonds to be issued will be new securities which may not be widely distributed and for which there is no active trading market. In addition, the Bonds will be offered through a private placement and can be traded only among a limited range of institutional investors, i.e., the Specialized Institutional Investors and the Specific Institutional Investors. After their initial issuance, the Bonds may trade at a discount to their initial offering price, depending upon factors including prevailing interest rates, the market for similar bonds (as applicable), general economic conditions and the financial condition of the Issuer. Accordingly, the Investor is subject to the risk that its investment in the Bonds may be difficult or impossible to trade.

A lessening of the liquidity of the Bonds may cause, in turn, an increase in the volatility associated with the price of the Bonds. An Investor in the Bonds is subject to the risk, that to the extent there is no liquid market in the Bonds, an Investor may have to wait until the maturity thereof in order to realize the value of its investment and, as such, an Investor should proceed on the assumption that they may have to bear the economic risk of an investment in the Bonds until their maturity.

(5) Certain factors may affect the value and trading price of the Bonds

The value of the Bonds prior to maturity is expected to depend on a number of factors:

(a) the trading price of the Bonds;

(b) the time remaining to maturity;

(c) any change(s) in interim interest rates and investment return rates; and

(d) any change(s) in currency exchange rates.

As a result of these factors the price at which a Bondholder will be able to sell the Bonds prior to maturity may be less than the initial amount invested in the Bonds. Each of these factors interrelates in complex ways (for example, one factor may offset an increase in the trading value of the Bonds caused by another factor). Investors are subject to the risk that the value of the Bonds may be adversely affected by one or more of the above factors.

(6) General economic conditions may affect the Bonds

The market for debt securities is influenced by economic and market conditions, interest rates, currency exchange rates and inflation rates in Asia and other regions and countries. There can be no assurance that events occurring in Africa, Asia and/or other regions and countries will not cause market volatility, that such volatility will not adversely affect the price of the Bonds, and that economic and market conditions will not have any other adverse effect.

(7) Change of law may have an adverse effect on the Bonds

The Terms of the Bonds are based on PRC Laws and, as to the *pari passu* clause, Egyptian laws in effect as at the date of this Offering Memorandum. The Letter of Guarantee is governed by PRC Laws. There is a risk that the interpretation and/or effect of the Terms of the Bonds and the Letter of Guarantee may be subject to change in such a manner as to adversely affect the contractual rights of holders of the Bonds. The value of the Bonds may also be affected by changes in laws.

No assurance can be given as to the impact of any possible judicial decision or change to PRC Laws or Egyptian laws or change in administrative practices after the date of this Offering Memorandum.

(8) Investors will only be able to trade the Bonds through the clearing system of the Depositary and be subject to any risks relating to the clearing system

Investors will be able to trade the Bonds only through the clearing system of the Depositary and will have to rely on their procedures for transfer, payment and communication with the Issuer to receive payment under the Bonds.

The Issuer has no responsibility or liability for the relevant records relating to, or payment procedure in respect of, the Bonds.

(9) Resolutions passed on Bondholder meetings may not be in the best interest of all Bondholders

Term (41) (*Meetings of Bondholders*) of the Bonds sets forth the provisions for calling meeting of the Bondholders to consider matters affecting their interests. These provisions include the adoption of extraordinary resolutions approving amendments to these provisions or other arrangements. Any resolutions officially passed in such meetings in accordance therewith bind Bondholders, including the Bondholders who did not attend or vote at the relevant meeting and the Bondholders who voted to the contrary, so the Bondholders are subject to the risk that resolutions not for their benefit may be adopted.

(10) The Bonds cannot be accelerated upon or following an Event of Default.

The Terms of the Bonds contain a provision which defines the Events of Default of the Bonds. Nevertheless, upon the occurrence of an Event of Default, Bondholders may not declare any interest on or principal of any Bonds to be immediately due and payable, and are only entitled to interest payment or repayment of the principal of the Bonds at the originally scheduled Interest Payment Date(s) and the Maturity Date, respectively. Under no circumstances (whether following the occurrence of an Event of Default or otherwise) shall any Bondholder (or any other person) take any action to accelerate the Bonds or demand immediate payment of any or all of the outstanding amounts due under the Bonds prior to the originally scheduled Interest Payment Dates or the Maturity Date (as applicable).

(11) The Guarantee is limited by the terms of the Letter of Guarantee, including the Maximum Guarantee Amount, and the Guarantee cannot be accelerated

Pursuant to the Letter of Guarantee, the Guarantors have unconditionally and irrevocably guaranteed (severally and not jointly) the payment by the Issuer of the outstanding principal and accrued and unpaid interest of the Bonds on each Interest Payment Date and the Maturity Date. The maximum liability of each Guarantor under the Letter of Guarantee is capped at the amount of their respective Maximum Guarantee Amount, irrespective of whether amounts actually due from the Issuer to Bondholders exceed such Maximum Guarantee Amount (whether in the event of any delay in any payment by the Guarantors or otherwise).

Further, the Guarantors are only required to make a payment under the Guarantee following the occurrence of any non-payment by the Issuer under the Bonds on any Interest Payment Date or the Maturity Date (an "**Issuer Non-Payment Event**"), *provided that* each Guarantor has received a written notice of demand for performance of their respective obligations under the Guarantee in substantially the form set out in the Letter of Guarantee (a "**Payment Demand**") delivered by or on behalf of the Post-issuance Manager and *provided, further, that* in no circumstances shall any Guarantor be obliged to make any payments unless and until a Payment Demand has been received by each of the Guarantors and *provided, further, that* the extent of the Guarantors' obligations to pay in respect of any and each Payment Demand shall be subject at all times to the AIIB Maximum Guarantee Amount and the AfDB Maximum Guarantee Amount, as applicable. No Payment Demand may be delivered prior to the occurrence of a relevant Issuer Non-Payment Event.

Upon each Guarantor's receipt of a Payment Demand relating to an Issuer Non-Payment Event, such Guarantor shall be obliged to pay the relevant guaranteed amount set out in such Payment Demand on or before the 29th Business Day after the date on which it received the Payment Demand.

For the avoidance of doubt, in no circumstances (whether following the occurrence of an Event of Default or otherwise) shall any Bondholder (or any other person) take (or be entitled to take) any action to accelerate the Guarantee and/or demand immediate payment of all outstanding amounts due under the Guarantee prior to the originally scheduled Interest Payment Dates or the Maturity Date (as applicable) of the Bonds. See Section 10 "*Credit Enhancement*" of this Offering Memorandum.

(12) A claim under the Guarantee may result in delayed payments under the Bonds and interest shall not accrue during such period

Following the occurrence of an Issuer Non-Payment Event and upon the receipt by the Guarantors of the relevant Payment Demand, the Guarantors shall be obliged to pay the relevant guaranteed amount set out in such Payment Demand on or before the 29th Business Day after the date on which it received the Payment Demand. Pursuant to the Letter of Guarantee, notwithstanding that any such payment by the Guarantors shall be made after the relevant Interest Payment Date or Maturity Date, no additional default, penalty or other interest, or damages arising from or on account of any delay in payment of the outstanding accrued and unpaid interest and/or principal under the Bonds shall accrue or be payable for the period from the original Interest Payment Date or Maturity Date to the date of actual payment by the Guarantors.

(13) The Guarantee may be terminated upon the occurrence of certain events

The obligations of each Guarantor under the Letter of Guarantee may be terminated on the earlier of (a) the date on which such Guarantor has made full payment of any and all amounts due under the Letter of Guarantee, up to the AIIB Maximum Guarantee Amount (in the case of AIIB) and AfDB Maximum Guarantee Amount (in the case of AfDB); (b) the date on which the Issuer has made full payment of any and all outstanding principal of and accrued and unpaid interest, if any, on the Bonds; (c) the date falling three (3) months after the date of the last Interest Payment Date or Maturity Date of the Bonds, whichever is the later; and (d) the first date on which any Unsanctioned Modification (as defined in the Letter of Guarantee) occurs.

(14) Interest rate risk relating to investment in the Bonds

Investors in the Bonds are exposed to the risk that subsequent changes in interest rates may adversely affect the value of the fixed rate bonds. In the case that the interest rates in the market increases beyond the fixed interest rates of the Bonds, the Investors will not be able to obtain such benefits.

Investments in the Bonds may involve interest rate risk with respect to the Renminbi, the currency of denomination of the Bonds. A variety of factors influences interest rates on RMB-denominated assets, such as macroeconomic, governmental, speculative and market sentiment factors. Such fluctuations may have an impact on the value of the Bonds.

(15) Exchange rate risk relating to investment in the Bonds

The value of Renminbi has been fluctuating against Euro, U.S. dollars and other major currencies and affected by PRC and international political or economic conditions and other factors. If Investors evaluate their investment returns in a currency other than Renminbi ("**Investor Currency**"), there will be certain exchange rate risks associated with the investment in the Bonds, including significant fluctuations in exchange rates between Renminbi and the Investor Currency. The depreciation of Renminbi against the Investor Currency may result in a decline in the actual yield on investment in the Bonds lower than the coupon rates on the Bonds as well as exchange losses from converting the interest income and gains from the Bonds into the Investor Currency. As a result, Investors may receive less than, or in some circumstances, substantially less than their expected return on principal or interest.

(16) Legal investment considerations may restrict certain investments

The investment activities of certain Investors are subject to laws and regulations relating to legal investment, or review or regulation by certain authorities. Each potential Investor should consult its legal advisers to determine whether and to what extent (i) the Bonds are legal investments for it, (ii) the Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any of the Bonds. Investors should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

(17) Taxation in relation to the Bonds

Transactions involving the Bonds may have tax consequences for potential purchasers which may depend, among other things, upon the status of the potential purchaser and laws relating to transfer and registration taxes, stamp duty, stamp duty reserve tax and/or similar transfer taxes (for details, please refer to Section 9 "*Taxation Relating to the Bonds*" of this Offering Memorandum) may be payable on any transfer or agreement to transfer assets in cases where obligations of the Issuer under the Bonds are physically settled.

4. Risks relating to Cross-border Offering

(1) The Issuer's or the Guarantors' ability to source Renminbi outside the PRC and to remit Renminbi into the PRC to service the Bonds may be limited

PRC Laws on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually. The availability of Renminbi outside the PRC may be limited, and the size of Renminbi-denominated financial assets outside the PRC could also be limited. Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth may be subject to constraints as a result of foreign exchange management policies or other factors. The above factors may adversely affect the liquidity of the Bonds and the Issuer's or the Guarantors' ability to service the Bonds by obtaining offshore Renminbi.

(2) The location of arbitration and the enforcement of the arbitral awards may be different, and there may be difficulties in enforcing the arbitral awards

Term (38) (*Dispute Resolution*) and the Letter of Guarantee provide that, any dispute arising from or in connection with the Bonds and/or the Guarantee shall be submitted to CIETAC for arbitration to be conducted in accordance with the CIETAC Arbitration Rules, and such arbitral awards shall be final and binding upon all parties.

Pursuant to the New York Convention, which had been ratified by Egypt on 9 March 1959 and by China on 22 January 1987, such an arbitral award shall be recognized and enforced by the courts of Egypt in accordance with the rules of procedures of Egypt. Pursuant to the Arbitration Law No. 27 of 1994, as amended, although Egyptian courts would recognize an arbitration award being enforced in the same manner as a judgment or order of the court to the same effect in Egypt and uphold the submission by Bondholders to arbitration and recognise any arbitration award being made by arbitration in accordance with the CIETAC Arbitration Rules as a valid arbitration award to be enforced in Egypt, the following documents must however accompany the application for enforcement:

(a) the original award or a signed copy;

(b) a copy of the arbitral agreement;

(c) an Arabic translation of the award, authenticated by the competent authority if the award was not issued in Arabic;

(d) a copy of the minutes evidencing the deposit of the award with the competent court in Egypt (usually the Cairo High Court of Appeals); and

(e) a copy of the notification of the award to the party against whom the award has been made.

However, Egyptian law provides for an annulment procedure of arbitration awards in specific exceptional cases, including the absence of an arbitration agreement or its nullity, denial of justice/due process or failure to observe due process or if the tribunal did not apply the agreed upon applicable law to the dispute. Such procedures for annulment must, however, be initiated within ninety days from notification of the award to the party against whom the award has been made. Filing an action for annulment does not stop or prevent the execution of the award, unless so requested by the party against whom the award has been made based on serious grounds which justify issuance of a stay order by the competent court in Egypt. In the case of a stay of execution, the competent court must issue a final judgment on the action for annulment of the arbitral award within six months from the date of the stay order. Additionally, the Supreme Constitutional Court of Egypt, by virtue of Law No. 137 of 2021 regarding the competence of the Supreme Constitutional Court of Egypt, is entitled to supervise the constitutionality of the decisions of international institutions and the judgements of foreign courts to be enforced against Egypt.

Therefore, there is no assurance that the arbitral award rendered by CIETAC against the Issuer can be successfully enforced in the courts in Egypt.

(3) The Issuer may claim sovereign immunity to legal proceedings with respect to its certain property or assets

Pursuant to Term (39) (*Waiver of Immunity*), to the extent that the Issuer may in any jurisdiction claim or acquire for itself or its assets immunity (sovereign or otherwise) from suit, execution, attachment or other legal process, the Issuer irrevocably agrees for the benefit of Bondholders not to claim, and irrevocably waives such immunity, to the fullest extent permitted by the laws of such jurisdiction (other than immunity from pre-judgment attachments, which is expressly not waived). The Issuer's waiver of sovereign immunity shall constitute a limited and specific waiver for the purposes of the Bonds and under no circumstances shall such waiver be interpreted as a general waiver by the Issuer or a waiver of immunity in respect of: (a) property used by a diplomatic or consular mission of Egypt; (b) property of a military character and under the control of a military authority or defence agency of Egypt; (c) property located in Egypt or abroad and partially or fully dedicated to a public or governmental use by Egypt; (d) assets of Egypt or other public juristic persons which are partially or fully allocated either in fact or by virtue of a law, decree or a decision to a public interest; or (e) any other assets protected under the laws of Egypt, the State Immunity Act 1978 or the Foreign Sovereign Immunities Act of the Unites States. Without limiting the generality of paragraphs (a) to (e) in the preceding sentence, the Bondholders shall not have recourse to the property and assets of the Central Bank of Egypt held in its name or for its own account.

Thus, the Issuer may assert immunity to such actions or with respect to such property or assets. The Bondholders may have difficulties making any claims as described above or enforcing arbitral awards against such properties or assets.

(4) AIIB may claim immunity and privileges to legal proceedings with respect to its property or assets

AIIB has agreed that any dispute arising out of or in connection with the Guarantee can be referred to CIETAC for arbitration, which shall be conducted in accordance with the CIETAC arbitration rules in effect at the time of submission of such dispute to CIETAC for arbitration ("**CIETAC Arbitration Rules**"). However, notwithstanding the provisions of the CIETAC Arbitration Rules, none of the parties may file a request with CIETAC or with any judicial authority for interim measures of protection or other forms of pre-award relief against AIIB. Under the Articles of Agreement of AIIB and the Headquarters Agreement between the Government of the People's Republic of China and AIIB, the property and assets of AIIB, wheresoever located and by whomsoever held, shall be immune from all forms of seizure, attachment or execution before the delivery of a final arbitration award or final judgment against AIIB. Therefore, it may be difficult to make claims against AIIB's property and assets prior to the delivery of a final arbitration award against AIIB.

(5) AfDB may claim immunities and privileges to legal proceedings with respect to its property or assets

AfDB has agreed that any dispute arising out of or in connection with the Guarantee can be referred to CIETAC for arbitration, which shall be conducted in accordance with the CIETAC Arbitration Rules in effect at the time of submission of such dispute to CIETAC for arbitration. However, notwithstanding the provisions of the CIETAC Arbitration Rules, none of the parties may file a request with CIETAC or with any judicial authority for interim measures of protection or other forms of pre-award relief against AfDB. Notwithstanding AfDB's submission to arbitration, AfDB's properties and assets, wherever located and by whomsoever held, shall be immune from (i) all forms of seizure, attachment or execution before delivery of final arbitration award or final judgment against AfDB, (ii) search, requisition, confiscation expropriation or any other form of taking or foreclosure by executive or legislative action, and (iii) restrictions, regulations, controls and moratoria of any nature, with respect to any suit, action or proceeding in connection with or arising out of the documents with respect to the Guarantee. The archives of AfDB and in general, all documents belonging to and held by AfDB are inviolable.

SECTION 3 TERMS OF THE BONDS AND OFFERING ARRANGEMENTS

1. Terms of the Bonds

(1) Name of the Bonds

The Arab Republic of Egypt 2023 Renminbi Bonds (Series 1) (Sustainable Development Bonds) (Bond Connect).

(2) Issuer

The Arab Republic of Egypt.

(3) Notice of Acceptance of Registration Number

NAFMII Registration No. [2023] RB3.

(4) Lead Underwriter and Lead Bookrunner

Bank of China Limited.

(5) Joint Lead Underwriter and Joint Bookrunner

HSBC Bank (China) Company Limited.

(6) Post-issuance Manager

Bank of China Limited.

(7) Registered Amount of the Programme

RMB3.5 billion.

(8) Amount of the Bonds to be Issued

RMB3.5 billion.

(9) Status of the Bonds

The Bonds constitute direct, general, unconditional, unsubordinated and (subject to Term (11) (*Negative Pledge*)), unsecured obligations of the Issuer. The full faith and credit of the Issuer is pledged for the due and punctual payment of principal of, and interest on, the Bonds and for the performance of all other obligations of the Issuer in respect of the Terms of the Bonds. The Bonds shall at all times rank *pari passu* without any preference among themselves and at least *pari passu* with all other unsecured External Indebtedness (as defined below in Term (42) (*Definitions*)) of the Issuer from time to time outstanding. The Issuer shall have no obligation to effect equal or rateable payment(s) at any time with respect to other External Indebtedness and, in particular, the Issuer shall have no obligation to pay other External Indebtedness at the same time or as a condition of paying sums due under the Bonds, and vice versa.

(10) Unsecured

The Bonds are not secured obligations of the Issuer.

(11) Negative Pledge

So long as any Bond remains outstanding, the Issuer will not create or permit to subsist any Security Interest (as defined below in Term (42) (*Definitions*)) other than a Permitted Security Interest (as defined below in Term (42) (*Definitions*)) upon the whole or any part of its present or future assets or revenues to secure any Public External Indebtedness (as defined below in Term (42) (*Definitions*)) of the Issuer or any other Person (as defined below in Term (42) (*Definitions*)) or any Public Guarantee as defined below in Term (42) (*Definitions*)) thereof unless, at the same time or prior thereto, the obligations of the Issuer under the Bonds are secured equally and ratably therewith or have the benefit of such other arrangements as may be approved by an Extraordinary Resolution (as defined below in Term (41) (*Meetings of Bondholders*)) of the Bondholders. For the avoidance of doubt, any right granted to holders of sukuk representing the credit of the Arab Republic of Egypt or any other similar instruments to redeem or enforce such certificates or instruments by requiring the issuer thereof to sell the relevant underlying asset(s) to the Issuer (or any person on its behalf) or by any other mechanism provided for and implemented in accordance with the applicable laws and regulations having an analogous effect (and howsoever documented) shall not of itself comprise a Security Interest or guarantee or indemnity for the purposes of this Term (11) (*Negative Pledge*).

(12) Guarantee

The Guarantors unconditionally and irrevocably guarantee (severally and not jointly) for the benefit of the Bondholders, subject to the Maximum Guarantee Amount set out under the Letter of Guarantee and subject to their respective Pro-rata Share set out under the Letter of Guarantee, the payment by the Issuer of the outstanding principal and accrued and unpaid interest on each Interest Payment Date and the Maturity Date, as set out in the Letter of Guarantee; the key contents of which are set forth in Section 10 "*Credit Enhancement*" of this Offering Memorandum.

Each Guarantor's obligations under the Guarantee will constitute irrevocable, several and unsecured obligations of such Guarantor up to the AIIB Maximum Guarantee Amount (in the case of AIIB) and AfDB Maximum Guarantee Amount (in the case of AfDB), ranking *pari passu*, without any preference among themselves, with all its other present and future obligations for borrowed monies that are unsecured and not subordinated. If the Guarantee is called, any amount disbursed by the Guarantors will not be available for new payments under the Guarantee.

Subject to the Maximum Guarantee Amount, the AIIB Maximum Guarantee Amount and the AfDB Maximum Guarantee Amount and only to the extent of their respective Pro-rata Shares, each Guarantor assumes joint liability with the Issuer for the payment of the outstanding principal and accrued and unpaid interest on the outstanding Bonds. The Guarantors shall be required to make a payment under the Guarantee following the occurrence of any non-payment by the Issuer under the Bonds on any Interest Payment Date or the Maturity Date (an "**Issuer Non-Payment Event**"), *provided that* each Guarantor has received a written notice of demand for performance of their respective obligations under the Guarantee in substantially the form set out in the Letter of Guarantee (a "**Payment Demand**") delivered by or on behalf of the Post-issuance Manager and *provided, further, that* in no circumstances shall any Guarantor be obliged to make any payments unless and until a Payment Demand has been received by each of the Guarantors and *provided, further, that* the extent of the Guarantors' obligations to pay in respect of any and each Payment Demand shall be subject at all times to the AIIB Maximum Guarantee Amount and the AfDB Maximum Guarantee Amount, as applicable.

Upon each Guarantor's receipt of a Payment Demand relating to an Issuer Non-Payment Event, such Guarantor shall be obliged to pay the relevant guaranteed amount set out in such Payment Demand on or before the 29th Business Day after the date on which it received the Payment Demand. For the avoidance of doubt, under no circumstances (whether following the occurrence of an Event of Default or otherwise) shall any Bondholder (or any other person) take (or be entitled to take) any action to accelerate the Guarantee and/or demand immediate payment of all outstanding amounts due under the Guarantee prior to the originally scheduled Interest Payment Dates or the Maturity Date (as applicable) of the Bonds.

(13) Form of the Bonds

The Bonds will be issued in real name book-entry form, to be centrally held in the Depositary.

(14) Tenor of the Bonds

The tenor of the Bonds will be three (3) years.

(15) Use of Proceeds

100% of the net proceeds from the offering of the Bonds will be remitted out of PRC in Renminbi. The proceeds from the offering of the Bonds, net of fees and expenses in connection with the offering and the Guarantee, will be used to finance public deficit expenditures in accordance with Egypt's Sovereign Sustainable Financing Framework (November 2022) (the "**Sovereign Sustainable Financing Framework**" or the "**Framework**") earmarked for eligible sustainable expenditures which include but are not limited to: climate proofing agriculture, clean transportation, sustainable water and waste water management, health, affordable housing, affordable basic infrastructure, digital infrastructure, renewable energy and biodiversity conservation.

(16) Denomination

The Bonds will be issued in denominations of RMB100, i.e. with each accounting entry for a Bond being RMB100.

(17) Issue Price

The Bonds will be issued at par.

(18) Minimum Subscription Amount

The minimum amount to be subscribed by an Investor shall be RMB10,000,000 and integral multiples of RMB10,000,000 in excess thereof.

(19) Interest Basis

Interest shall be fixed, based on an annual rate and calculated at simple interest, without any compounding.

If the interest on the Bonds is required to be calculated for any period less than a year, it will be calculated on the basis of the actual number of days in that period in respect of which payment is being made divided by 365 days or, in a leap year, 366 days.

(20) Interest Rate

The rate of interest on the Bonds shall be fixed. The final rate of interest shall be disclosed in a notice made in accordance with the applicable rules and determined by the Issuer and the Principal Underwriters after the centralized Bookbuilding in respect of the Bonds. The rate of interest shall not change during the life of the Bonds.

(21) Bookbuilding Date for the Bonds

16 October 2023.

(22) Settlement Date for the Bonds

17 October 2023.

(23) First Trade Date for the Bonds

18 October 2023.

(24) Interest Payment Period for the Bonds

From 17 October 2023 to 17 October 2026.

(25) Interest Payment Dates for the Bonds

Each Interest Payment Date is 17 October of each year during the Interest Payment Period. The first Interest Payment Date shall be 17 October 2024 and the last Interest Payment Date shall be 17 October 2026. If an Interest Payment Date falls on a day that is not a Business Day, such payment of interest on the Bonds will be postponed to the next Business Day. Additional interest will not be paid as a result of such postponement in payment.

(26) Maturity Date for the Bonds

The Maturity Date is 17 October 2026. If the Maturity Date falls on a day that is not a Business Day, such payment of the principal of the Bonds will be postponed to the next Business Day. Additional interest will not be paid on the principal of the Bonds as a result of such postponement in payment.

(27) Method of Payment of Principal and Interest

Interest on the Bonds shall be paid on each Interest Payment Date. The principal of the Bonds shall be paid in one lump sum on the Maturity Date. The interest and principal payable in respect of the Bonds shall be made in accordance with the rules of the Depositary, and shall be completed by the

Depositary.

If any Interest Payment Date or the Maturity Date is not a Business Day, the Bondholders will not be paid such interest or principal until the next following Business Day nor there be any interest or other sum in respect of such postponed payment. The Issuer shall, for so long as the Bonds are outstanding, at least five (5) Business Days prior to any Interest Payment Date or the Maturity Date (as the case may be), deliver, or procure the delivery of, an "Interest Payment Notice" or "Redemption at Maturity Notice" through the Designated Disclosure Methods. The payment of interest and principal of the Bonds shall be made in accordance with the rules of the Depositary, and shall be completed by the Depositary. Any payment made by or on behalf of the Issuer to the Depositary or its agent pursuant to the relevant agreement between the Issuer and the Depositary for the account of a person in whose name any of the Bonds is, at the time such payment is made, registered in the register held by the Depositary, constitutes for all purposes an absolute and unconditional release and discharge of the Issuer, to the extent of such payment, of all obligations and indebtedness in respect of the Bonds in relation to which such payment was made.

(28) Offering Method

The Bonds will be offered by way of a private placement through centralized Bookbuilding and placement at BFAE.

(29) Target Investors

Specialized Institutional Investors or selected Specific Institutional Investors whose names are indicated under Section 13 "*List and Information of the Investors*" in this Offering Memorandum.

Offshore Specific Institutional Investors participating in the subscription of the Bonds through the "Bond Connect" regime should, in connection with the registration, custody, clearing, settlement of the Bonds and remittance and conversion of funds, comply with applicable laws and regulations, including the Interim Measures for the Connection and Cooperation between the Mainland and the Hong Kong Bond Market published by PBOC, as well as rules of other relevant parties and service providers.

(30) No Early Redemption

The Issuer may not redeem the Bonds prior to the Maturity Date.

(31) No Put Right

Investors do not have the right to sell the Bonds back to the Issuer.

(32) No Credit Rating

The Bonds are not rated by any credit rating agency in the PRC.

(33) Trading

After the completion of the issuance of the Bonds and confirmation of the rights and obligations relating to the Bonds, and upon the completion of registration with the Depositary, the Bonds can be traded on the Interbank Market in accordance with its rules.

(34) Taxation

All payments of principal and interest in respect of the Bonds by, or on behalf of, the Issuer shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Egypt or any political subdivision therein or any authority therein or thereof having power to tax (together, the "**Taxes**"), unless the withholding or deduction of such Taxes is required by law. In that event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") as will result in receipt by the Bondholders, after such withholding or deduction, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Bond presented for payment:

(i) by or on behalf of a Bondholder, that would not have been payable or due but for the Bondholder being liable for such Taxes in respect of such Bond by reason of its having some connection with the Issuer, or any political subdivision or any authority thereof or therein having power to tax, other than the mere acquisition or holding of any Bond or the enforcement or receipt of payment under or in respect of any Bond; or

(ii) more than 30 days after the Interest Payment Date or the Maturity Date, as the case may be, except to the extent that the Bondholder would have been entitled to such Additional Amounts on presenting such Bond for payment on the last day of such period of 30 days.

(35) Depositary

Shanghai Clearing House.

(36) Underwriting

The Bonds will be underwritten by the Principal Underwriters on a standby commitment underwriting basis.

(37) Governing Law

PRC Laws.

(38) Dispute Resolution

Any dispute arising from or in connection with any of the Bonds, including any dispute relating to the existence, validity, interpretation, performance, default, termination, consequences of invalidity and non-contractual obligations, shall be submitted to CIETAC for arbitration which shall be conducted in Beijing in accordance with the CIETAC arbitration rules in effect at the time of the submission of the dispute for arbitration. The arbitral tribunal shall consist of three (3) arbitrators. Each of the Issuer as a party and the Bondholders participating in the dispute as the other party shall be entitled to nominate one (1) arbitrator, and the two (2) arbitrators nominated by the parties shall, by consulting with the parties, jointly nominate the third and presiding arbitrator. The arbitrators may be nominated from outside Panel of Arbitrators maintained by CIETAC. The arbitration proceedings shall be conducted in both English and Chinese. The arbitral award is final and binding upon the parties.

(39) Waiver of Immunity

To the extent that the Issuer may in any jurisdiction claim or acquire for itself or its assets immunity (sovereign or otherwise) from suit, execution, attachment or other legal process, the Issuer irrevocably agrees for the benefit of Bondholders not to claim, and irrevocably waives such immunity, to the fullest extent permitted by the laws of such jurisdiction (other than immunity from pre-judgment attachments, which is expressly not waived). The Issuer's waiver of sovereign immunity shall constitute a limited and specific waiver for the purposes of the Bonds and under no circumstances shall such waiver be interpreted as a general waiver by the Issuer or a waiver of immunity in respect of: (a) property used by a diplomatic or consular mission of Egypt; (b) property of a military character and under the control of a military authority or defense agency of Egypt; (c) property located in Egypt or abroad and partially or fully dedicated to a public or governmental use by Egypt; (d) assets of the Issuer or other public juristic persons which are partially or fully allocated either in fact or by virtue of a law, decree or a decision to a public interest; or (e) any other assets protected under the laws of Egypt, the State Immunity Act 1978 or the Foreign Sovereign Immunities Act of the Unites States. Without limiting the generality of paragraphs (a) to (e) in the preceding sentence, the Bondholders shall have no recourse to the property and assets of the Central Bank of Egypt held in its name or for its own account.

(40) Event of Default

An "**Event of Default**" occurs if the Issuer (failing which, the Guarantors) fails to pay any amount of principal or interest in respect of any of the Bonds when due and payable and such failure continues for a period of 30 Business Days, *provided that* no Guarantor shall have any obligation to make any payments under the Guarantee and this Term (40)(i) unless and until such Guarantor has received a duly completed Payment Demand from the Post-issuance Manager and the each Guarantor shall be obliged to pay the relevant guaranteed amount set out in such Payment Demand on or before the 29th Business Day after the date on which the Guarantors receive a Payment Demand from the Post-issuance Manager in accordance with Term (12).

Under no circumstances (whether following the occurrence of an Event of Default or otherwise) shall any Bondholder (or any other person) take (or be entitled to take) any action: (i) to accelerate the Bonds or demand immediate payment of any or all of the outstanding amounts due under the Bonds prior to the originally scheduled Interest Payment Dates or the Maturity Date (as applicable); or (ii) accelerate the Guarantee and/or demand immediate payment of all outstanding amounts due under the Guarantee prior to the originally scheduled Interest Payment Dates or the Maturity Date (as applicable) of the Bonds.

(41) Meetings of Bondholders

(a) *Convening Meetings of Bondholders; Conduct of meetings of Bondholders; Written Resolutions:*

The Issuer may convene a meeting of the Bondholders at any time in respect of the Bonds in accordance with this Term (41). The Issuer will determine the time, place and purpose of the meeting and will provide written notice to the Bondholders of the time, place and purpose of the meeting through the Designated Disclosure Methods not less than 21 and not more than 45 days (exclusive of the day on which the notice is given and of the day on which the relevant meeting is held) before the meeting.

The following provisions set forth the conditions and procedures for convening meetings of Bondholders to consider matters relating to the Bonds, including, without limitation, the modification of any provision of these Terms. Any such modification may be made if, having been approved in writing by the Issuer, it is sanctioned by an Extraordinary Resolution. If this Term (41) does not include such procedures, or additional procedures are required, the Issuer and the Post-issuance Manager will agree such procedures as are customary on the Interbank Market and in such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter the Issuer proposes any modification to the terms and conditions of, or action with respect to, two or more series of debt securities issued by it.

The meeting of Bondholders shall be convened by the Post-issuance Manager upon the request (addressed to the Post-issuance Manager or to the Issuer, with a copy to the other and the Guarantors, and setting out the purpose of the requested meeting) in writing of the Bondholders holding not less than 10% of the aggregate principal amount of the Bonds then outstanding (as described in Term (41)(i) (*Bonds controlled by the Issuer*)). The Post-issuance Manager will agree the time and place of the meeting with the Issuer promptly. The Issuer or the Post-issuance Manager, as the case may be, will notify the Guarantors and the Bondholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place no less than 21 and no more than 45 days after the date on which such notification is given.

The notice convening any meeting will specify, *inter alia*;

(A) the date, time and location of the meeting;

(B) the agenda and the text of any Extraordinary Resolution to be proposed for adoption at the meeting;

(C) the record date for the meeting, which shall be no more than 5 Business Days before the date of the meeting;

(D) the documentation required to be produced by a Bondholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Bondholder's behalf at the meeting;

(E) any time deadline and procedures required under applicable PRC Laws;

(F) whether Term (41)(b) (*Modification of the Bonds only*), Term (41)(c) (*Multiple Series Aggregation – Single limb voting*), or Term (41)(d) (*Multiple Series Aggregation – Two *limb voting*) shall apply and, if relevant, in relation to which other series of debt securities it applies;

(G) if the proposed modification or action relates to two or more series of debt securities issued by it and contemplates such series of debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group of debt securities;

(H) such information that is required to be provided by the Issuer in accordance with Term (41)(f) (*Information*);

(I) the identity of the Aggregation Agent (as defined in Term (41)(j) (*Aggregation Agent; Aggregation Procedures*))and the Calculation Agent (as defined in Term (41)(g) (*Claims Valuation*)), if any, for any proposed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in Term(41)(g) (*Claims Valuation*); and

(J) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of debt securities.

All information to be provided pursuant to Term (41)(a) (*Convening Meetings of Bondholders; Conduct of meetings of Bondholders; Written Resolutions*) shall also be provided, *mutatis mutandis*, in respect of Written Resolutions.

In these Terms:

Any reference to "**debt securities**" means any bonds (including the Bonds), notes, debentures or other debt securities issued by the Issuer in one or more series with an original stated maturity of more than one year.

"**Debt Securities Capable of Aggregation**" means those debt securities which include or incorporate by reference this Term (41)(a) (*Convening Meetings of Bondholders; Conduct of meetings of Bondholders; Written Resolutions*) and Term (41)(j) (*Aggregation Agent; Aggregation Procedures*) or provisions substantially in these terms providing for the debt securities which include such provisions to be capable of being aggregated for voting purposes with other series of debt securities.

An "**Extraordinary Resolution**" means any of a Single Series Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.

A "**record date**" in relation to any proposed modification or action means the date fixed by the Issuer for determining the Bondholders and, in the case of a multiple series aggregation, the holders of debt securities of each other affected series that are entitled to vote on a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Two Limb Written Resolution.

A "**Written Resolution**" means any of a Single Series Written Resolution, and/or a Multiple Series Two Limb Written Resolution, as the case may be.

(b) *Modification of the Bonds only:*

Any modification of any provision of, or any action in respect of, these Terms of the Bonds may be made or taken if approved by a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below. Notwithstanding anything to the contrary, during the tenor of the Bonds, any modifications or changes to the Terms of the Bonds, including but not limited to the issuance amount, interest rate, tenor, principal/interest payment, definition of Event of Default, acceleration, call/put option or redemption arrangement of the Bonds or any arrangement that may affect the rights and obligations of the Guarantors under the Letter of Guarantee, shall be subject to the prior written approval of each of the Guarantors. Any such modification or change made without the written approval of the Guarantors (except for changes that are of a formal, minor or technical nature, made to correct a manifest error or not materially prejudicial to the interests of any of the Guarantors) is an "**Unsanctioned Modification**".

A "**Single Series Extraordinary Resolution**" means a resolution passed at a meeting of Bondholders duly convened and held in accordance with the procedures prescribed by the Issuer and the Post-issuance Manager pursuant to Term (41)(a) (*Convening Meetings of Bondholders; Conduct of meetings of Bondholders; Written Resolutions*) by a majority of:

(A) in the case of a Reserved Matter, at least 75% of the aggregate principal amount of the Bonds then outstanding; or

(B) in the case of a matter other than a Reserved Matter, more than 50% of the aggregate principal amount of the Bonds then outstanding.

A "**Single Series Written Resolution**" means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:

(A) in the case of a Reserved Matter, at least 75% of the aggregate principal amount of the Bonds then outstanding; or

(B) in the case of a matter other than a Reserved Matter, more than 50% of the aggregate principal amount of the Bonds then outstanding.

Any Single Series Written Resolution may be contained in one document or in several documents in the same form, each signed or confirmed in writing by or on behalf of one or more Bondholders.

Any Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Bondholders, whether or not they attended any meeting, whether or not they voted in favour thereof and whether or not they signed or confirmed in writing any such Single Series Written Resolution, as the case may be.

(c) *Multiple Series Aggregation—Single limb voting*

(i) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, provided that the Uniformly Applicable condition is satisfied.

(ii) A "**Multiple Series Single Limb Extraordinary Resolution**" means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer pursuant to Term (41)(a) (*Convening Meetings of Bondholders; Conduct of Meetings of Bondholders; Written Resolutions*), as supplemented if necessary, which is passed by a majority of at least 75% of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate).

(iii) A "**Multiple Series Single Limb Written Resolution**" means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of at least 75% of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate). Any Multiple Series Single Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Bondholders or one or more holders of each affected series of Debt Securities Capable of Aggregation.

(iv) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution approved shall be binding on all Bondholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Single Limb Written Resolution, as the case may be.

(v) The "**Uniformly Applicable**" term will be satisfied if:

(A) the holders of all affected series of Debt Securities Capable of Aggregation are invited to exchange, convert, or substitute their debt securities, on the same terms, for (1) the same new instrument or other consideration or (2) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration; or

(B) the amendments proposed to the terms and conditions of each affected series of Debt Securities Capable of Aggregation would, following implementation of such amendments, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to the different currency of issuance).

(vi) It is understood that a proposal under paragraph (c)(i) above will not be considered to satisfy the Uniformly Applicable term if each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation (or, where a menu of instruments or other consideration is offered, each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation electing the same option from such menu of instruments).

(vii) Any modification or action proposed under paragraph (c)(i) above may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Term (41)(c) may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

(d) *Multiple Series Aggregation – Two limb voting*

(i) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.

(ii) A "**Multiple Series Two Limb Extraordinary Resolution**" means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed in Term (41)(a) (*Convening Meetings of Bondholders; Conduct of meetings of Bondholders; Written Resolutions*), as supplemented if necessary, which is passed by a majority of:

(A) at least 66.67% of the aggregate principal amount of the outstanding debt securities of affected series of Debt Securities Capable of Aggregation (taken in aggregate); and

(B) more than 50% of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

(iii) A "**Multiple Series Two Limb Written Resolution**" means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:

(A) at least 66.67% of the aggregate principal amount of the outstanding debt securities of all the affected series of Debt Securities Capable of Aggregation (taken in aggregate); and

(B) more than 50% of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Bondholders or one or more holders of each affected series of Debt Securities Capable of Aggregation.

(iv) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Bondholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be.

(v) Any modification or action proposed under Term (41)(c)(i) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Term (41)(c) may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

(e) *Reserved Matter:*

In these Terms, "**Reserved Matter**" means any proposal to:

(i) change the date, or the method of determining the date, for payment of principal, interest or any other amount in respect of the Bonds, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of the Bonds, or to change the method of calculating the amount of principal, interest and any other amount payable in respect of the Bonds on any date;

(ii) if and where approved by PBOC, to change the currency in which any amount due in respect of the Bonds is payable or the place of payment in which any payment in respect of the Bonds is to be made;

(iii) to change the majority required to pass an Extraordinary Resolution, a Written Resolution or any other resolution of Bondholders or the number or percentage of votes required to be cast, or the number or percentage of Bonds required to be held, in connection with the taking of any decision or action by or on behalf of the Bondholders or any of them;

(iv) to change this definition, or the definition of "Extraordinary Resolution", "Single Series Extraordinary Resolution", "Multiple Series Single Limb Extraordinary Resolution", "Multiple Series Two Limb Extraordinary Resolution", "Written Resolution", "Single Series Written Resolution", "Multiple Series Single Limb Written Resolution" or "Multiple Series Two Limb Written Resolution";

(v) to change the definition of "debt securities" or "Debt Securities Capable of Aggregation";

(vi) to change the definition of "Uniformly Applicable";

(vii) to change the definition of "outstanding" or to modify the provisions of Term (41)(i) (*Bonds controlled by the Issuer*);

(viii) to change the legal ranking of the Bonds;

(ix) to change any provision of the Bonds describing circumstances in which Bonds may be declared due and payable prior to their scheduled maturity date, set out in Term (40) (*Event of Default*);

(x) if and where approved by NAFMII, to change the law governing the Bonds or the arbitral tribunal of the jurisdiction to which the Issuer has submitted in connection with the Bonds, or the Issuer's waiver of immunity, in respect of actions or proceedings brought by any Bondholder as set out in Term (37) (*Governing Law*) and Term (38) (*Dispute Resolution)*;

(xi) to impose any condition on or otherwise change the Issuer's obligation to make payments of principal, interest or any other amount in respect of the Bonds, including by way of the addition of a call option;

(xii) to modify the provisions of this Term (41)(e) (*Reserved Matters*);

(xiii) to exchange or substitute all the Bonds for, or convert all the Bonds into, other obligations or securities of the Issuer or any other person, or to modify any provision of these Terms in connection with any exchange or substitution of the Bonds for, or the conversion of the Bonds into, any other obligations or securities of the Issuer or any other person, which would result in the Terms of the Bonds as so modified being less favourable to the Bondholders which are subject to the Terms as so modified than:

(A) the provisions of the other obligations or debt securities of the Issuer or any other person resulting from the relevant exchange or substitution or conversion; or

(B) if more than one series of other obligations or debt securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of debt securities having the largest aggregate principal amount.

(f) *Information*

Prior to or on the date that the Issuer proposes any Extraordinary Resolution or Written Resolution pursuant to Term (41)(b) (*Modification of the Bonds only*), Term (41)(c) (*Multiple Series Aggregation – Single limb voting*) or Term (41)(d) (*Multiple Series Aggregation – Two limb voting*), the Issuer shall disclose in accordance with Term (41)(j) (*Aggregation Agent; Aggregation Procedures*), and provide the Post-issuance Manager with, the following information:

(i) a description of the Issuer's economic and financial circumstances which are, in the Issuer's opinion, relevant to the request for any potential modification or action, a description of the Issuer's existing debts and a description of its broad policy reform programme and provisional macroeconomic outlook;

(ii) if the Issuer shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement, and where permitted under the information disclosure policies of the multilateral or such other creditors, as applicable, copies of the arrangement or agreement shall be provided;

(iii) a description of the Issuer's proposed treatment of external debt securities that fall outside the scope of any multiple series aggregation and its intentions with respect to any other debt securities and its other major creditor groups; and

(iv) if any proposed modification or action contemplates debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of the Bondholders in Term (41)(a) (*Convening Meetings of Bondholders; Conduct of meetings of Bondholders; Written Resolutions*).

(g) *Claims Valuation*

For the purpose of calculating the par value of the Bonds and any affected series of debt securities which are to be aggregated with the Bonds in accordance with Term (41)(c) (*Multiple*

Series Aggregation – Single limb voting) and Term (41)(d) (*Multiple Series Aggregation – Two limb voting*), the Issuer may appoint a calculation agent (in such capacity, the "**Calculation Agent**"). The Issuer shall, with the approval of the Aggregation Agent and any appointed Calculation Agent, promulgate the methodology in accordance with which the par value of the Bonds and such affected series of debt securities will be calculated. In any such case where a Calculation Agent is appointed, the same person will be appointed as the Calculation Agent for the Bonds and each other affected series of debt securities for these purposes, and the same methodology will be promulgated for each affected series of debt securities.

(h) *Manifest Error, etc.:*

The Bonds and these Terms may be amended without the consent of the Bondholders to correct a manifest error.

(i) *Bonds controlled by the Issuer:*

For the purposes of (i) determining the right to attend and vote at any meeting of Bondholders, or the right to sign or confirm in writing, or authorize the signature of, any Written Resolution, (ii) Term (40) (*Event of Default*), and (iii) Term (41) (*Meetings of Bondholders*), any of the Bonds which are for the time being held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any Public Sector Instrumentality of the Issuer, shall be disregarded and be deemed not to remain outstanding.

A Bond will also be deemed to be not outstanding if the Bond has previously been cancelled or delivered for cancellation or held for reissuance but not reissued, or, where relevant, the Bond has previously been called for redemption in accordance with the Terms or previously become due and payable at maturity or otherwise and the Issuer has previously satisfied its obligations to make all payments due in respect of the Bond in accordance with the Terms.

In advance of any meeting of Bondholders, or in connection with any Written Resolution, the Issuer shall provide to the Post-issuance Manager a copy of the certificate prepared pursuant to paragraph (iv) (*Certificate*) of Term (41)(j) (*Aggregation Agent; Aggregation Procedures*), which includes information on the total number of the Bonds which are for the time being held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any Public Sector Instrumentality of the Issuer and, as such, such Bonds shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Bondholders or the right to sign, or authorize the signature of, any Written Resolution in respect of any such meeting. The Post-issuance Manager shall make any such certificate available for inspection during normal business hours at their specified offices and, upon reasonable request, will allow copies of such certificate to be taken.

(j) *Aggregation Agent; Aggregation Procedures*

(i) *Appointment:* The Issuer will appoint an aggregation agent (in such capacity, the "**Aggregation Agent**") to calculate whether a proposed modification or action has been approved by the required principal amount outstanding of the Bonds, and, in the case of a multiple series aggregation, by the required principal amount of outstanding debt securities of each affected series of debt securities. In the case of a multiple series aggregation, the same person will be appointed as the Aggregation Agent for the proposed modification of any provision of, or any action in respect of, these Terms of the Bonds and the terms and conditions or bond documentation in respect of each other affected series of debt securities. The Aggregation Agent shall be independent of the Issuer.

(ii) *Extraordinary Resolutions:* If an Extraordinary Resolution has been proposed at a duly convened meeting of Bondholders to modify any provision of, or action in respect of, these Terms or the terms and conditions of other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate principal amount of the Bonds then outstanding and, where relevant, each other affected series of debt securities, have voted in favour of the Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.

(iii) *Written Resolutions:* If a Written Resolution has been proposed under this Term (41) to modify any provision of, or action in respect of, these Terms or the terms and conditions of other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution has been signed or confirmed in writing, calculate whether holders of a sufficient portion of the aggregate principal amount of the Bonds then outstanding and, where relevant, each other affected series of debt securities, have signed or confirmed in writing in favour of the Written Resolution such that the Written Resolution is passed. If so, the Aggregation Agent will determine that the Written Resolution has been duly passed.

(iv) *Certificate*: For the purposes of paragraph (ii) (*Extraordinary Resolutions*) and paragraph (iii) (*Written Resolutions*) of this Term (41)(j), the Issuer will provide a certificate to the Aggregation Agent up to three (3) days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in paragraph (b) (*Modification of the Bonds only*), paragraph (c) (*Multiple Series Aggregation – Single limb voting*) or paragraph (d) (*Multiple Series Aggregation – Two limb voting*) of Term (41) (*Meetings of Bondholders*), as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution.

The certificate shall:

(a) list the total principal amount of the Bonds and, in the case of a multiple series aggregation, the total principal amount of each other affected series of debt securities outstanding on the record date; and

(b) clearly indicate the Bonds and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities which shall be disregarded and deemed not to remain outstanding as a consequence of paragraph (i) (*Bonds controlled by the Issuer*) of Term (41) (*Meetings of Bondholders*) on the record date identifying the holders of the Bonds and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

(v) *Notification:* The Aggregation Agent will cause each determination made by it for the purposes of this Term (41)(j) (*Aggregation Agent; Aggregation Procedures*) to be notified to the Post-issuance Manager and the Issuer as soon as practicable after such determination. Notice thereof shall also promptly be given to the Bondholders.

(vi) *Binding nature of determinations; no liability:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Term (41)(j) (*Aggregation Agent; Aggregation Procedures*) by the Aggregation Agent and any appointed Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Post-issuance Manager, the Bondholders and (subject to as aforesaid) no liability to any such person will attach to the Aggregation Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(vii) *Manner of publication:* The Issuer will deliver all notices and other matters required to be disclosed pursuant to these Terms including any matters required to be disclosed pursuant to Term (41) (*Meetings of Bondholders*), including but not limited to, this Term (41)(j) (*Aggregation Agent; Aggregation Procedures*) and Term (40) (*Event of Default*):

(a) through the Integrated Service Platform; and

(b) in such other places and in such other manner as may be required by applicable law or regulation.

(k) *Publication*

The Issuer shall disclose all Extraordinary Resolutions and Written Resolutions which have been determined by the Aggregation Agent to have been duly passed in accordance with Term (41)(j) (*Aggregation Agent; Aggregation Procedures*).

(l) *Exchange and Conversion*

Any Extraordinary Resolutions or Written Resolutions which have been duly passed and which modify any provision of, or action in respect of, the Terms may be implemented at the Issuer's option by way of a mandatory exchange or conversion of the Bonds and each other affected series of debt securities, as the case may be, into new debt securities containing the modified terms and conditions if the proposed mandatory exchange or conversion of the Bonds is notified to Bondholders at the time notification is given to the Bondholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Bondholders.

(42) Definitions

In these Terms, the following expressions have the following meanings:

"**External Indebtedness**" means any indebtedness of the Issuer for money borrowed or raised, which is payable, or which at the option of the relevant creditor or holder thereof may be payable, in a currency other than the lawful currency of the Issuer;

"**Permitted Security Interest**" means: (i) any Security Interest upon property or asset incurred for the purpose of financing the acquisition or construction of such property or asset or any renewal or extension of any such Security Interest, which is limited to the original property or asset covered thereby and which secures any renewal or extension of the original secured financing; (ii) any Security Interest existing on any property or asset at the time of its acquisition and any renewal or extension of any such Security Interest which is limited to the original property or asset covered thereby and which secures any renewal or extension of the original secured financing; (iii) any Security Interest in existence on the date on which agreement to issue and subscribe the Bonds is executed; and (iv) any Security Interest incurred for the purpose of financing all or part of the costs of the acquisition, construction, development or expansion of any project (including costs such as escalation, interest during construction and financing and refinancing costs), provided that the property over which such Security Interest is granted consists solely of the assets and revenues of such project;

"**Public External Indebtedness**" means any External Indebtedness, which: (i) is in the form of, or represented by, any bond, debenture, note or other similar instrument; and (ii) as of the date of its issue is, or is capable of being, quoted, listed or ordinarily purchased and sold on any stock exchange, automated trading system or over-the-counter or other securities market;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, unincorporated organization, trust or any other juridical entity, including, without limitation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Public Sector Instrumentality**" means the Central Bank of Egypt and any department, ministry or agency of the government of The Arab Republic of Egypt;

"**Security Interest**" means any lien, pledge, mortgage, security interest, deed of trust, charge or other encumbrance or arrangement having a similar effect.

2. Plan of Offering for the Bonds

(1) Centralized Bookbuilding arrangements

The Bonds will be offered by private placement through centralized Bookbuilding at BFAE. The methods and requirements for Investors to participate in the Bookbuilding placement of the Bonds will be set forth in the Arab Republic of Egypt 2023 Renminbi Bonds (Series 1) (Sustainable Development Bonds) (Bond Connect) Subscription Period and Subscription Indicative Statement, which will be provided to potential Investors at the date hereof. Underwriting Syndicate members/Investors must submit to the Lead Bookrunner the Arab Republic of Egypt 2023 Renminbi Bonds (Series 1) (Sustainable Development Bonds) (Bond Connect) Subscription Offer (the "**Subscription Offer**") through the centralized bookbuilding system between 9:00 am and 6:00 pm on 16 October 2023, and the time of subscription shall be at the time at which the Subscription Offer is submitted to the Lead Bookrunner through the centralized bookbuilding system.

The minimum amount to be subscribed by an Investor shall be RMB10,000,000 and integral multiples of RMB10,000,000 in excess thereof.

(2) Plan of distribution

Subscribers of the Bonds shall be Specialized Institutional Investors or selected Specific Institutional Investors whose names are indicated under Section 13 "*List and Information of the Investors*" in this Offering Memorandum.

Domestic Investors shall open Class A or B holders' accounts with the Depositary, or open Class C holders' accounts through settlement agencies on the Interbank Market.

Offshore Specific Institutional Investors participating in the subscription of the Bonds through the "Bond Connect" regime should, in connection with the registration, custody, clearing, settlement of the Bonds and remittance and conversion of funds, comply with applicable laws and regulations, including the *Interim Measures for the Connection and Cooperation between the Mainland and the Hong Kong Bond Market* published by PBOC, as well as rules of other relevant parties and service providers.

(3) Payment and Settlement Arrangements

Payment time: Prior to 11:00 am on 17 October 2023.

The Lead Bookrunner shall send the Arab Republic of Egypt 2023 Renminbi Bonds (Series 1) (Sustainable Development Bonds) (Bond Connect) Placement Confirmation and Notice of Payment (the "**Notice of Payment**") through the centralized bookbuilding system on 16 October 2023, giving notice to each Underwriting Syndicate member/Investor their respective placement amount and subscription money payable, payment date and accounts.

Members of the Underwriting Syndicate/Investors shall, prior to 11:00 am on 17 October 2023, remit the proceeds to the following account in accordance with their respective underwritten amount as set forth in the Notice of Payment by the Lead Bookrunner:

Account name: Head Office of Bank of China Limited

Account bank: Head Office of Bank of China Limited

Account number: 110400393

CNAPS code: 104100000004

Any failure by a qualified underwriter to pay in full shall be dealt with in accordance with relevant rules of NAFMII and the relevant provisions of the underwriting agreement (including any supplements or amendments thereto) and the underwriting syndicate agreement, if any.

Upon the completion of the issuance of the Bonds, such Bonds can be transferred or pledged in accordance with the rules and regulations issued by the competent authorities.

(4) Registration and Custody Arrangements

The Bonds will be issued in real name book-entry form. Bonds subscribed by each Investor will be registered and held in such Investor's account with the Depositary.

Investors are not required to pay additional fees for the preparation of subscription, registration or custody of the Bonds. Investors shall comply with relevant provisions of the Depositary in their preparation of the registration or custody procedures.

If there is any conflict or contravention between the above provisions relating to the subscription and custody of the Bonds and any laws, regulations or rules of the Depositary currently in force or revised or enacted from time to time, the provisions of any laws, regulations or rules of the Depositary currently in force or revised or enacted from time to time shall prevail.

(5) Trading Arrangements

Trading in the Bonds on the Interbank Market will commence on the Business Day following the bond registration date, in accordance with the rules of the Interbank Market.

3. Issuer's Representations and Warranties

The Issuer represents and warrants to and (where applicable) agrees with the Bondholders that:

(1) the Issuer is a sovereign state, and is deemed as a legal person under Egyptian law;

(2) the Issuer as legal person has full power and capacity to execute and issue this Offering Memorandum, to establish the Programme, to create and issue the Bonds, and to perform its obligations hereunder and thereunder, and has taken all necessary actions to approve and to authorize the same; the obligations of the Issuer under the Bonds issued under the Programme are the obligations of a sovereign state;

(3) the issuance of the Bonds by the Issuer, the performance of its obligations under the Bonds and the Offering Memorandum and the exercise of any of its rights under the Bonds and the Offering Memorandum will not infringe any constitutional or treaty provision binding upon the Issuer, contravene any laws (including budget acts), regulations, rules, decisions, orders, authorizations, agreements or obligations applicable to the Issuer, and which would cause a significant adverse impact on the Issuer's ability to pay, or if there exists any contravention, the Issuer has obtained effective waivers from the relevant regulatory authorities or administrative departments, and such waivers are legal, valid and can be specifically enforced in accordance with the applicable PRC Laws and the laws, regulations and rules of Egypt; and

(4) with respect to the Bonds, and in compliance with the requirements of regulatory authorities, any relevant administrative departments or other related authorities, the Issuer will submit, register or file on time, in the appropriate form, all reports, resolutions, returns or any required documents.

4. Investors' Representations and Warranties

Each Investor represents and warrants to and (where applicable) agrees with the Issuer and the Guarantors that:

(1) such Investor possesses membership qualification for the Interbank Market and is either a Specialized Institutional Investor or a selected Specific Institutional Investor;

(2) such Investor has sufficient power, authorizations and legal rights to purchase the Bonds, and to do such acts of a legal person or other acts necessary for the purchase of the Bonds;

(3) the purchase of the Bonds or the performance of obligations under the Bonds or the exercise of any rights under the Bonds by such Investor will not contravene any laws, regulations, rules, decisions, orders, authorizations, agreements or obligations applicable to such Investor;

(4) by purchasing the Bonds, such Investor has fully understood and seriously considered each and every risk relating to the Bonds and/or the Guarantee, including but not limited to the risks described in this Offering Memorandum;

(5) such Investor has fully understood and accepted the provisions in this Offering Memorandum in respect of the rights and obligations under the Bonds and the provisions in the Letter of Guarantee in respect of the rights and obligations under the Guarantee and agrees to be bound by them, and, where necessary or desirable, has obtained relevant advice from legal or other professional advisers;

(6) subject to the Terms set out under this Section 3, after the completion of the issuance of the Bonds, in accordance with the future needs of the Issuer and upon registration with NAFMII,

the Issuer may continue to issue debt instruments which either rank equally with or senior to the Bonds, without requiring the consent of any Investor of the Bonds;

(7) where any modifications to the Terms of the Bonds are made in accordance with applicable laws and regulations and the Terms of the Bonds as set out in Term (41) (*Meeting of Bondholders*) of this Section 3, upon the approval by the relevant regulatory authorities (if applicable) and after disclosure in respect thereof in accordance with applicable laws and regulations, the Investor agrees to and accepts such modifications; and

(8) offshore Specific Institutional Investors participating in the subscription of the Bonds through the "Bond Connect" regime should, in connection with the registration, custody, clearing, settlement of the Bonds and remittance and conversion of funds, comply with applicable laws and regulations, including the *Interim Measures for the Connection and Cooperation between the Mainland and the Hong Kong Bond Market* published by PBOC, as well as rules of other relevant parties and service providers.

SECTION 4 DESCRIPTION OF THE ISSUER

1. Overview of Egypt

(1) Basic Information of the Issuer

Chinese name of the Issuer: 阿拉伯埃及共和国

English name of the Issuer: The Arab Republic of Egypt

Address: Ministry of Finance, Ministry of Finance Towers, Ramsis Street Extension, Nasr City, Cairo, Egypt

Contact: Ministry of Finance

Tel: + 02 2342 8830 / +02 2054 4203

E-mail: finance@mof.gov.eg

Website: mof.gov.eg

(2) General

Egypt is the most populous country in the Middle East and the third most populous country in Africa. Egypt is located in North Africa, bordering the Mediterranean Sea, the Red Sea, Libya, the Gaza Strip, Israel and Sudan. According to CAPMAS, Egypt had a population of 103.60 million in July 2022 compared with 102.88 million in January 2022, reflecting growth of 0.7%. Egypt is generally classified as a low to middle-income developing country.

Egypt has endured as a unified state for over 5,000 years, despite approximately 2,500 years of occupation by Persian, Greek, Roman, Turkish, Mameluke, French and British troops. The Kingdom of Egypt, which lasted until the revolution of 1952, was a constitutional monarchy. In 1953, Egypt was declared a republic. Colonel Nasser became president in 1954 and, over time, became a leader of Egypt and of the Arab world as a whole.

(3) Constitutional System

Prior to the 1952 revolution, Egypt was a constitutional monarchy. The first Egyptian constitution was enacted in 1923, following the declaration of the end of the British protectorate. It stated that Egypt was an independent sovereign "Islamic State", with Arabic as its official language and provided for a representative Parliament. This constitution was abolished in 1952 and political parties were dissolved in 1953, and a new constitution was proclaimed in 1956. The 1956 constitution granted the President extensive executive and legislative powers. In 1958, the constitution of the United Arab Republic was enacted, following the political union of Egypt and Syria. The union was dissolved in 1961.

In 1964, a new constitution was enacted. It emphasized the socialist nature of the Government, proclaiming Egypt an Arab democratic state with a socialist economy.

In 1971, during President Sadat's era, the 1971 constitution was enacted, and it was further amended in 1980, 2005 and 2007. It stated that Egypt was a democratic state based on citizenship, with Islam as its state religion and Arabic as its official language. Among its notable features, the constitution recognised three types of ownership, being public, co-operative and private and granted vast powers to the President.

In December 2012, the 2012 Constitution was adopted by referendum but has since been replaced by the current Constitution.

The referendum to approve the current Constitution in January 2014 was the first public vote since the removal of President Morsi in July 2013 and was supported by the majority of Egypt's secular and liberal political parties, as well as the Nour Party, the political arm of conservative Salafis. The referendum was approved by 98% of the vote.

The Constitution provides for three branches of government: the legislative branch, the executive branch and the judicial branch, and provides for the right of the SCAF to appoint the Minister of Defence for the eight years following its entry into force. The Constitution further provides that Islam is the state religion and Arabic is the official language. It also provides that the principles of *Shari'a* are the main source of legislation. Article 9 of the Constitution enshrines the principle of equal opportunities for all citizens without discrimination. The Constitution also guarantees, *inter alia*: (i) the rights of Christians and Jews to apply their respective religious principles to personal status, religious affairs and leadership matters; (ii) equality between genders; (iii) healthcare and social insurance services; (iv) education; (v) personal freedom; (vi) privacy; and (vii) rights of the accused. Article 94 of the Constitution enshrines the principle of the rule of law.

In 2019, certain amendments were proposed to the Constitution, including making the Parliament a bicameral body. The Shura Council, which was abolished in 2014, was to be restored as the Senate. On 16 April 2019, the Parliament approved the proposed amendments, which were subsequently approved by referendum in April 2019.

a) Legislative Branch

The Constitution provides for a bicameral Parliament consisting of the House of Representatives and the Senate. The House of Representatives must be comprised of no fewer than 450 directly-elected members, elected by a direct secret public ballot. The President may appoint additional members not exceeding 5% in number of the elected members. Members of the House of Representatives serve for a term of five years. The Senate must be comprised of no fewer than 300 members, of which 200 members are elected by a direct secret public ballot. The remaining 100 members are appointed by the President. At least 10% of the Senate seats must be taken by women. Members of the Senate serve for a term of five years.

The principal role of the House of Representatives is to propose and approve laws, which, in turn, are implemented by the President, and to approve the Government's national policy, economic and social development plan, and national budget, and to oversee the Government's performance in general, although the President and the Council of Ministers may also propose laws. Once passed by the House of Representatives, the President has the right either to sign or veto laws. The President must exercise his veto right within 30 days of passage or the law automatically comes into force. By a two-thirds vote, the House of Representatives may override a presidential veto.

The Senate is an advisory body without legislative powers. Its role is to opine on: (i) amendments to the Constitution; (ii) the public social and economic development plan; (iii) alliance and peace treaties and all treaties related to sovereignty; (iv) draft laws referred to it by the President or the House of Representatives; and (v) matters referred to it by the President on matters of public policy or international relations.

The House of Representatives must approve the national budget, which must include all Government revenues and expenditures. Any amendments to the approved national budget must be approved by the House of Representatives. Final accounts for each year must be presented to the House of Representatives within six months from the end of the relevant fiscal year, together with a report of the Central Audit Bureau.

Under Article 146 of the Constitution, the President nominates a Prime Minister to form the Government and submit the Government's programme to the House of Representatives. If the Government does not win a vote of confidence of a majority of the members of the House of Representatives within 30 days of the nomination, the President must appoint a Prime Minister who is nominated by the party or coalition that holds the majority or, failing a majority, the largest number of seats in the House of Representatives. If the Prime Minister is nominated in this way, the President must also, in consultation with the Prime Minister, nominate the Ministers of Defence, Interior, Foreign Affairs and Justice. If the government of this Prime Minister fails to win the confidence of the majority of the members of the House of Representatives within 30 days, the House of Representatives shall be deemed to be dissolved, and the President must call for the election of a new House of Representatives.

The House of Representatives has the power to pass motions of no confidence with respect to the Prime Minister, or one of his/her deputies, or a minister, or one of his/her deputies. If the House of Representatives withdraws its confidence from any such person and the Government has announced its solidarity with such person prior to the vote of no confidence, then the Government must resign; otherwise, any vote of no-confidence only applies to the subject of the vote.

Pursuant to Article 161 of the Constitution, the House of Representatives has the power to pass motions of no confidence with respect to the President by a two-thirds vote. If the House of Representatives approves a motion to withdraw its confidence from the President, the question of withdrawal of confidence and whether to call early presidential elections must be put to a referendum. If the referendum rejects the withdrawal of confidence, then the House of Representatives shall be deemed dissolved and the President must call for new parliamentary elections within 30 days of the dissolution. If the referendum approves the withdrawal of confidence, the presidency shall be deemed vacant and new elections must be called and held within 60 days of announcing the results of the referendum.

The President cannot dissolve the House of Representatives except under special circumstances and following approval by referendum. The House of Representatives cannot be dissolved for the same reason that caused the dissolution of the previous House of Representatives. If the referendum approves the dissolution, the President must issue a decree dissolving the House of Representatives and calling parliamentary elections within 30 days of the date of the decision.

The current House of Representatives was elected in 2020, and its first parliamentary session began in January 2021. Prior to the election of the previous House of Representatives in 2015 and pursuant to Article 156 of the Constitution of 2014, the President had legislated through presidential decrees. Following the convening of the House of Representatives, such laws needed to be debated and approved within a 15-day constitutional deadline to remain in force. Between the date of appointment of President Al-Sisi in June 2014 and the first parliamentary session in January 2016, the President had issued 342 decrees. In order to debate and approve these laws, 19 parliamentary committees were formed to discuss the proposed legislative ratifications. All but one of the proposed laws (the Civil Service Law) were approved by the House of Representatives within the constitutional deadline. The Civil Service Law was not approved within the deadline but was provisionally approved by the House of Representatives in a revised form in July 2016 (a new Civil Service Law was promulgated in November 2016). The Constitution provides that the House of Representatives must enact laws relating to the media, the building of churches, education and health during its first parliamentary session. In August 2016, the House of Representatives approved Law No. 80 of 2016, which sets out conditions for the construction of Christian churches in Egypt (including as to location and the process for obtaining the necessary approvals).

In line with the requirements of the Constitution, the Government presented its programme to the House of Representatives in March 2016. This programme sets out a number of economic, fiscal, monetary and structural targets.

The House of Representatives passed a vote of confidence in the Government and approved the Government's programme on 20 April 2016 by a margin of 433 to 38 votes. The most recent House of Representatives was elected in December 2020. Please see "*Description of the Issuer — The Economy — Government Programme, Recent Developments and Reforms*" in this Section.

On 21 April 2020, the House of Representatives voted to amend several articles of the State of Emergency Law No. 162/1958, which granted the President greater powers during the COVID-19 outbreak and similar critical health situations.

In the same session, the House of Representatives amended several laws relating to state budget (allocating funds to combat the COVID-19 outbreak in an aggregate amount of approximately U.S.$6.4 billion), real estate tax exemptions, income tax exemptions, raising pensions, and offering incentives to SMEs. In addition to the amendment to the Tax Law, four other laws that are related to COVID-19 were also promulgated: (i) Law No. 170 of 2020, by virtue of which 1% of the income of all employees and 0.5% of retired individuals in Egypt is deducted to face the economic losses incurred by natural disasters and epidemics; (ii) Law No. 24 of 2020, which provides some financial benefits to institutions and individuals such as extending the grace period to submit tax declarations and postponing social insurance payment; (iii) Law No. 142 of 2020, changing the required precautionary measures to combat infectious diseases; and (iv) changing some provisions of the Emergency Law.

Parliamentary Elections

Parliamentary elections took place in October and November 2020. Of the 620 members of the House of Representatives, 118 are independent members unaffiliated with any political party, and 474 are affiliated with various political parties (with the Nation's Future Party holding the highest number of seats at 317). A further 28 members are appointed by the President. There are 163 female members of the House of Representatives, representing approximately 26% of the members. According to statistics announced by the House of Representatives, turnout for the first and second stages of the elections was 29%.

In line with the five-year parliamentary terms set out in the Constitution, the next elections to the House of Representatives are scheduled to take place in 2025.

The first round of the new Senate elections was held in August 2020, with a second round in September 2020, and the results were announced on 16 September 2020. The Senate Parliamentary elections took place in August 2020. Of the 200 elected members of the Senate, 6 are independent members unaffiliated with any political party, and 194 are affiliated with various political parties (with the Nation's Future Party holding the highest number of seats, at 153). A further 100 members are appointed by the President. There are 20 female members of the Senate, representing approximately 7% of the members.

In line with the five-year terms set out in the Constitution, the next Senate elections are scheduled to take place in 2025.

b) Executive Branch

Under the Constitution, executive power in Egypt is exercised by: (i) the President of Egypt; (ii) the Government; and (iii) the local administrations.

The President of Egypt

The President is the Head of State and head of the executive branch, and has historically been elected for a four-year term. In 2019, certain amendments were made to the Constitution, including extending the presidential term from four years to six years. Each President can serve no more than two consecutive terms, although the Constitution was amended to allow President Al-Sisi to serve a third term. During his presidency, the President may not hold any partisan position.

The President is elected by an absolute majority of votes of the Egyptian people. A presidential candidate must be nominated by (i) at least 20 elected members of the House of Representatives or (ii) 25,000 citizens who are entitled to vote from at least 15 governorates, provided that at least 1,000 citizens from each such governorates nominate such candidate.

The procedural steps for the holding of presidential elections are set out in Article 141 of the Constitution, which provides that a presidential candidate must be an Egyptian born to Egyptian parents, and neither the candidate nor his/her parents or spouse may have held any other nationality. The candidate must enjoy civil and political rights, must have completed military service (or have been exempted by law), and shall not be less than forty years old on the day of registration of his/her candidacy for President.

Presidential elections took place between 26 and 28 March 2018. On 2 April 2018, the National Elections Authority declared President Al-Sisi the winner of the elections, securing a second four-year term after winning 97.1% of the valid votes cast. Historically, under Article 140 of the Constitution, the President served for a four-year term and could be re-elected once. Accordingly, this would have been President Al-Sisi's final term, expiring in March 2022.

On 3 February 2019, a motion was submitted to the speaker of Parliament proposing certain amendments to the Constitution, including extending the presidential term from four years to six years, changing the appointment process for various entities within the judiciary, as well as other amendments. On 14 February 2019, Parliament voted in favour of these amendments. On 16 April 2019, the Legislative Committee of the Parliament approved the amendments to the Constitution and adopted a transitional article, which applies exclusively to President Al-Sisi, permitting him to be elected for a further six-year term after his current term expires in 2024.

On 5 October 2023, the National Election Authority announced that voting in the 2024 presidential elections in Egypt will take place from 10 to 12 December 2023, with the final result set to be announced on 18 December 2023. On 2 October 2023, President Abdel-Fattah El-Sisi officially announced that he will run for the presidency in the upcoming elections.

Please see Section 2 "*Risk Factors — Risks relating to Egypt — Political risks*".

Presidential powers include (*inter alia*):

- jointly with the Government, formulating general policy and supervising its implementation;
- relieving the Government of its duties, subject to the approval of a majority of the members of the House of Representatives;
- reshuffling the Council of Ministers, after consulting with the Prime Minister and subject to the approval of an absolute majority of the members of the House of Representatives;
- acting as supreme commander of the Egyptian armed forces, provided that the President may not declare war or send armed forces on a combat mission outside of Egypt, except after consultation with the National Defence Council and with the approval of a two-thirds majority of the House of Representatives, except when the House of Representatives is not in session (in which event, the Constitution provides that the SCAF must be consulted and the approval of the Council of Ministers and the National Defence Council must be obtained);
- appointing and dismissing civil and military employees in accordance with applicable law;
- after consultation with the Council of Ministers, declaring a state of emergency in accordance with applicable law, which must be approved by a majority of the members of the House of Representatives within seven days of declaring the state of emergency;
- after consultation with the Council of Ministers, issuing pardons or reducing sentences;
- calling the House of Representatives into session for emergency sessions;
- calling referendums; and
- representing Egypt in its international relations, concluding treaties and ratifying them after having obtained the approval of the House of Representatives.

The Government

The Government consists of the Prime Minister, the Deputy Prime Ministers and the Ministers. The functions of the Government include:

- together with the President, developing the general policy of Egypt and supervising its implementation;
- maintaining the security of the nation and protecting the rights of citizens and the interest of Egypt;
- directing, co-ordinating and following-up on the work of ministries and their affiliated public bodies and organisations;
- preparing and submitting laws to the House of Representatives;
- issuing administrative decrees in accordance with the law and following-up on their implementation;
- drafting the national plan of Egypt;
- drafting and preparing the annual budget of Egypt;
- obtaining financing or raising debt in accordance with the Constitution; and
- implementing laws.

The Prime Minister supervises the work of the Government, and each Minister is responsible for the performance of his/her Ministry before the House of Representatives. The responsibilities of the Council of Ministers include the preparation of draft laws and decrees, as well as the preparation of the national budget and the national plan. Under Article 160 of the Constitution, if the President resigns, dies or becomes permanently incapacitated, the Speaker of the House of Representatives shall act in his/her place until a new President is elected during a period not exceeding 90 days from the date on which the office becomes vacant.

In September 2015, President Al-Sisi swore in a new Government, headed by Prime Minister Sherif Ismail, the former Petroleum Minister, following the resignation of Mr. Mahlab's interim Government.

In June 2018, following the presidential elections, a new 32-member cabinet, headed by Prime Minister Mostafa Madbouly, and which included 12 new Ministers, was sworn in.

Local Administrations

Article 175 of the Constitution provides that Egypt is divided into administrative units, including governorates, cities and villages. Local councils are elected by direct and secret ballot for terms of four years and are empowered to oversee local government matters, such as development plans, exercising oversight authority and withdrawing confidence in the heads of local units. Other administrative units may also be established. Article 176 of the Constitution enshrined the principle of decentralisation. Local administrations are required to develop their own budgets and have the authority to levy taxes and duties of a local nature.

c) Judicial Branch

The Constitution provides for an independent judicial branch headed by a Supreme Judicial Council. The judiciary has an independent budget that, following examination by the House of Representatives, is included in Egypt's budget as a single line item. The judiciary is also entitled to be consulted with respect to any draft laws that regulate its affairs.

Article 189 of the Constitution provides that the Prosecutor General shall head the Public Prosecution, which is an integral part of the judiciary. The Public Prosecution carries out the investigation and prosecution of criminal cases.

The State Council is an autonomous judicial body with exclusive jurisdiction to settle administrative disputes. It also reviews and drafts bills and decrees of a legislative nature and reviews draft contracts to which the state or another public authority is a party.

The Supreme Constitutional Court was first established in 1979 and its powers are set out in Article 191 et seq. of the Constitution. In particular, the Supreme Constitutional Court has the sole constitutional power to: (i) determine the constitutionality of laws and regulations; (ii) interpret legislative provisions; and (iii) adjudicate on disputes pertaining to affairs of its members, certain jurisdictional matters, the implementation of certain contradictory judgments and on the execution of its judgments and decisions.

The Constitution also provides for two additional judicial authorities, which are: (i) the Administrative Prosecution, which is responsible for the investigation of administrative and financial violations committed by public officials and filing disciplinary actions, and; (ii) the State Lawsuits Authority, which represents Egypt in legal proceedings and drafts contracts referred to it by the relevant governmental authorities and to which Egypt is a party, in accordance with the applicable laws.

In order to improve the Egyptian economic and investment landscape, in 2008, the Government enacted Law No. 120 of 2008 establishing the Economic Court, which specialises in disputes arising under certain laws, including laws relating to bankruptcies, consumer protection, capital markets and intellectual property. The Economic Court handles disputes relating to such laws between Egypt and private citizens, as well as disputes among private citizens.

(4) Political Parties

There are currently more than 104 political parties in Egypt. Article 74 of the Constitution states that all citizens shall have the right to form political parties by notification under law. According to the same article, no political activity may be practiced and no political parties may be formed on the basis of religion or discrimination based on sex or origin or on a sectarian basis or geographic location. The Constitution also provides that a political party may not be dissolved unless such dissolution is sanctioned by a court order.

In September 2013, a court ruling banned the Muslim Brotherhood from carrying out any activities in Egypt. A new law regulating public protests was passed in November 2013. In December 2013, the Government declared the Muslim Brotherhood a terrorist organisation following bomb blasts in Mansoura and other areas of Egypt.

Please see Section 2 "*Risk Factors — Risks relating to Egypt — Political risks*" and "*Risk Factors — Risks relating to Egypt — Terrorism risks*", and "*— Constitutional System — Legislative Branch — Parliamentary Elections*" in this Section.

(5) Legal System

Article 2 of the Constitution provides that the principles of Shari'a are the main source of legislation. Egypt's legal system is also based on the Napoleonic codes, including the French Code Civil, upon which the Egyptian civil code has been largely based. Marriage and family laws are based on the religious law of the individual concerned, which for most Egyptians is Islamic law. Islamic law is not forced upon non-Muslims, and non-Muslims have their own courts to settle marriage and family matters. Under Article 3 of the Constitution, certain affairs of Christians and Jews in Egypt are based on the general principles of their respective religions. While there have been moves to consolidate the influence of Shari'a in the Constitution, commercial law remains based on modern commercial practices.

Egypt's Arbitration Law No. 27 of 1994, as amended, serves as a framework for arbitration of domestic and international commercial disputes, as well as disputes between public enterprises and the private sector. Egypt acceded to the International Convention for the Settlement of Investment Disputes in 1972 and is a member of ICSID. Egypt adheres to the New York Convention and the 1965 Washington Convention on the Settlement of Investment Disputes between States and the Nationals of Other States.

(6) Relationship with the PRC

Egypt was the first Arab and African country to establish diplomatic relations with the PRC. In recent years, China-Egypt exchange and cooperation continued to grow in various fields.

China-Egypt Economic Ties

The Belt and Road Initiative (BRI) and Egypt Vision 2030 mutually reinforce and support one another. On the one hand, given its geographic location and economic potential, Egypt is in a unique position to assist China in advancing the BRI throughout the Middle East. On the other hand, the expansion of the Suez Canal for maritime and inland transportation is given top priority in the Sisi administration's Egypt Vision 2030, which entered its implementation phase in February 2016 and aligns with the BRI's goals in the region.

The Sisi administration has also worked to strengthen its economic ties with China to advance Egypt's industrialization. Considering this, China and Egypt have also established deeper financial ties. Many Egyptian-funded banks, as well as Egyptian-foreign equity joint banks, offer Renminbi (RMB) and Egyptian Pound (EGP) exchange services as of 2022, and their ATMs recognize UnionPay cards. As Egypt needed to stabilize the EGP, the People's Bank of China (PBOC) and the Central Bank of Egypt (CBE) signed an agreement in 2016 on an RMB18 billion (U.S.$2.6 billion) local currency swap over the next three years. The said swap has been extended twice and will mature in 2026. The China Development Bank (CDB) also provided loans of U.S.$1.4 billion to Egyptian financial institutions that year, of which U.S.$900 million went to the Central Bank of Egypt.

China-Egypt Bilateral Trade

China and Egypt have always maintained an excellent bilateral trade relationship. Over the past 25 years, China's exports to Egypt have expanded at an annual rate of 14.4%, reaching U.S.$18.27 billion in 2021. On the other hand, Egypt's exports to China have grown at an average rate of 17.9% over the same period, reaching U.S.$1,704 million in 2021.

The Sisi government has heartily embraced and even emulated the China model. As a result, the Sino-Egyptian economic collaboration has flourished, and China has continuously been Egypt's top commercial partner during the Xi-Sisi era, becoming Egypt's biggest importer.

China-Egypt Bilateral Investment

Chinese investment in Egypt has dramatically increased during the past 10 years. In 2017, China rose to become the sixth-largest investor in Egypt. A Report from the Arab Investment and Export Credit Guarantee Corporation states that between 2013 and 2019, China invested U.S.$28.5 billion in the Arab region and created 23,930 jobs, making Egypt the recipient of the most jobs overall – most of them created by China. More than 140 Chinese businesses have made investments in Egypt. Chinese investment in Egypt has so far been mostly focused on industrial projects (55%), construction (20%), and services (12%).

Egypt is now the third-biggest producer of fiberglass in the world thanks to the Suez Economic and Trade Cooperation Zone (SETCZ), which is by far the largest Chinese manufacturing initiative in Egypt in terms of investment volume. By the end of 2018, SETCZ had drawn over U.S.$1 billion in investment, primarily from Chinese businesses, and contributed to the creation of more than 3,000 employments for locals.

The Central Business District (CBD) project in the new administrative capital city is among major infrastructure projects in Egypt's construction, energy, transport, commerce, and industrial sectors where China has played a significant role. Since March 2018, the China State Construction Engineering Company (CSCEC) has been working on the CBD and it is by far the biggest infrastructure undertaking in Egypt. In particular, the CSCEC is responsible for finishing the construction of a zone of towers in the new administrative capital, including a 345-meter tower that may eventually set a record for height in Africa.

China and Egypt have increased their collaboration in regional port interconnection in addition to continuing the SETCZ's construction. Sisi was present for the MoU signing between the Chinese company, Hutchison Ports, and the Egyptian Naval Forces in August 2019 to develop a container handling terminal in Abu Qir Port. Alexandria and El Dekheila, Egypt's two principal commercial ports, are already run by Hutchison Ports.

Indeed, there are several indicators of the strengthening partnership between the two countries. Reportedly, Climate Change Conference (COP27) took place from 6-20 November 2022 in Sharm el-Sheikh, Egypt. In addition, the General Authority for Investment and Free Zones in Egypt co-signed an agreement with the Chinese firm Haier Group Corporation for the construction of an industrial complex for the manufacture of home appliances. Egypt's Information Technology Industry Development Agency and Chinese tech giant Huawei have closed a deal to collaborate in selecting Egyptian businesses that will receive technical help, cloud, and artificial intelligence technology training from Huawei – primarily targeting businesses in sectors such as AI, data management, gaming, and e-commerce. Meanwhile, Egypt is now working to offer bonds on China's domestic market. All things considered, bilateral commercial and economic engagement is strong, and prospects for investors look optimistic.

(7) Legal Proceedings

As of the date of this Offering Memorandum, there are 10 investment treaty arbitrations and international litigation proceedings against Egypt, of which five are ICSID arbitration cases. Egypt is defending these claims and does not believe that these claims, taken singly or collectively, as and when adjudicated, will have a significant effect on Egypt's financial position.

2. The Economy

Egypt's economy grew significantly in the period from 2004/05 to 2009/10 (at an average annual rate of 5.9%), primarily due to economic reforms implemented during that period. Economic growth was driven primarily by domestic consumption, while investment grew at a slower rate and the external sector contributed negatively. However, while the unemployment rate fell during this period, it remained high among young people. Following the 2011 Revolution, the growth rate of the economy (in real GDP terms) slowed to 2.2% in 2011/12, 2.2% in 2012/13 and 2.9% in 2013/14 before increasing to 4.4% in 2014/15, decreasing to 4.3% in 2015/16 and 4.2% in 2016/17, increasing to 5.3% in 2017/18, to 5.6% in 2018/19 and decreasing to 3.6% in 2019/20. The decrease in GDP growth rate in 2019/20 was primarily due to the impact of the COVID-19 pandemic on output in the real sector. According to the latest data announced by the Ministry of Petroleum and Mineral Resources (the "**MOP**"), GDP growth in 2020/21 was 3.3%, increasing to 6.6% in 2021/22. According to preliminary figures, real GDP growth for 2022/23 is expected to be 3.8%

Given the diversified nature of the Egyptian economy, a broad range of sectors, including agriculture, manufacturing and tourism, have contributed to the overall recovery of the economy in recent years, thereby reducing the economy's reliance on any one sector. The IMF has projected Egypt's real GDP growth at 4.2% for 2023.

(1) Government Programme, Recent Developments and Reforms

Egypt possesses one of the more developed and diversified economies in the Middle East, with sectors such as tourism, agriculture, industry and services at almost equal shares in national production.

In 2016, the Government launched its economic reform programme, which set out a number of economic, fiscal and monetary reforms to increase revenue, sustain economic growth levels and create jobs, particularly in the private sector, as well as to reallocate public spending to productive and socially inclusive uses and to decrease Egypt's fiscal deficit. Such reforms were conducted in parallel with the receipt of support from the IMF under an EFF.

Following the success of the 2016 economic reform programme, the Government has launched its next phase of reforms, the NSRP. Launched in 2020/21, the NSRP targets the root causes of imbalances in the real sector and business environment in order to encourage inclusive growth, create new job opportunities, diversify and develop production patterns, improve the business climate, localise manufacturing, and enhance the competitiveness of Egypt's exports, while aiming to achieve sustainable and inclusive economic development.

The programme encompasses six pillars. The main pillar aims to expand the relative weight of three leading sectors in the Egyptian economy: manufacturing, agriculture, and information communications technology (the "**ICT**"). The Government is aiming to boost exports in these sectors, create jobs and encourage the growth of small- and medium-sized enterprises. The supporting pillars include: (1) improving labour market efficiency and technical and vocational education training system; (2) promoting the business environment and enhancing the role of the private sector; (3) improving the governance and the efficiency of public institutions; (4) promoting financial inclusion and facilitating access to finance; and (5) bolstering human capital development, including education, health, and social protection. Each pillar supported is by defined targets, covering structural and legislative measures.

In the 2023/24 budget, the Government aims to maintain a primary surplus of 2.5% of GDP and an overall budget deficit of 7.0% of GDP.

Egypt Vision 2030 was originally launched in March 2016 and focuses on economic, social and environmental issues. The updated version of Egypt Vision 2030 is expected to ensure better alignment with the UN 2030 Agenda and the Africa 2063 Agenda, following four guiding principles: (i) putting the citizen at the core and centre of development; (ii) guaranteeing equity and accessibility for all; (iii) following an approach of resilience and adaptation; and (iv) sustainability. These principles will guide the implementation of six strategic goals which aim to improve Egyptians' quality of life and raise their standards of living, achieve social justice and equality, as well as reaching a competitive and diversified knowledge economy within an integrated and sustainable environmental system; goals which necessitate having well-developed infrastructure and enhanced governance and partnerships. To implement these goals, Egypt Vision 2030 identifies seven enablers: data availability, financing, digital transformation, technology and innovation, legislative environment, supportive cultural values and population growth management.

In addition to the Government's economic targets, the Government has announced a number of additional reforms to support macroeconomic growth and stability through the implementation of monetary, fiscal and structural reforms, as well as undertaking measures to enhance social protection and human development. Recent reforms to support macroeconomic growth and stability include:

- adopting a Medium-Term Revenue Strategy aimed at creating more fiscal space to reduce the deficit and finance investments;
- diversifying the financing mix for Government borrowing needs;

- simplifying the tax regime for SMEs, introducing a new tax dispute settlement scheme and further tax administration reforms designed to improve revenue collection and the efficiency of tax authorities;
- implementing further subsidies reform (please see "— *Public Finance — Social Spending and Subsidies*" in this Section);
- selling Government-owned land;
- divesting minority shares in certain state-owned companies (please see "— *Privatisation and Restructuring of State-owned Companies*" in this Section); and
- issuing the Universal Health Insurance Law.

In addition to considering privatisations, the Government's structural reform programme includes measures to adopt a law intended to promote the integration of informal businesses into the formal economy and encourage SMEs.

The Government's social protection measures are focused on increasing Government spending on human development, promoting job creation and improving the focus of social spending so as to benefit lower-income groups. Fuel subsidy reform was also intended to reduce the budget deficit and make available more resources for social programmes to support vulnerable populations. The Government has phased out fuel subsidies, except for food manufacturing and electricity generation. Since October 2019, the Government has implemented a fuel indexation programme (automatic price adjustment mechanism) to hedge against international oil price changes and to protect citizens, as well as the budget.

In December 2022, the Executive Board of the IMF approved a three-year extended arrangement under the EFF for Egypt in an amount of SDR 2,350.17 million (approximately U.S.$3.0 billion). The approval of the EFF allowed for the immediate disbursement of SDR 261.13 million (approximately U.S.$347 million) in December 2022. Egypt's reform programme backed by the EFF aims to: (i) safeguard macroeconomic stability and debt sustainability; (ii) improve resilience to external shocks; (iii) strengthen social safety nets; and (iv) step-up reforms that underpin higher private-sector-led growth and job creation. There are three key pillars under this programme: (A) moving to a durably flexible exchange rate regime while prioritizing the primary goal of achieving price stability and building up sustainable adequate levels of foreign exchange reserves; (B) continued fiscal consolidation to put the government debt to GDP ratio and gross financing needs on a firm downward path over the medium term; and (C) broadening and deepening structural and governance reforms to unleash high, job rich, and sustainable private sector led growth path including by reducing the state footprint and announcing state ownership policy, adopting a more robust competition framework, enhancing transparency and ensuring improved trade facilitation.

(2) Privatisation and Restructuring of State-owned Companies

The role of the private sector in the Egyptian economy has increased considerably since 1991. Government ownership of companies has been reduced through privatisation and the private sector grew significantly up to 2009. In March 2018, the Prime Minister announced the implementation of the first phase of the Government's privatisation programme, pursuant to which the Government announced the offer of a 15-30% stake in a number of state-owned companies over the next two to three years to external investors. In July 2018, the Government announced that the first five state-owned companies that are expected to offer shares under the programme are: (i) Alexandria Mineral Oils Company; (ii) Eastern Tobacco; (iii) Alexandria Container and Cargo handling; (iv) Abou Kir Fertilizers; and (v) Heliopolis Housing. The first of these transactions was successfully implemented during the third quarter of 2018/19, with a secondary offering of a 4.5% stake in Eastern Tobacco. The private placement of 96 million shares was 1.8x oversubscribed with a share price of LE17 (a 3% premium to the stock price) and raised total proceeds of LE1.6 billion, in addition to a public offering of five million shares with total proceeds of LE86 million. Eastern Tobacco is regulated by law 159/1981, as per its new ownership structure. In 2021, the Government decided to postpone the privatisation of Alexandria Container and Cargo handling and to consider the privatisation of three additional companies: Banque Du Caire, E-Finance and Misr Life insurance company. On 13 June 2022, the Prime Minister launched the State Ownership Policy Document, which includes different sectors and industries that the

Government either plans to exit from or further expand in. The State Ownership Policy Document was finalised by September 2022, after three months of consultation with all relevant stakeholders from both public and private sectors. The strategy envisions more than doubling the private sector's role in the economy to 65% over the next three years, and attracting U.S.$40 billion in investment by 2026. In February 2023, the Government announced a list of thirty-two Egyptian state-owned companies which will either be listed on the Egyptian Exchange (EGX) or sold for strategic investors within a year (starting from the first quarter of 2023 and until the end of the first quarter of 2024). Following the announcement, three companies were added to such list (Eastern Tobacco, Ezz Steel and Telecom Egypt). Starting from February 2023 and as of July 2023, a total of thirteen state-owned companies have been listed. Such companies operate in different sectors and industries such as telecommunications, oil and gas. An agreement has been concluded, in June of 2023, to assign International Finance Corporation (IFC) as an advisor to the Government with respect to the implementation of the Government's privatisation plans. Work is also ongoing to amend the legal framework in order than 50% of all asset sales by the Government go directly to the treasury, in order to reduce debt levels, as well as to amend the dividend policies of state-owned companies to ensure that dividends are transferred to the State treasury.

The restructuring and reengineering of state-owned companies and the introduction of principles of corporate governance best practices are key objectives of the Government. The Ministry of Public Business Sector ("**MPBS**") has adopted a comprehensive reform programme to restructure public enterprises based on three main pillars: (i) restructuring companies and rehabilitating factories; (ii) providing resources to finance the reform; and (iii) undertaking regulatory, managerial, governance and business reforms.

Any Government decision to restructure a state-owned company is influenced by a number of factors, including financial considerations (such as return on investment) and socio-economic considerations. Public commercial banks may no longer provide any financing to a state-owned company unless they are satisfied that the relevant state-owned company will be able to repay any such debts incurred. Certain state-owned companies, such as aluminium, steel, pharmaceutical, and spinning and weaving companies, and those in the chemical and insurance industries, among others, require extensive restructuring. These restructuring projects are being financed through various methods, including bank loans, utilising unused assets, cash injection, or partial retention of profits.

Recent Initiatives

As part of the Government's economic reform programme, the MPBS has been developing initiatives to encourage partnerships between the public and private sector, including:

- Since June 2018, state-owned companies have been classified into three tiers, according to the viability of their operations:
    - *Highest tier*: profitable companies with required levels of corporate governance that are potential candidates for initial public offerings.
    - *Middle tier*: loss making companies that are not viable and are to be wound down.
    - *Lowest tier*: distressed companies, which are potential candidates for restructuring or entering into a partnership with the private sector. Restructurings are generally based on a technical audit and assessment of the viability of the existing plant and required investments and are conducted by specialised consultants with international experience.
- Promoting partnership initiatives with the private sector as a means to gain technical and operational know-how, modern management techniques, marketing expertise and financial/equity investment; these partnership initiatives are encouraged, in particular, in the restructuring of facilities and expansion projects. Examples of announced strategic partners include: the Shepheard Hotel, Sultana Mallak in Luxor Governorate, the development and management of the sound and light shows in the Pyramids area, the establishment of a new project to manufacture pharmaceutical ingredients and active pharmaceutical raw materials.

The MPBS has implemented a public enterprises' reform programme, which aims to rehabilitate factories, production facilities and other under-utilised assets, and includes a comprehensive set of regulatory, managerial, governance and business reforms to complement the technical restructuring efforts.

(3) Gross Domestic Product

The real GDP growth in 2021/22 was 6.6%, compared with 3.3% in 2020/21. According to preliminary figures, real GDP growth for 2022/23 is expected to be 3.8%. The IMF has projected Egypt's real GDP growth at 4.2% for 2023.

Net FDI inflows amounted to approximately U.S.$5.2 billion in 2020/21, and rose to U.S.$8.9 billion in 2021/22 and further rose to approximately U.S.$10.0 billion in 2022/23. Tourism revenues amounted to approximately U.S.$4.9 billion in 2020/21 and rose to U.S.$10.7 billion in 2021/22 and further rose by approximately U.S.$2.9 billion to approximately U.S.$13.6 billion in 2022/23.

According to GDP figures for 2020/21, real GDP grew by 3.3%, primarily due to increases in public and private consumption, which was partially offset by decreases in exports of goods and services and investments. The diversified nature of the Egyptian economy, however, reduces the Egyptian economy's reliance on any one sector, with a broad range of sectors, including agriculture, the extractive industries and manufacturing, all contributing significantly to growth in recent years. The 3.3% real GDP growth in 2020/21 was comprised of growth in the following sectors: communications by 16.1%; construction and building sector by 6.8%; wholesale and retail by 4.4%, real estate by 3.8%; agriculture, forestry and fishing by 3.8%; and health by 5.4%. These gains were partially offset by a 5.8% decline in manufacturing (including petroleum refining) and a 26.7% decline in the tourism industry.

Real GDP growth for the fiscal year 2021/22 was 6.6%, primarily due to increases in public and private consumption and investment. According to nominal GDP figures before rebasing, Egypt's GDP in nominal terms grew by 17.7% in 2021/22 compared with 2020/21 and grew by 23.5% in the second half year of 2022 compared with the same period in 2021.

Commodity sector includes agriculture, forestry and fishing, the extractive industry, manufacturing, electricity, water and construction and building. In 2021/22, the commodity sector grew, in nominal terms, by 20.6%, compared with 6.0% in 2020/21. The continued growth in 2021/22 was primarily attributable to increases in all industries in the sector, especially petroleum (by 56.0%), extractive industry (by 37.5%) and natural gas (by 23.4%).

Production services include transport and warehousing, telecommunications, revenues from the Suez Canal, wholesale and retail trade, financial intermediation, insurance, social insurance and tourism. In 2021/22, the production services sector grew, in nominal terms, by 17.3%, compared with 8.4% in 2020/21. This growth was attributable to increases in all industries in the sector, especially transport rate and warehousing (by 15.2%), Suez Canal (by 23.6%) and tourism (by 54.7%).

Social services include general Government services, education, health, real estate and other services. In 2021/22, the social services sector grew, in nominal terms, by 13.1%, compared with 10.3% in 2020/21. Growth in this sector in 2021/22 was primarily due to general Government expenditures (by 11.7%) and real estate (by 12.3%).

According to preliminary figures, real GDP growth for 2022/23 is expected to be 3.8% led by contributions from tourism, Suez Canal receipts and the communications and information technology sectors.

Please refer to Tables 3 and 4 in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum for the composition of Egypt's GDP at market prices and at constant prices for the fiscal years indicated.

(4) Principal Sectors of the Economy

A. Investment by Sector

Public sector entities, including the Government, economic authorities, state-owned companies and national projects, invested LE633.2 billion (or 72% of total investment) in the Egyptian economy in 2020/21 and LE850.3 billion (or 71% of total investment) in the Egyptian economy in 2021/22.

In 2020/21, the commodity sector received 48.1% of total investment, the production services sector received 26.7% of total investment and the social services sector received 25.2% of total investment. In 2021/22, the commodity sector received 43.5% of total investment, the production services sector received 28.0% of total investment and the social services sector received 28.5% of total investment.

In 2021/22, total investments reached LE1,192.6 billion compared with LE882.5 billion in 2020/21. National projects currently being implemented include large investments in infrastructure, in particular, transportation projects, including monorail and electric express train projects. The Government is also allocating large investments to green projects with a focus on smart transportation and renewable energy. The Government has allocated LE200 billion in the first phase of the "Hayah-Karima" Initiative, which aims to develop Egypt's rural villages. The majority of these investments are directed at projects focused on water and sanitation, health services, electricity and roads.

Please refer to Table 6: "*Distribution of Investments*" in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum for more information on the distribution of total investments in projects in the Egyptian economy for the fiscal years indicated.

B. Commodity Sector

Egypt's commodity sector is well diversified and represented 45.9% of GDP in 2021/2022. The commodity sector includes agriculture, forestry and fishing, extractive industry, manufacturing, electricity, water and construction and building.

a) Agriculture, forestry and fishing

The agricultural, forestry and fishing sector accounted for 11.5% of GDP in 2021/22 and the sector grew by 12.6% (in nominal terms), compared with 2020/21.

Approximately 96% of Egypt's total area is desert. The lack of forests, permanent meadows or pastures places a heavy burden on the available arable land.

Agricultural land in Egypt is primarily located in the Nile River Valley and the Delta.

Other than along the Mediterranean coast, all agricultural land in Egypt is irrigated. Agricultural landholdings are fragmented, with average farm sizes of two *feddans* (0.8 hectares). Land under cultivation in Egypt is generally productive, with some land able to yield harvests two or three times per year. However, increasing salinity affects up to 35% of land under cultivation. Certain principal field crops are corn, rice, wheat, sugar, sorghum, and broad beans (*fava ful*). Despite a considerable output, cereal production in Egypt falls short of total consumption needs. Accordingly, a proportion of foreign exchange is spent annually on the import of cereals and milling products. Other important crops include sugar cane, tomatoes, sugar beets, potatoes and onions. Many varieties of fruit are grown, and some, such as citrus fruits, are exported.

b) Manufacturing

The manufacturing sector accounted for 16.8% of Egypt's GDP in 2021/22. Egypt's largest manufacturing industries are food processing and textiles, which benefit from Egypt's competitive advantage in these sectors. Other major manufacturing industries include metallurgy, fertilisers, automotive assembly, pharmaceuticals and cement. In 2021/22, the sector increased, in nominal terms, by 21.4%, compared with 2020/21.

Egypt has one of the largest oil refining sectors in Africa and accounts for approximately 23% of total domestically-refined crude oil in Africa. As per data reported by Ministry of Planning and Economic Development, Petroleum Refining contributed LE263.2 billion, or 3.5%, to Egypt's GDP in 2021/22, compared with LE220.0 billion, or 3.5%, in 2020/21. There are seven refineries in Egypt, all of which are operated by Egyptian General Petroleum Corporation (the "**EGPC**"), with the exception of the MIDOR Refinery in Alexandria, which is 78%-owned by EGPC, with the remainder held by other state-owned energy companies. EGPC's refineries sell a full range of refined petroleum products, including liquefied petroleum gas (the "**LPG**"), naphtha, gasoline, gas oil (i.e. diesel fuel) and fuel oil.

Since 2001, a number of international cement companies, including Italcementi, Cemex, Titan, Lafarge and Cimpor, have invested in the Egyptian cement industry. The Egyptian cement industry is facing challenges primarily arising from the increased price and short supply of natural gas, a key input for cement production. The price of natural gas for energy-intensive industries, such as the cement industry, was increased by the Government from U.S.$3.0 to U.S.$4.0 per million British thermal units ("**MBTU**") in 2012 and was further increased to U.S.$6.0 per MBTU in February 2013. In June 2014, in line with the Government's decision to reduce fuel subsidies, the price of natural gas was increased further to U.S.$8.0 per MBTU. In June 2018, average gasoline, diesel, kerosene and fuel oil prices were increased by 44% to achieve a pre-tax price-to-cost ratio of 73% for all fuel products.

In March 2020, as part of an effort to assist local industries in addressing the impacts of the COVID-19 outbreak, the price of natural gas was reduced to U.S.$4.5 per MBTU. However, in October 2021, the Government increased the price of natural gas for energy-intensive industries to U.S.$5.7 per MBTU, coinciding with the global rise in natural gas prices.

There are approximately 24 cement factories in Egypt. In June 2014, in order to diversify Egypt's energy consumption mix, the Government lifted the ban on the import and use of coal for energy generation by the cement industry, thereby helping the industry to increase utilisation rates and provide certain cost savings.

c) Extractive Industry

Petroleum and related products comprise one of Egypt's key economic sectors. The extractive industry (excluding petroleum refining) accounted for 7.6% of GDP in 2021/22, and increased by 37.5% compared with 2020/21.

Fluctuations in world oil prices impact the contribution of this sector to GDP. According to statistics published by the U.S. Energy Information Administration, the average spot price of Brent crude oil was U.S.$70.86 in 2021, U.S.$100.93 in 2022 and U.S.$93.72 in the month of September 2023. In addition to petroleum and natural gas, Egypt's natural resources include iron ore, phosphates, manganese, limestone, gypsum, coal, lead, talc and zinc. Iron ore is mined in the Western Desert and near Aswan in southern Egypt. Phosphates are mined in the Sinai Peninsula.

Revenues from oil and gas increased by 109.1% to U.S.$18.0 billion in 2021/22 from U.S.$8.6 billion in 2020/21, as a result of the increase in global oil prices.

Petroleum

Petroleum production accounted for 3.4% of GDP in 2021/22, and increased by 56.0% (in nominal terms) compared with 2020/21. In 2020/21, foreign and local investment in the oil sector amounted to U.S.$6.8 billion. The number of oil sector agreements in place between Egypt and international oil companies or other countries increased to a total of 568 such agreements in 2021/22, from 559 such agreements in 2020/21. New field exploration activity in 2021/22 was 43 exploration projects underway during the year, compared with 46 exploration projects in 2020/21.

Natural gas production accounted for 2.8% of GDP in 2021/22, and increased by 32.6% (in nominal terms) compared with 2020/21.

The MOP estimates that over 80% of Egypt's natural gas reserves are located in the Mediterranean and Nile Delta. Production of natural gas, sales gas or marketed gas in Egypt increased from amounted to 2.3 TCF in 2020/21 and 2.4 TCF in 2021/22. In 2021/22, gas produced from reserves in the Mediterranean region accounted for approximately 68% of total sales of natural gas, as compared with the Delta (16%), Western Desert (15%), and the Suez Gulf, Eastern Desert and Sinai region (1%).

Exploration projects for, and discoveries of, natural gas have increased in recent years. In 2020/21, there were eight new discoveries of natural gas, of which six were in the Western Desert and two in the Mediterranean Sea, which added approximately 562 billion cubic feet of natural gas reserves. During 2021/22 there were nine new discoveries of natural gas of which four were in the Western Desert, two in the Mediterranean Sea and three in the Delta, adding approximately 0.2 TCF of natural gas reserves.

Egypt has a well-developed natural gas grid of high-pressure pipelines with a total length of 7,920 km as at the start of 2020/21. In 2020/21, additional pipelines were constructed, resulting in increasing the national natural gas grid to 72,000 km. In 2021/22, 14,000 km of natural gas pipelines were constructed, and the total length of the national gas grid increased to 86,000 km.

In August 2023, the Ministry of Petroleum announced a new oil discovery in the Giusym and Tawila West Concession in the Gulf of Suez.

Natural gas accounts for a greater proportion of energy production in Egypt than crude oil. The use of natural gas by power stations and industrial areas has increased. The share of natural gas consumed in the transportation sector has also been rising since the development of compressed natural gas ("**CNG**") infrastructure and vehicles. The electricity sector accounted for approximately 60.5% of local gas consumption in 2020/21, while the industrial sector accounted for approximately 22.3%, the petroleum sector accounted for approximately 11.2% and the residential and CNG sectors accounted for approximately 4.8% and 1.2%, respectively, of total consumption. The electricity sector accounted for 58.3% of local gas consumption in 2021/22, while the industrial sector accounted for 24.6%, the petroleum sector accounted for 10% and the residential and CNG sectors accounted for 5.43% and 1.63%, respectively, of total consumption.

According to figures compiled by the MOP, the average production level amounted to 6,409 million cubic feet per day ("**mcfd**") during 2021/22, although this was lower than the production capacity of 7,200 mcfd in 2020/21 due to reduced gas production, which was, in turn, due to lower demand and lower exports as a result of the COVID-19 pandemic. In 2021/22, natural gas consumption reached 6,080 mcfd compared with 6,066 mcfd in 2020/21.

The total number of residential consumers connected with natural gas reached 13.47 million consumers in June 2022. During the fiscal year 2021/22, 1,152 million residential consumers were connected to natural gas.

Egypt has been at the forefront of promoting the adoption of natural gas vehicles, starting with a pilot programme in 1985 supported by the MOP. Subsequently, a number of private companies have entered the market. In 2021/22, 80,000 vehicles were converted to natural gas compared with 51,030 vehicles in 2020/21 resulting in over 450,000 CNG-powered vehicles on Egyptian roads compared to 370,000 in 2020/21.

Egypt established 22 CNG conversion centres and 262 CNG fuelling stations during 2021/22, compared to 27 CNG conversion centres and 163 CNG fuelling stations in 2020/21, bringing the total stations by the end of June 2022 to about 122 conversion centres and 630 fuelling stations. Egypt added seven CNG conversion centres and 43 CNG fuelling stations between July and December 2022, bringing the total to 129 conversion centres and 673 fuelling stations by the end of December 2022.

d) Electricity

Electricity generation accounted for 1.8% of GDP in 2021/22. In nominal terms, the sector grew by 16.2% in 2021/22.

Electricity Generation

The Government views the electric power sector as a key contributor to growth in the productive sectors of the economy. Egypt has significant electricity generating capabilities. Notably, the Aswan High Dam serves as a source of hydroelectric power. As at 30 June 2021, total installed capacity of Egyptian power plants was approximately 58.8 GW (including hydroelectric, thermal and wind generating capacities). With demand for electricity growing at 2% to 5% per year, there are several new power plants being constructed in Egypt. Accordingly, the Government's energy policy focuses on increasing supply through improving the efficiency of existing electricity plants and networks, building new plants and diversifying sources of primary power for production of electricity.

Electricity in Egypt is produced by six public production companies, and there are nine distribution companies located in North Cairo, South Cairo, Alexandria, North Delta, South Delta, Suez Canal, El-Behera, Middle Egypt and Upper Egypt. Both production and distribution companies are wholly-owned by the Egyptian Electricity Holding Company.

In addition to the Aswan High Dam, hydroelectric power is also generated at Aswan, Esna, the Nagah Hamadi and Assiut hydroelectric power stations.

As part of Egypt's power generation expansion plan, the Government intends to diversify Egypt's power generation mix to reduce dependence on fossil fuel sources. In this respect, the Government has awarded four contracts for 4.8 GW of nuclear power generation. The total installed capacity of renewable energy reached 6,150.5 MW by the end of year 2022, representing approximately 20% of the peak load. Egypt plans to increase its installed renewable energy capacity to approximately 10,000 MW by 2023/24.

Cross-Border Electricity Interconnection

In accordance with the sustainable energy strategy 2035, which aims to establish Egypt as a pivotal hub for energy, the Egyptian electricity sector is taking steps to diversify its energy sources and achieve its economic goals. To that end, the Egyptian Electricity Holding Company participates in all activities, events and meetings for electricity exchange trading, and is an active member of electrical interconnection organisations worldwide.

Wind and Solar Power Projects

In October 2016, the Supreme Council of Energy approved a sustainable energy strategy for Egypt through 2035, pursuant to which a target of providing 37% of Egypt's energy from renewable energy sources by the end of 2034/35 was set. This strategy has been updated and renewable energy is now targeted to comprise the highest proportion of Egypt's energy mix (accounting for 42%, of which approximately 14% is targeted to be wind power, 22% solar photovoltaic power, 4% solar concentrated power and 2% hydro power), followed by fossil resources (55%) and nuclear power (3%).

Egypt has a number of wind power projects in the Gulf of Suez. The majority of Egypt's wind power is generated by the Zafarana and the Gulf of El Zayt wind farms, which have capacities of 545 MW and 830 MW, respectively, of which 250 MW is generated by the private sector.

With regards to solar energy, Egypt benefits from a large amount of sunlight, offering significant potential for the development of solar energy projects. Egypt issued a solar atlas in 2017, which indicated that the average direct normal solar radiation ranges between 2,000 (north) and 3,200 (south) kWh/m^2 per year, with few cloudy days and average hours of sunshine of between nine hours per day in winter and 11 hours per day in summer. Egypt's first concentrated solar power plant, the Integrated Solar Combined Cycle power plant in Kuraymat, with 140 MW capacity, including a 20 MW solar field, has been in operation since July 2011. A 26 MW photovoltaic power plant in Kom Ombo has been in operation since February 2020. There is also 120 MW in photovoltaic power plant projects currently under development (20 MW in Hurghada, 50 MW in Kom Ombo and 50 MW in Zafarana).

Nuclear Power Projects

In November 2015, the Government entered into an agreement with the Russian government, who assigned a Russian company, Rosatom, to construct Egypt's first nuclear power plant. This will include four nuclear reactor units. The plant is located in El Dabaa on the Mediterranean coast and will have a capacity of 4,800 MW. Construction of the first nuclear reactor is expected to be completed by the end of 2028, and the fourth nuclear reactor is expected to be operational by the end of 2030. As of November 2022, the Russia-Ukraine conflict has not had a material impact on this project, which is being implemented in accordance with the contract between the Egyptian Nuclear Power Plants Authority and Rosatom. All four nuclear reactors are currently expected to be operational by the end of 2030.

The Arab Republic of Egypt is co-ordinating the construction of the El Dabaa Nuclear Power Plant with the International Atomic Energy Agency. The plan has been well received both within the country and by the international community, with several members of the international community stating that they do not see an Egyptian nuclear power plant as giving rise to a threat of nuclear proliferation.

Electricity Subsidies

Historically, the electricity sector has benefited from significant subsidies from the Government. Electricity subsidies in 2017/18 were LE28.6 billion and LE16 billion in 2018/19. There were no electricity subsidies for 2019/20 and subsequent years.

e) Construction and Building

The construction sector has been one of the fastest growing sectors of the Egyptian economy, growing by 18.2% in 2021/22. The construction sector's share of Egypt's GDP was 7.6% in 2021/22.

Housing

Following the 2011 Revolution, the level of activity in the housing market declined and investments, sales, lease rates and the rate of capital appreciation were negatively impacted. The housing sector has since recovered and there is steady demand for housing. According to CAPMAS, Egypt's population grew to 103.6 million as of July 2022 compared with 102.88 million in January 2022, reflecting a growth rate of 0.7%. Approximately 17.31% of the population was aged 20 to 29 years, and approximately 61.1% of the population was under 30-years old. These population growth rates are expected to maintain the need for housing in the coming years.

During the Egypt Economic Development Conference in March 2015, the Minister of Housing announced plans to construct a new capital to be located east of Cairo and outside the Second Greater Cairo Ring Road in a currently largely undeveloped area halfway to the seaport city of Suez. The new city is intended to become the new administrative and financial capital of Egypt, housing the main government departments and ministries, as well as foreign embassies. It would also provide housing for up to 6.5 million people.

C. Production Services Sector

The production services sector represented 29.5% of GDP in 2021/22, and grew by 17.3% in 2021/22.

a) Financial Intermediation

There were 36 banks registered with the CBE as at 30 June 2023. The financial intermediation sector (in nominal terms) contributed 2.8% to GDP in July/December 2022/23, 2.3% to GDP 2021/22 and 3.8% to GDP in 2020/21. In July/December 2022/23, the sector grew (in nominal terms) by 18.8% compared with the same period in 2021/22. In 2021/22, the sector grew (in nominal terms) by 11.3% compared with 2020/21.

There are three wholly state-owned commercial banks. In addition, the financial sector also includes non-bank financial institutions such as brokerage firms, investment banks and mutual funds. Please see "—*Monetary System*" in this Section for further details.

The ongoing banking sector reform programme of the CBE, which includes measures to strengthen banking supervision and regulation and reduce non-performing loans ("**NPLs**"), has aided the Egyptian banking system in withstanding the challenges posed by the 2011 Revolution and the external shock of the global financial crisis, has enhanced competition in the banking industry and has created a healthier business environment. Please see "—*Monetary System*" in this Section.

b) Transport and Warehousing

Transport and warehousing, excluding the Suez Canal, contributed 5.2% to GDP in 2021/22, and grew by 15.2% (in nominal terms) compared with 2021/21.

Suez Canal

The Suez Canal is a primary driver of economic activity in this sector. It has a total length of 195 km and has an average width of 360 metres. Suez Canal traffic receipts increased by 23.6% in 2021/22, reaching U.S.$6.98 billion. In 2020/21, receipts increased by 2.1%, to U.S.$5.84 billion from U.S.$5.72 billion in 2019/20.

In August 2014, President Al-Sisi announced the Suez Canal project, to construct a new canal with a length of 60 to 95 km, in addition to the deepening and widening of the Great Bitter Lakes bypasses and the Ballah bypass of the existing canal. The new canal, parallel to the existing one, which was opened by President Al-Sisi in August 2015, cost approximately U.S.$8.5 billion to construct and is intended to maximise the economic benefits of the present canal and its bypasses and to increase the capacity of the waterway to facilitate traffic in both directions, thereby minimising the waiting time for transiting ships in order to service anticipated growth in world trade. The new canal is expected to increase job opportunities for young people living in close to the canal, in Sinai and the neighbouring governorate.

The Suez Canal Area Development Project is also being implemented, which includes a number of projects to develop services around the Canal's core activities, six of which have been designated as top priority projects: (i) the conversion of the Cairo-Suez and Ismailia-Port Said roads from toll roads, to free roads to facilitate transportation and movement; (ii) the construction of the Ismailia tunnel passing under the Suez corridor, to link the Eastern and Western banks of the Suez Canal; (iii) the construction of a tunnel at southern Port Said port under the Suez Canal, to link the Eastern and Western banks of the Suez Canal; (iv) the development of Nuweiba Port into a free zone; (v) the further development of Sharm El Sheikh airport; and (vi) the establishment of a new water bypass on the Ismailia canal, to support new development areas.

Ports

Egypt's navigable waterways total approximately 2,900 km (excluding the Suez Canal). Approximately 85% to 90% of Egypt's international trade travels through its ports. Grand Alexandria (Alexandria and Dekheila) is the main port, handling approximately 42% of Egypt's imported foreign trade and approximately 35% of Egypt's total foreign trade in 2021. Other significant major ports are Damietta, Port Said and Suez.

Air Transportation

Egypt has 13 international airports, which are located in Cairo, Borg-El-Arab, Alexandria, Hurghada, Luxor, Sharm El Sheikh, Aswan, Assiut, Taba, Marsa Matrooh, Sphinx, Capital and Souhag.

Cairo International Airport is Egypt's largest airport. In 2022, approximately 20.0 million passengers travelled through the airport compared with 11.3 million passengers in 2021. The number of passengers in 2022 increased by 76.4% compared with 2021, according to figures published by the Egyptian Holding Company for Airports and Air Navigation. The number of flights in Egypt increased by approximately 29% in the six months ended 30 June 2023, as compared to the corresponding period in 2022, to a total of 23.2 million (as compared to 16.2 million), according to a statement released by the Ministry of Civil Aviation. Sixty-four passenger airlines and 34 cargo airlines were operating at Cairo International Airport by the end of April 2022.

EgyptAir, the largest operator in Egyptian airports, commenced operations in 1933. Its fleet of 95 aircraft carried approximately 7.3 million passengers for the 10 months ended 31 October 2022, compared with approximately 4.9 million passengers carried by the airline in 2021. The fleet includes Airbus (A321-200, A220-200, A320-200, A340-200 and A330-300), Boeing (B737-800, B777-300ER and B787-0) and Embraer S.A. (ERJ170) passenger aircraft, as well as Airbus (A330-200P2F) freighter aircraft.

Railways

The railway sector plays an important role in the Egyptian economy and is an essential means of transportation for low-income citizens. The 9,600-km network is concentrated in the Delta and along the Nile Valley, and serves Egypt's main activities and population centres. In 2021/22, the total number and amount of passengers and freight carried was approximately 350 million passengers and 4.5 million tonnes, respectively. Train fares on commuter trains and third-class commuter trains are subsidised by the government. The vast majority of engines are diesel locomotives. While the engines and rails are imported, the passenger carriages are built and refurbished locally.

Roadways

The Egyptian highway network consists of approximately 30,500 km of roads. As part of its scheme to improve the country's infrastructure, the Government continues to invest in highway and bridge systems. A network of roads has been constructed to link Sinai to the Nile valley. In addition, Upper Egypt and Lower Egypt have been connected through four longitudinal parallel axes to the Nile River. The Nile valley is also linked to the Red Sea coast through eight transversal axes. Fifty-one axes/bridges have been constructed to connect the road network across the Nile River, and work is underway to construct 12 new axes/bridges.

The Government has launched a construction programme to build 7,000 km of new roads, which are expected to cost LE175 billion. In addition, 5,800 km of roads were constructed, at an estimated cost of LE145 billion. The construction of a regional outer ring road in Cairo has been completed; it has a total length of 400 km and intersections with 18 lanes.

The construction programme includes developing, duplicating and upgrading 10,000 km of the current road network, of which 7,700 km have been completed.

c) Tourism

Tourism in Egypt benefits from historic sites which have been famous for centuries, including the Giza Pyramid Complex and its Great Sphinx, the southern city of Luxor and its Valley of the Kings and Karnak Temple. The country's warm climate is also a draw for tourists, and the Red Sea is a popular destination for diving, fishing and beach resorts, particularly in locations such as Ein-Sokhna, Taba, Hurghada, El-Gouna, Sharm El Sheikh and Marsa Allam.

Tourism has traditionally been an important source of foreign exchange, with at least 7.9 million visitors to Egypt each year, although the number of tourists and volume of tourism revenues have fallen in times of political instability and in response to terrorist attacks in Egypt and the wider region. Most foreign visitors are from Western Europe and from other Arab countries. The Government encourages private sector development on the Mediterranean coast, especially at Sidi-Abdel Rahman and Al-Alamein.

Tourism represented 2.4% of GDP in 2021/22 and 1.8% of GDP in 2020/21. The increase in 2021/22 was primarily due to the recovery on tourism from adverse effect by COVID-19 in previous years. Please see Section 2 "*Risk Factors — Risks relating to Egypt*".

Tourism revenues amounted to approximately U.S.$10.7 billion in 2021/22 and rose by approximately U.S.$2.9 billion to approximately U.S.$13.6 billion in 2022/23, due to a 27.6% rise in tourist nights, totalling about 146.1 million nights. The monthly average was US$1,135.8 million (compared to US$ 895.7 million). European tourist markets are crucial, constituting about 62.6% of the total number of tourists during the fiscal year 2022/2023. Leading among these were visitors from Germany, followed by Russia, Sudan, Saudi Arabia, Israel, Italy, UK, and the United States.

Please see Section 2 "*Risk Factors — Risks relating to Egypt — Terrorism risks*".

d) Insurance

In 1998, restrictions on foreign-owned insurance companies were abolished, and foreign personnel ceilings for the boards of directors of insurance and reinsurance companies have been removed. Many foreign insurers have entered the Egyptian insurance market. There are 26 foreign-owned companies operating in the private sector in the Egyptian insurance market.

Total insurance premiums (including insurance companies and private pension funds) represented 0.7% of GDP in 2021/22. In 2021/22, the sector grew by 20.0% (in terms of total premiums paid by insurance companies), compared with 2020/21. The Government believes that the insurance sector has particular growth potential, as Egypt has a low insurance density as measured by premium per capita and low penetration rate as measured by premiums as a percentage of GDP. Insurance density in Egypt was U.S.$29.0 in 2021/22 (based on population figures as at 30 June 2021), compared with U.S.$29.6 in 2020/21. Although total insurance premiums have increased, the insurance density has decreased due to the devaluation of the Egyptian Pound.

The estimated insurance gross premium volume was LE56.0 billion in 2021/22, compared with LE47.5 billion in 2020/21, representing an increase of 17.9%. In 2020/21, LE24.0 billion of gross premiums were generated by the life insurance business and LE23.5 billion by the non-life insurance business.

As at 30 June 2022, a total of 40 insurance companies were operating in Egypt, including 16 companies offering life and 24 companies offering property and casualty insurance (including 10 Islamic (Takaful) insurance companies operating in the market, four of which offer life insurance and six of which offer property and casualty insurance). The insurance market includes one co-operative insurance company and one export credit insurance company.

e) Telecommunications

Fixed-line Telephony

As at 30 September 2022, there were 11.41 million fixed line subscribers in Egypt, compared with 11.0

million as at 31 December 2021, which makes Telecom Egypt the largest fixed-line provider in the Middle East and Africa. Although in recent years the number of fixed-line subscribers has not increased significantly, the number of asymmetric digital subscriber line subscribers continues to increase, from 10.7 million as at 31 December 2021 to 10.8 million as at 30 September 2022.

Mobile Telephony

As at 30 September 2022, there were 99.07 million mobile subscribers, compared with 103.45 million as at 31 December 2021.

Internet

Based upon a survey of ICT access and use by households and individuals in 2021/22, there were 10.07 million fixed broadband subscriptions and 65.51 million active mobile broadband subscriptions in Egypt, as compared to 8.81 million fixed broadband subscriptions and 56.44 million active mobile broadband subscriptions in December 2020, an increase of 1.26 million fixed broadband subscriptions, or 14% and an increase of 9.07 million active mobile broadband subscriptions or 16%, compared with December 2020. The internet penetration ratio reached 72.2% in 2021/22, compared with 55.7% in 2019/20. The Government considers the expansion of broadband access to be a key driver for sustained growth and development in the telecommunications sector and the overall economy. These figures are based on a survey of ICT access and use by households and individuals in 2021/22.

(5) Employment and Labour

Egypt has the largest labour force in the Arab world.

Workers are not required to join trade unions but may if they so wish. All workers belonging to a trade union are required to belong to the Egyptian Trade Union Federation, the only legally recognised labour federation.

Please refer to Table 19: "*Labour Force Trends*" in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum for the trends in the labour force as at 31 December for the years indicated.

According to figures published by CAPMAS, the unemployment rate was 7.0% in second quarter of 2023, compared with 7.1% in the first quarter of 2023.

Please refer to Table 20: "*Number of Workers by Sector*" and Table 21: "*Weekly Average Wages*" in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum for the number of workers by sector and weekly average wages, respectively, for the fiscal years indicated.

Statistics relating to employment and unemployment in Egypt are inherently unreliable for a variety of reasons. The definition of "employed" and "unemployed" are not comparable to international standards. Persons that are considered to be employed for purposes of unemployment statistics may nevertheless be underemployed, spending just a few hours a week at a job. Only a small proportion of unemployed workers actually register as being unemployed. Nevertheless, the statistical information in this Offering Memorandum is included to illustrate in broad terms the dynamics of the unemployment situation in Egypt. Please see Section 2 "*Risk Factors — Risks relating to Egypt — The statistics published by Egypt may differ from those produced by other sources*".

(6) Investment

The Government's strategy to boost growth and employment relies on increasing investment, through improvements to the business climate and the attraction of FDI, as well as the implementation of large infrastructure projects. In particular, in June 2017, an investment law came into force.

(7) Public-Private Partnership

In line with the Government's long-term strategy to promote private sector involvement in economic, social and political development, the Government introduced a public-private partnership ("**PPP**") programme in June 2006 as a tool to encourage investment and to allocate risk to achieve higher quality services at reduced cost. Accordingly, Law No. 67 of 2010 and its executive regulations (the "**PPP Law**") was enacted to develop a comprehensive PPP programme aimed at attracting additional investment through private sector financed, built, operated and managed public infrastructure projects and public services. The PPP Law created an institutional framework for PPP projects comprising: (i) the PPP Supreme Committee, which regulates PPP activities and is chaired by the Prime Minister; (ii) the PPP Central Unit, which is responsible for implementing and managing the PPP programme; and (iii) various PPP satellite units, which have since been established in various Government ministries. The PPP Central Unit also works closely with the Ministry of Planning and the Ministry of Investment and International Co-operation to develop future PPP projects. The Government has announced its intention to use PPPs as a tool to enhance its economic reform programme and efforts to improve the investment climate, and encourage co-operation across Government ministries to increase the effectiveness of PPPs.

The Public-Private Partnership Central Unit has proposed certain amendments to Law No. 67 of 2010, by way of Law No. 153 of 2021, which was issued on 18 December 2021. The Executive Regulation of the new Law was issued on 13 September 2022.

The first Egyptian PPP project, a wastewater treatment plant, has been operational since 2013, and, as at November 2022, thirty-two infrastructure projects in the utilities, transport and social sectors, were being tendered through PPPs. Of these, 14 are contracted with a total capital investment of U.S.$592 million, while 18 projects with a total investment capital of U.S.$3.3 billion have been put out for tender. Also, 10 projects have been approved by the Supreme Committee to be put out for tender through a PPP programme, with an estimated investment capital of U.S.$2 billion.

Various tools have been used by the Government to increase the attractiveness of long-term PPP contracts, including bearing interest rate risk, signing offtake agreements to offload demand risk borne by the private sector and banks, and providing sovereign guarantees for certain projects.

(8) Informal Economy

Egypt has a significant informal economy in terms of the production of goods and services, and it is a significant source of employment. In December 2018, the Deputy Governor of the CBE stated that the CBE wanted the World Bank and the IMF to include Egypt's informal economy in Egypt's GDP figures and other macro-indicators, noting that Egypt's informal economy was approximately 40% to 50% of GDP.

According to figures published by the Egyptian Centre for Economic Studies, approximately 8.2 million people participate in the informal economy. Of the participants in the informal economy, some 68% of these work in the wholesale and retail sectors.

Recent measures taken to try to integrate the informal economy into the formal economy include the launching of initiatives by the CBE to support SMEs and to encourage the informal sector to join the formal sector to benefit from financial services. One of the objectives of Egypt's Social Fund for Development (which was established with support from the United National Development Programme) is to encourage projects to join the formal economy. Egypt is also in the process of a rebasing exercise to include certain parts of the informal economy into GDP figures thanks to digital transformation efforts.

Please see Section 2 "*Risk Factors — Risks relating to Egypt — A significant portion of the Egyptian economy is not recorded*" and "*— Monetary System — The Egyptian Banking Sector and Reform*" in this Section.

3. External Sector

(1) General

In 2022/23 Egypt's balance of payments recorded an overall surplus of approximately U.S.$882.4 million, compared to an overall deficit of approximately U.S.$10.5 billion in 2021/22.

The current account deficit improved by 71.5% to reach only U.S.$4.7 billion, compared with approximately U.S.$16.6 billion in 2021/22. Egypt's capital and financial account recorded a net inflow of approximately U.S.$8.9 billion, compared with a net inflow of approximately U.S.$11.8 billion in 2021/22.

In the fourth quarter of 2022/23, Egypt's balance of payments recorded an overall surplus of approximately U.S.$600.5 million (against a deficit of U.S.$3.3 billion in the corresponding period in

2021/22). The current account shifted to a surplus of approximately U.S.$557.0 million, compared to a deficit of approximately U.S.$3.0 billion in the corresponding period of 2021/22. This was primarily due to the improvement in the service balance, supported by a rise in both transportation revenues by U.S.$1.4 billion to approximately U.S.$4.1 billion, tourism revenues by U.S.$773.2 million to U.S.$3.3 billion (against U.S.$2.5 billion), and a decrease in the non-oil trade deficit by 37.5% to approximately U.S.$6.3 billion. Egypt's capital and financial account recorded a net inflow of U.S.$876.4 million in the three months ended 30 June 2023, compared with a net inflow of approximately U.S.$988.3 million in the three months ended 30 June 2022.

As at 30 June 2023, NIR with the CBE were U.S.$34.8 billion, covering 5.9 months of merchandise imports, compared with U.S.$33.4 billion as at 30 June 2022 and U.S.$40.6 billion as at 30 June 2021. As at 30 September 2023, NIR with the CBE were U.S.$35.0 billion, covering 5.9 months of merchandise imports.

Net foreign assets held by Egyptian banks (excluding the CBE) decreased from LE26.4 billion as at 30 June 2021 to liabilities of LE219.2 billion as at 30 June 2022, and decreased to liabilities of LE529.7 billion as at 30 June 2023, and to liabilities of LE510.7 billion as at 30 August 2023 (provisional figures). Foreign currency deposits at Egyptian banks increased from U.S.$41.6 billion as at 30 June 2021 to U.S.$45.1 billion as at 30 June 2022 and then to U.S.$49.2 billion as at 30 June 2023. Foreign currency deposits as a percentage of total deposits were 13.9% as at 30 June 2021 and then increased to 14.5% as at 30 June 2022 and increased to 20.9% as at 30 June 2023. Please see "*— Monetary System — Liquidity and Credit Aggregates*" in this Section.

As at 30 June 2022, gross external debt was U.S.$155.7 billion, representing 32.6% of GDP and a 12.9% increase, compared with gross external debt of U.S.$137.9 billion as at 30 June 2021, representing 34.2% of GDP and a 11.6% increase. Please see "*— Public Debt — External Debt*" in this Section.

Gross external government debt is the major source of external debt, comprising 59.8% as at 30 June 2021, 52.8% as 30 June 2022 and 50.7% as 30 June 2023. The gross external debt to GDP ratio was 34.2% as at 30 June 2021, 32.6% as at 30 June 2022 and 40.3% as at 30 June 2023. Please see "*— Public Debt*" in this Section.

(2) Balance of Payments

In 2022/23, Egypt's balance of payments recorded an overall surplus of approximately U.S.$882.4 million, compared with to an overall deficit of U.S.$10.5 billion in 2021/22. The current account deficit improved by 71.5% to U.S.$4.7 billion, compared with U.S.$16.6 billion in 2021/22. Egypt's capital and financial account recorded a net inflow of U.S.$8.9 billion, compared with a net inflow of U.S.$11.8 billion in 2021/22.

a) Current Account

During 2022/23, the current account deficit decreased to U.S.$4.7 billion (against U.S.$16.6 billion in the preceding financial year). This came as a main result of the decline in the trade deficit by 28.2% to reach U.S.$31.2 billion. Moreover, the services balance surplus doubled, recording U.S.$21.9 billion, driven by the noticeable increase in both tourism revenues and Suez Canal receipts.

The trade deficit decreased by 28.2% to approximately U.S.$31.2 billion in 2022/23 from approximately U.S.$43.4 billion in 2021/22, due to a 18.9% decrease in merchandise imports from approximately U.S.$87.3 billion in 2021/22 to U.S.$70.8 billion in 2022/23, which was limited by a 9.8% decrease in merchandise exports, from U.S.$43.9 billion in 2021/22 to U.S.$39.6 billion in 2022/23. The oil trade balance ran a surplus of U.S.$410.0 million (against a surplus of U.S.$4.4 billion in the previous fiscal year). This was mainly as a result of the decline in oil exports by U.S.$4.2 billion on the back of the decrease in exports of oil products by U.S.$1.7 billion, crude oil by U.S.$1.5 billion, and natural gas by U.S.$988.1 million. The non-oil trade deficit retreated by 34.0% to U.S.$31.6 billion in 2022/23 from U.S.$47.8 billion in 2021/22, primarily due to: (i) a decrease in non-oil merchandise imports (from U.S.$73.8 billion in 2021/22 to U.S.$57.4 billion in 2022/23); and (ii) a slight decline in non-oil merchandise exports (from U.S.$25.9 billion in 2021/22 to U.S.$25.8 billion in 2022/23).

The services surplus increased by U.S.$10.8 billion to approximately U.S.$21.9 billion in 2022/23, compared with approximately U.S.$11.2 billion in 2021/22, primarily due to an increase in transport receipts by 43.8% to approximately U.S.$14.0 billion in 2022/23 (compared with approximately U.S.$9.7 billion in 2021/22) mainly as a result of the increase in Suez Canal receipts by 25.2% to approximately U.S.$8.8 billion (compared with U.S.$7.0 billion in 2021/22). Travel receipts (tourism revenues) rose by approximately U.S.$2.9 billion to approximately U.S.$13.6 billion in 2022/23, from approximately U.S.$10.7 billion in 2021/22. Please see "— *The Economy — Principal Sectors of the Economy — Production Services Sector — Tourism*" in this Section.

The investment income deficit increased by 9.9% to approximately U.S.$17.3 billion in 2022/23, compared with approximately U.S.$15.8 billion in 2021/22. This was primarily due to investment income payments, which increased by approximately U.S.$2.7 billion to approximately U.S.$19.5 billion as a result of the increase in the interest payments on external debt. On the other hand, investment income receipts increased by U.S.$1.1 billion to U.S.$2.1 billion in 2022/23, mainly due to the higher interest on residents' deposits at banks abroad.

Net unrequited current transfers decreased by U.S.$9.6 billion to approximately U.S.$21.8 billion in 2022/23, compared with approximately U.S.$31.4 billion in 2021/22. This decrease was primarily due to a decrease in workers' remittances, which decreased by 30.8% to record approximately U.S.$22.1 billion in 2022/23 (compared with approximately U.S.$31.9 billion in 2021/22).

b) Capital and Financial Account

In 2022/23, Egypt's capital and financial account net inflows decreased to U.S.$8.9 billion (from U.S.$11.8 billion in 2021/22), as a consequence of the following main developments:

In 2022/2023, the change in the CBE's and banks' liabilities posted a net inflow of U.S.$6.7 billion (against U.S.$21.6 billion).

Also, the change in banks' foreign assets recorded a net inflow of U.S.$1.4 billion (against U.S.$7.6 billion).

Net outflows of portfolio investment in Egypt declined to U.S.$3.8 billion in 2022/2023 from U.S.$21.0 billion in 2021/2022.

FDI inflows increased by approximately U.S.$847.5 billion to approximately U.S.$23.1 billion in 2022/23, compared with U.S.$22.2 billion in the previous year, and FDI outflows decreased by U.S.$253.7 million to U.S.$13.0 billion, compared with U.S.$13.3 billion in 2021/22. This resulted in net FDI increasing by U.S.$1.1 billion to U.S.$10.0 billion in 2022/23, compared with U.S.$8.9 billion in 2021/22. This was primarily due to an increase in total inflows in oil sector (representing new investments of foreign oil companies) to reach U.S.$5.6 billion (against U.S.$4.7 billion). Meanwhile, a decline was seen in the outflows (representing the cost recovery for exploration, development and operations previously incurred by foreign partners) to record U.S.$6.6 billion (against U.S.$7.3 billion), thus registering an improvement in net outflows during the year to reach U.S.$982.5 million (against U.S.$2.6 billion).

In 2022/23, medium- and long-term facilities stabilized at a net disbursement of U.S.$1.5 billion (on the back of the decline in repayments to U.S.$4.6 billion in 2022/23 (from U.S.$6.2 billion in 2021/22), and the decline in disbursements to U.S.$6.1 billion in 2022/23 (from U.S.$7.6 billion in 2021/22).

(3) Foreign Trade

Foreign trade in Egypt has experienced significant developments in recent years. The Government has overhauled Egypt's customs legislation to streamline the process for importing and exporting goods. A number of regulations and decrees have been introduced to improve inspection and control procedures, simplify documentation, reduce costs and delays, improve logistics and liberalise trade movements.

The number of customs procedures and approvals required to import or export goods have been reduced significantly. In addition, the time taken to issue customs declaration forms has been reduced to 24 hours. A "green route", allowing for the immediate release of imported/exported goods which meet certain criteria, has also been introduced.

To ensure that customs legislation is implemented effectively and efficiently, a "one-stop" control point for export and import licensing and the release of consignments has been established through the General Authority for Export and Import Control and the Customs Authority (departments of the Ministry of Trade and Industry and the Ministry of Finance, respectively) in collaboration with other ministries and agencies. In November 2020, a new customs law was introduced.

In March 2018, Egypt and 43 other African countries signed the African Continental Free Trade Area Agreement, which aims to facilitate trade between member states according to a scheduled timeline, create a single market on the African continent for goods and services by removing certain barriers and tariffs among the member states, and establish an African Customs Union. This agreement entered into force on 30 May 2019 for 24 countries, including Egypt. As at May 2022, 43 countries had ratified the African Continental Free Trade Area Agreement.

The total volume of trade decreased by U.S.$20.8 billion or 15.9% to reach U.S.$110.4 billion in 2022/23 from U.S.$131.2 billion in 2021/22. This was primarily due to a 18.9% decrease in imports, and decrease in exports in 2022/23 by 9.8%, compared with 2021/22.

(4) Exports

Export proceeds decreased to U.S.$39.6 billion in 2022/23, from U.S.$43.9 billion in 2021/22, a decrease of 9.8%, due to a 23.1% decrease in fuel exports from U.S.$18.0 billion in 2021/22 to U.S.$13.8 billion in 2022/23. Fuel exports accounted for 34.9% of total exports in 2022/23, compared with 40.9% in 2021/22. Non-fuel exports accounted for 65.1% of total exports in 2022/23, compared with 59.1% in 2021/22. As a result, the export/import ratio increased to 56.0% in 2022/23, compared with 50.3% in 2021/22. Please refer to Table 24: "*Exports by Product*" in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum for the value of products exported for the fiscal years indicated.

In 2022/23, the EU was the largest importer of Egyptian goods, purchasing 31.1% of Egyptian exports, (compared with 28.6% in 2021/22). Arab countries were Egypt's second largest trading partners, purchasing 21.0% of Egyptian exports in 2022/23 (compared with 17.4% in 2021/22), followed by other European countries, with 16.2% of total exports in 2022/23 (compared with 17.0% in 2021/22). Please refer to Table 25: "*Destinations of Egyptian Exports*" in Section 5 "Principal Economic Data of Egypt" of this Offering Memorandum for more information on the destinations of exports from Egypt for the fiscal years indicated.

(5) Imports

Total imports decreased by 18.9% in 2022/23, compared with 2021/22, due to a 22.2% decrease in non-fuel exports from U.S.$73.8 billion in 2021/22 to U.S.$57.4 billion in 2022/23. Fuel imports accounted for 18.9% of total imports in 2022/23, compared with 15.5% in 2021/22. Non-fuel imports accounted for 81.1% of total imports in 2022/23, compared with 84.5% in 2021/22. Please refer to Table 27: "*Imports by Product*" in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum for the levels of Egyptian imports by product for the fiscal years indicated.

In 2022/23, Asian countries (excluding Arab countries) were the largest source of imported goods into Egypt, accounting for 24.3% of Egyptian imports (compared with 26.0% in 2021/22). The EU was Egypt's second largest trading partner, accounting for 21.0% of Egyptian imports in 2022/23 (compared with 20.8% in 2021/22), followed by Arab countries, with 20.5% of total imports in 2022/23 (compared with 21.7% in 2021/22). Please refer to Tables 28 and 29 in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum for further details of the origins of Egyptian imports as well as the countries from which Egypt imports non-oil products for the fiscal years indicated.

(6) Foreign Direct Investment

In recent years, the Government has introduced a number of legislative and institutional reforms aimed at improving Egypt's investment climate and attracting both domestic investment and FDI. The Government has sought to address major constraints historically affecting inbound investment into Egypt. The General Authority for Free Zones and Investment ("**GAFI**") has streamlined the procedures for inward investment thereby establishing a favourable investment climate which, among other factors, has historically helped to attract increased inflows of FDI and, in turn, supports accelerated economic growth.

The Ministry of Investment was established in 2004, with a mandate to improve the investment climate in Egypt, further develop non-bank financial services and introduce an asset management programme for state-owned enterprises. In furtherance of its mandate, the Ministry of Investment has established "one-stop shops" throughout the various governorates of Egypt for establishing companies and obtaining various permits, licences and regulatory approvals. In addition, in 2007, seven investment zones in the information communications technology, textiles and apparel, auto manufacturing and other industries were established.

According to the latest data for July/March of 2022/23, the service sector ranked first in terms of investments, representing 40.4% of the total inward foreign direct investment in Egypt. These investments were primarily concentrated in the financial sector (13.7%), followed by telecommunications and information technology (7.2%). The real estate sector accounted for 2.7% of investments, while the tourism sector received a modest share of 1.8%. In second position, the industrial sector accounted for 26.6% of investments, with a focus on areas such as chemicals, engineering, food and pharmaceuticals. The petroleum sector ranked third with a share of 23.3% of investments.

Net FDI inflows amounted to approximately U.S.$8.9 billion in 2021/22 (1.9% of GDP) and then rose to approximately U.S.$10.0 billion (2.5% of GDP) in 2022/23. The increase in 2022/23 was mainly due to the increase in total inflows in the oil sector (representing new investments of foreign oil companies) to reach U.S.$5.6 billion (against U.S.$4.7 billion in 2021/22). Meanwhile, a decline was seen in the outflows in the oil sector (representing the cost recovery for exploration, development and operations previously incurred by foreign partners) to record U.S.$6.6 billion (against U.S.$7.3 billion), thus registering increased net outflows during the year to reach U.S.$982.5 million (against U.S.$2.6 billion). Recent increases in FDI have also been a result of the Government's IPO programme.

Please refer to Tables 31 and 32 in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum for more information on FDI figures and the principal countries of origin for the fiscal years indicated.

4. Monetary System

(1) Central Bank of Egypt

The CBE, founded in 1961, is an autonomous public legal entity and is governed by the Central Bank and Banking System Law No. 194 of 2020. The Central Bank of Egypt aims to achieve monetary and banking system soundness and price stability, within the context of the general economic policy of the state. Within its price stability mandate, the Central Bank is committed to achieve and maintain low and stable inflation over the medium-term.

The price stability objective of the Central Bank can be expressed in terms of two components: minimizing deviations of inflation from the level considered consistent with price stability and minimizing volatility of real economic activity with respect to its full capacity utilization. This objective is achieved whilst transitioning to a flexible inflation-targeting framework, in accordance with the liberalization of the foreign exchange market. Accordingly, the CBE have set several inflation targets, in a way that aims to transition Egypt's economy gradually from the current inflation target and towards its estimated medium-term level.

Since June 2005, the operational target for monetary policy shifted towards a price target, defined as the overnight interbank rate, from a quantity target that was defined as excess reserves. The CBE launched two overnight standing facilities, one for deposits and another for loans, which define the corridor within which the overnight interbank rate fluctuates, thus limiting its volatility.

Since May 2017, Inflation targets have been announced and set on a declining path to anchor inflation expectations. In December 2022, the Monetary Policy Committee set the inflation target at 7% (±2 percentage points) on average by the fourth quarter of2024 and 5% (±2 percentage points) on average by the fourth quarter of 2026. The setting of policy rates is designed to achieve price stability whilst minimizing macroeconomic volatility. Moreover, the containment of inflation further supports the competitiveness of Egyptian goods and services, and thus, reduces medium term pressures on the exchange rate.

(2) The Egyptian Banking Sector and Reform

As at 30 June 2023, there were 36 banks registered with the CBE, with 4,638 operating branches throughout Egypt. In addition, the financial intermediation sector also includes non-bank financial institutions, such as brokerage firms, investment banks and mutual funds. The financial intermediation sector (in nominal terms) contributed 0.7% to GDP in July/December 2022/23, 0.4% to GDP in 2021/22 and 0.3% to GDP in 2020/21. In July/December 2022/23, the sector grew (in nominal terms) by 18.8% compared with the same period in 2021/22. In 2021/22, it grew (in nominal terms) by 11.3% compared with 2020/21. Furthermore, the financial intermediation sector (in nominal terms) constituted 3.4% of GDP in 2021/22 and 3.6% of GDP in 2020/21.

Please see "*— The Economy — Principal Sectors of the Economy — Production Services Sector — Financial Intermediation*" in this Section.

The financial intermediation sector has shown strength in recent periods, with private credit growth increasing for six consecutive years starting from 2016/17 to 2021/22, primarily due to growth in both private and public sector lending. In particular, the stock of private sector credit increased by 17.8% in 2020/21, 22.7% in 2021/22 and 19.5% in Jun 2022/Apr 2023. Newly-issued private credit was LE271.9 billion in 2020/21, LE409 billion in 2021/22 and LE 430 billion in Jun 2022/Apr 2023. The increase in newly-issued private credit was primarily due to an increase in the industrial and services sectors.

Please refer to Tables 33 – 36 in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum for more information on the Egyptian banking sector.

a) Non-Performing Loans

The CBE's reform programmes implemented between 2004 and 2010 to address NPLs developed a variety of approaches and programmes, which has facilitated the repayment of more than 90% of NPLs in the banking sector (excluding debts of the public sector enterprises, which were separately settled). System-wide NPLs declined from 4.9% as at 30 June 2017 for public sector and other banks to 3.3% as of June 2023, with provisioning coverage at 98.3% as at 30 June 2017 for the public sector and other banks and 91.6% in June 2023. Stress tests regularly performed by the CBE suggest that plausible losses could be absorbed by banks' profits and capital buffers and the system's foreign exchange rate exposure is not significant.

As at 30 June 2023, the ratio of banking sector NPLs to total loans was 3.3% (as compared with 3.3% in June 2022) and the ratio of regulatory capital to risk-weighted assets was 17.5% in June 2023 (as compared with 18.9% as of 30 June 2022). The banking sector local currency liquidity ratio was 37.6% as at 30 June 2023 (as compared with 44.3% as at 30 June 2022) and the foreign currency liquidity ratio was 70.1% as at 30 June 2023 (as compared with 77.9% as at 30 June 2022).

b) Banking Supervision

The objective of the Banking Supervision Sector at the CBE is to maintain the financial stability of the banking system, as well as the financial soundness of banks operating in Egypt. The Banking Supervision Sector aims to achieve this objective through the issuance of regulations by the Regulations Department, as well as through on-site and off-site supervision, macro-prudential surveillance and by adopting a risk-based approach to supervision.

Reporting of prudential requirements, periodical financial data and credit registry data by banks takes place via electronic linkage between banks and the CBE. The first private credit bureau, I-Score, which was established by 25 Egyptian banks and the Social Development Fund and commenced operations in the first quarter of 2008, provides credit information on natural persons and SMEs to its members, including financial institutions, mortgage lenders, credit card companies and mobile phone operators.

Banking Sector Governance

Applying governance rules has become one of the main pillars of the second phase of the banking reform programme. The CBE Law provides for increased governance rules for the CBE as well as banks. In addition, the CBE Law introduced the anti-competition unit ECA within the CBE to prevent anti-competitive practices of the banks.

(3) Inflation and Interest Rates

For annual headline inflation rates as measured by the CPI for the 12 months ended in the month indicated year-on-year in 2022 and 2023, please see Table 37: "*Annual Headline Inflation*" in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum.

For the current composition of the CPI and the relative weight of the component that CAPMAS uses to calculate the Urban CPI, please see Table 38: "*Composition and Weighting of CPI*" in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum.

For a chronology of the changes in the CBE's key interest rates, see Table 39: "*CBE Key Interest Rates*" in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum.

(4) Liquidity and Credit Aggregates

Broad money (M2) annual growth rate increased from 18.0% in end-June 2021 to 23.5% and 24.7% in June 2022 and June 2023, respectively. Furthermore, the growth rate of domestic credit increased from 10.0% in June 2019 to 24.7% in June 2022 and 27.5% in June 2023.

On the other hand, foreign currency deposits, as a percentage of M2, increased from 12.1% as of June-end 2021 to 12.8% as of June-end 2022 and 18.4% as of June-end 2023, respectively. Foreign currency deposits as a percentage of total deposits increased from 13.9% as of June-end 2021 to 14.5% as of June-end 2022 and 20.9% as of June-end 2023, respectively.

Please refer to Tables 40 and 41 in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum for further details of the discount rate, 91-day treasury bill rate and overnight interbank rates as at the end of the periods indicated as well as the liquidity and credit aggregates for the fiscal years indicated.

(5) Foreign Exchange

The currency of Egypt is the Egyptian Pound. The CBE has regularly intervened in foreign exchange rates, in particular between the Egyptian Pound and the U.S. dollar. Restrictions in auctions and on the interbank market, as well as only partial clearance of foreign exchange requests from commercial banks, have generated a parallel market for foreign exchange. Prior to 3 November 2016, there were restrictions on the remittance of foreign currency outside of Egypt. From time to time, there has also been a shortage of U.S. dollars in Egypt, however, it has been historically limited or curtailed. In order to address these imbalances, on 3 November 2016, the CBE announced the move to a liberalised exchange rate regime and the adoption of a series of other measures, as described below. These measures included lifting the restrictions on the deposit and withdrawal of foreign currency by all individuals and companies, except for certain restrictions (which have subsequently been lifted) affecting companies which import non-essential goods and products and subject to an annual limit of U.S.$100,000 for remittances abroad by Egyptian individuals and certain companies.

Please see Section 2 "*Risk Factors — Risks relating to Egypt — Exchange rate risks*".

Please refer to Table 42: "*Exchange Rates*" in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum for the average data relating to the official exchange rate between the Egyptian Pound and the U.S. dollar for the calendar years indicated.

The Government allocated a social assistance package of LE130 billion in March 2022 to mitigate the repercussions of global economic challenges resulting from the Russia-Ukraine conflict, as well as the impact of the Egyptian Pound devaluation on the most vulnerable groups and affected sectors. It includes measures such as allocating LE2.7 billion to include one million new families in "Takaful and Karama"; increasing the personal income tax threshold exemption from LE9,000 to LE15,000; an increase for pensions by 15% with a minimum of LE120 per month starting in April 2022; and bearing LE3.75 billion (cost of real estate taxes on industrial sectors for three years) to alleviate burdens on factories and industrial activities as well as incentivise production. Please see "*— Monetary System — Foreign Exchange*" in this Section.

Other measures announced include: (i) LE36 billion in allowances and bonuses for civil servants and other workers, which forms part of the LE400 billion in the total wage bill for 2022/23 (around 20% of expenditure); (ii) customs dollar capped at LE16 for basic commodities and production inputs until the end of April 2022, to ease the effect of the devaluation on citizens, especially since April was month of Ramadan where consumption was at its peak; and (iii) the manufacturing sector will be exempt from real estate tax for three years, with Egypt bearing the cost, which amounts to LE3.8 billion, in a bid to encourage economic activity especially in the industrial sector and avoid economic dampening following the effects of recent shocks.

Derivatives, forward and swap transactions are allowed in the Egyptian foreign exchange interbank market, subject to certain limitations, including the requirement that they can only be initiated in connection with underlying commercial transactions and dividends payments. The market for such products, however, remains thin.

(6) Net International Reserves

As at 30 September 2023, NIR were U.S.$34.97 billion, covering approximately 5.7 months of merchandise imports. NIR with CBE were U.S.$34.8 billion as at 30 June 2023, compared with U.S.$33.4 billion as at 30 June 2022. NIR covered 5.9 months of merchandise imports as at 30 June 2023 and 4.6 months of merchandise imports as at 30 June 2022.

Please refer to Table 43: "*Net International Reserves*" in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum for the NIR data for the periods indicated.

As at 30 June 2023, banks had net foreign liabilities of U.S.$17.1 billion, compared with net foreign liabilities of U.S.$11.7 billion as at 30 June 2022.

There are no encumbrances or potential encumbrances to Egypt's foreign exchange reserves, such as forward contracts or derivatives.

(7) The Egyptian Stock Market

Egypt's stock exchange, the Egyptian Stock Exchange (the "**EGX**"), is governed by a board of directors. The EGX's predecessor exchanges, the Alexandria Stock Exchange and the Cairo Exchange, were established in 1883 and 1903, respectively.

The EGX 30 Index (the "**Index**") increased to 17,775.3 in 30 June 2023 from 9,225.6 in June 2022.

As at 30 June 2023, there were 217 listed companies on the main market of the EGX, with a total market capitalisation of LE1,160 billion.

Please refer to Table 44: "*Stock Exchange Indicators*" in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum for the selected indicators for the EGX as at the date indicated.

5. Public Finance

(1) The Budget Process

The Government's fiscal year runs from 1 July to 30 June. In October of each year, the Ministry of Finance issues a circular to all Government authorities outlining in a general manner the fiscal policies, targets and economic assumptions to be adhered to in the preparation of their respective budgets. By December of each year, the Ministry of Finance receives and reviews the draft budgets submitted by Government authorities, following which mutual discussions of submitted budgets take place through joint committees. Such submitted budgets may be revised by the Ministry of Finance's Budget Department to ensure that the aggregate revenue and expenditure figures in the draft budget conform to the integrated macroeconomic targets previously set by the Macro Fiscal Policy Unit.

By February, the Ministry of Finance submits a preliminary draft budget (comprising the budgets of the Government, the central and local administration units and service authorities) to the Ministerial Economic Sub-committee, which is headed by the Prime Minister. The Ministerial Economic Sub-Committee may introduce amendments to the draft budget before submitting the budget to the Council of Ministers for approval. The final budget is then submitted first to the President and then to the House of Representatives before the end of March, following which the budget is discussed among various legislative committees and must be approved and ratified in an annual budget law by the House of Representatives before the end of June. In the event that the House of Representatives has been dissolved or is otherwise absent, pursuant to the Constitution, the President has temporary legislative authority and may ratify the budget.

The ratified budget represents a ceiling for total expenditure for Government authorities during the year. If an exceptional expenditure item arises during a fiscal year, the Ministry of Finance will prepare a supplementary appropriation, which is submitted to the Ministerial Economic Sub-Committee and subsequently to the Council of Ministers, which, in turn, will submit it to the House of Representatives for approval and ratification.

Prior to the end of each fiscal year, the Final Accounts Department at the Ministry of Finance issues a circular to all Government authorities with instructions regarding the preparation of their final accounts. The Government authorities then submit their final accounts to the Ministry of Finance and the Accountability State Authority, which audits the accounts both on a standalone (for each Government authority) and consolidated basis. Final accounts are submitted by the Minister of Finance to the House of Representatives before the end of October of each year for ratification.

(2) 2023/24 Budget

The budget for 2023/24 was approved by the House of Representatives in June 2023, with a projected fiscal deficit to GDP ratio of 7.0%, compared with actual fiscal deficit ratios of 6.0% (according to preliminary figures) and 6.1% in 2022/23 and 2021/22 respectively.

a) Revenues

Total revenues for 2023/24 are budgeted to be LE2,142.1 billion, compared with actual revenues of LE1,564.1 billion in 2022/23 (according to preliminary figures), representing an annual increase of LE578.0 billion or 37.0%, primarily due to an increase of LE271.4 billion in tax revenues and an increase of LE310.1 billion in other revenues. Tax revenues are budgeted to increase by 21.6% to LE1,530.0 billion for 2023/24, compared with actual revenues of LE1,258.6 billion for 2022/23 (according to preliminary figures), Total grants are budgeted to be LE1.9 billion in 2023/24, compared with actual revenues of LE5.4 billion in 2022/23, reflecting a decline of 64.5%. Please see Section 2 "*Risk Factors — Risks relating to Egypt — The level of foreign grants to Egypt has declined in recent years and it may continue to decline*"

Other revenues, comprising mainly of year-end profits, royalties and dividends transferred to the treasury from various economic authorities, such as the Suez Canal Authority, EGPC, the New Urban Community Authority or public sector banks and publicly-owned companies for 2023/24, are budgeted at LE610.2 billion compared with LE300.1 billion for 2022/23 (according to preliminary figures), representing an annual increase of 103.3%.

b) Expenditures

Government expenditure is budgeted to increase by 36.9% to LE2,990.9 billion in 2023/24, compared with actual expenditures of LE2,184.8 billion in 2022/23 (according to preliminary figures). This increase was primarily due to budgeted increases of: (i) LE345.9 billion, or 44.7%, in interest payments; and (ii) LE297.5 billion, or 102.9%, for the purchases of non-financial assets.

The Russia-Ukraine conflict has affected and continues to negatively affect economies worldwide, including Egypt, particularly with respect to global commodities markets and global inflation. While global supply chains and commodities markets have been volatile even during the COVID-19 pandemic, the Russia-Ukraine conflict has further disrupted supply chains and caused further instability in the energy markets. The conflict could lead to further global supply chain shortages, market disruptions, including further significant volatility in commodity prices, credit and capital markets on a global scale as well as inflation. According to Eurostat, the annual inflation rate in April 2022 was almost 8.1% in the EU, compared to only 2.0% in April 2021. In October 2022, the annual inflation rate in the EU was 11.5%, compared to 4.4% in October 2021. According to the U.S. Bureau of Labor Statistics, the annual inflation rate (based on CPI) was almost 8.3% in the United States in April 2022, compared with only 4.2% in April 2021. In October 2022, the annual inflation rate (based on CPI) was 7.7%, compared with 6.2% in October 2021. In Egypt, headline annual inflation was 37.4% in August 2023, compared to 14.6% in August 2022. Please also see Section 2 "*Risk Factors — Risks relating to Egypt — Inflation risks*", "—

Egypt's deficit and debt levels", "*— Exchange rate risks*" and "*— Russia-Ukraine conflict*".

c) *Public Accounts*

Please refer to Table 46: "*Public Accounts*" in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum for an overview of the revenues, expenditure and overall balance of the budget sector public accounts for the fiscal years indicated.

d) *Overview*

Total budget sector revenues have grown over each of the past three years from LE1,108.6 billion in 2020/21 to LE1,564.1 billion in 2022/23 (according to preliminary figures), or by 41.1%.

Total budget sector expenditures have also grown over each of the past three years from LE1,578.8 billion in 2020/21 to LE2,184.8 billion in 2022/23 (according to preliminary figures). Total budget sector expenditures increased by 16.0% in 2021/22 and 19.3% in 2022/23.

The overall fiscal deficit was LE484.4 billion in 2021/22 (6.1% of GDP) and LE609.9 billion in 2022/23 (6.0% of GDP) (according to preliminary figures).

e) *Revenues*

The Government's principal sources of revenues are corporate taxes, general sales taxes, customs duties and transferred profits (dividends) from Government-owned entities. The Government also receives revenue in the form of grants from international agencies and countries.

Total budget sector revenues and grants increased from LE1,347.2 billion in 2021/22 to LE1,564.1 billion in 2022/23 (according to preliminary figures), representing a 16.1% increase. This increase was primarily due to increases in income taxes, property taxes and value added tax.

Tax revenues increased by 26.9% to LE1,258.6 billion in 2022/23 (according to preliminary figures) from 2021/22. This increase in tax revenues is primarily due to increases in receipts of income tax, property taxes and value added tax. Taxes on income, profits and capital gains increased by 33.6% to LE516.3 billion in 2022/23 (according to preliminary figures) compared with LE386.4 billion in 2021/22. Property taxes increased by 38.9% to LE125.2 billion in 2022/23 (according to preliminary figures) from LE90.2 billion in 2021/22. Taxes on international trade increased by 38.3% to LE59.4 billion in 2022/23 (according to preliminary figures) compared with 2021/22. Value added taxes increased by 22.3% to LE555.6 billion in 2022/23 (according to preliminary figures) compared with 2021/22. In 2022/23, tax revenues accounted for 80.5% of total budget sector revenues, compared with 73.6% in 2021/22.

Non-tax revenues mainly comprise grants, the proceeds of assets sales, as well as yearly royalties, profits and dividend transfers from the Suez Canal Authority, the CBE, various economic authorities and other public sector enterprises. Other revenues comprise one of the principal components of non-tax revenues. Other revenues decreased by 14.7% to LE300.1 billion in 2022/23 (according to preliminary figures), compared with 2021/22.

In 2022/23, grants accounted for 0.3% of total budget sector revenues, compared with 0.3% in 2021/22, while other revenues accounted for 19.2% of total budget sector revenues, compared with 26.1% in 2021/22.

(3) Expenditures

Total expenditures increased from LE1,831.0 billion in 2021/22 to LE2,184.8 billion in 2022/23 (according to preliminary figures), representing a 19.3% increase from the previous year, primarily due to increases in wages and salaries, subsidies, grants and social benefits, as well as interest payments.

Wages and salaries increased in 2022/23 by 15.0% to reach LE412.5 billion (according to preliminary figures) as compared with 2021/22. In 2022/23, wages and salaries accounted for 18.9% of total expenditures, compared with 19.6% in 2021/22. Please see "*— The Economy — Employment and Labour*" in this Section.

In 2022/23, subsidies, grants and social benefits accounted for 20.8% of total expenditures, and increased further to reach LE454.1 billion (according to preliminary figures), representing an increase of 32.2% as compared with the previous year.

In 2022/23, interest payments accounted for 35.4% of total expenditures (according to preliminary figures), compared with 31.9% in 2021/22.

Other expenditures increased by 10.8% to LE127.1 billion in 2022/23 (according to preliminary figures) from LE114.7 billion in 2021/22, when it accounted for 5.8% of total expenditures, compared with 6.3% of total expenditures in 2021/22.

(4) Social Spending and Subsidies

Prior to 2014/15, Government spending on subsidies to support low-income Egyptians had increased year-on-year. In order to foster material and sustained improvements to living conditions, the Government has increasingly shifted its social policy framework to ensure efficient allocation of public resources and has developed a five-year plan to streamline fuel and electricity subsidies and to restructure the wheat and food subsidy system.

The Government's social policy framework is aimed at fostering inclusive growth and reaching the most vulnerable sections of society. This framework focuses on: (i) employment policies and job creation through continued financing of public investments, promotion of sustainable energy and export and the expansion of vocational training; (ii) improvement of the quality and accessibility of public services; and (iii) the expansion of Egypt's "social safety net" through subsidy and social programmes.

Since 2014/15, the Government has gradually shifted away from providing in-kind transfers, instead focusing on cash transfer programmes, which are expected to have a higher impact on poverty reduction.

The Government's current subsidy policy consists principally of the following cash, semi-cash and limited/exclusive in kind transfer schemes:

- two cash transfer schemes, which operate in addition to the existing pension system: an unconditional benefit for the elderly and disabled (Karama) and a conditional transfer for families to support children's health and education in poor areas (Takaful);
- semi-cash transfer schemes for food subsidies pursuant to which the Government provides LE50 in benefits per person, which can be spent on over 100 products (rather than rationing specific quantities of chosen products); beneficiaries are also allocated a daily quota of five loaves of bread at a subsidised cost of LE0.05;
- in-kind transfer schemes, including transportation and petroleum products (namely fuel oil and butane), cylinders for electricity generation and food industries; and
- continued expenditures on health, education and scientific research in line with the constitutional mandates.

Total subsidies for 2022/23 were LE275.8 billion (according to preliminary figures), compared with total subsidies of LE182.8 billion in 2021/22 (representing an increase of 50.9%).

The Government announced an exceptional social assistance package in October 2022 comprising LE68.3 billion allocated to temporary programs to deal with short-term hardship.

In line with the Government's policy to phase out inefficient and poorly targeted energy subsidies and to replace such subsidies with better targeted social programmes, the Government has taken a number of steps to reduce energy subsidies through the improvement of production and consumption efficiency and the increase of petroleum products and electricity prices.

Please refer to Table 47: "*Subsidies*" in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum for further details of the actual subsidies for the fiscal years indicated.

Please also see Section 2 "*Risk Factors — Risks relating to Egypt — Economic risks*".

(5) National Investment Bank

The National Investment Bank (the "**NIB**") was established by Law No. 119 of 1980 for funding infrastructure investments according to the Government's five-year economic and development plans.

The NIB serves as a development fund to finance infrastructure projects on a for-profit basis.

A committee comprising representatives of the CBE, the Ministry of Planning, Monitoring and Administrative Reform and the Ministry of Finance has been established to strengthen NIB oversight and governance and has been tasked to develop a plan for reforming and improving its financial performance. An international auditor has been hired to evaluate NIB's assets and liabilities.

A reform plan has been announced to restructure the NIB, containing fiscal and financial stability risks arising from the NIB, which has ceased lending and funding operations. Pursuant to the plan, NIB's balance sheet is expected to be reduced gradually over time.

6. Public Debt

(1) Overview

Egypt's public sector debt is comprised of the domestic debt of the central Government, the debt of economic authorities and service authorities, and the external debt of the central Government. For the purposes of this section, external debt is debt payable in foreign currency held by non-Egyptian entities.

According to preliminary figures, as at 30 June 2023, gross consolidated general government domestic debt was LE 7,002.9 billion million and total general government debt was LE 6,548.4 billion. As at 30 June 2022, Egypt's net consolidated public domestic debt was LE4,877.6 billion, representing 61.4% of GDP and a 10.8% increase compared with net consolidated public domestic debt as at 30 June 2021, which was LE4,400.8 billion, representing 63.6% of GDP. This increase was primarily a result of an increase in gross consolidated general Government debt. Total outstanding tradable domestic Government securities increased by 19.8% from LE4,564.3 billion as at 30 June 2022 to LE5,463.5 billion as at 30 June 2023 (according to preliminary figures).

As at 30 June 2022, gross external debt was U.S.$155.7 billion, representing 32.6% of GDP and a 12.9% increase, compared with gross external debt of U.S.$137.9 billion as at 30 June 2021, representing 34.2% of GDP and a 11.6% increase.

As at 30 June 2022, gross external Government debt was U.S.$82.3 billion, representing 17.2% of GDP and a 0.2% decrease, compared with gross external Government debt of U.S.$82.4 billion as at 30 June 2021, representing 20.5% of GDP, in turn, an increase of 18.9%, compared with U.S.$69.3 billion as at 30 June 2020.

The public debt figures set out herein do not include Government guarantees of debt owed by all public entities (including state-owned enterprises that are not economic authorities or service authorities). The Government does not currently publish breakdowns of Government-guaranteed debt. Please see Section 2 "*Risk Factors — Risks relating to Egypt — The statistics published by Egypt may differ from those produced by other sources*".

Please refer to Table 48: "*General Government Debt*" in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum for more information on Egypt's general Government debt as at the dates indicated.

(2) Domestic Debt

Budget sector domestic debt consists of debt payable in Egyptian Pounds and foreign currency debt held by Egyptian entities and excludes the debt of the NIB and economic authorities.

Egypt's net consolidated public domestic debt represented 61.4% of GDP as at 30 June 2022 compared with 63.6% of GDP as at 30 June 2021. Total outstanding Government securities increased from LE4,812.9 billion as at 30 June 2021 to LE5,474.6 billion as at 30 June 2022 and LE7,268.2 billion as at 30 June 2023 (according to preliminary figures).

Please refer to Table 49: "*Outstanding Domestic Debt*" in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum for more information on Egypt's outstanding domestic debt as at the dates indicated.

Treasury Bills and Bonds

Treasury bills and bonds placed through the auction market provide a substantial source of funding for the Government. As at 30 June 2023, treasury bills and bonds accounted for 90.1% of net domestic budget sector debt (according to preliminary estimates), compared with 95.5% as at 30 June 2022 and 93.1% as at 30 June 2021.

Please refer to Tables 50 and 51 in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum for further details of the Government's securities issuances, denominated in Egyptian Pounds as at the dates indicated and Egypt's outstanding amount of U.S. dollar and Euro-denominated treasury bills and treasury bonds as at 30 November 2023.

(3) External Debt

External debt consists of the external portion of long-term indebtedness incurred directly by the Government, external long-term indebtedness incurred by economic authorities and service authorities, and private sector non-guaranteed debt.

Since 1991, the majority of Egypt's external borrowings have consisted of bilateral and multilateral finance, as well as debt securities placed in international capital markets. Egypt has been current on its external debt payments since 1991.

As at 30 June 2022, gross external debt was U.S.$155.7 billion, representing 32.6% of GDP and a 12.9% increase, compared with gross external debt of U.S.$137.9 billion as at 30 June 2021, representing 34.2% of GDP and a 11.6% increase.

As at 30 June 2022, gross external Government debt was U.S.$82.3 billion, representing 17.2% of GDP and a 0.2% decrease as compared to gross external Government debt of U.S.$82.4 billion as at 30 June 2021, representing 20.5% of GDP.

As at 30 June 2022, 27.1%, or U.S.$42.2 billion, of total external debt had a maturity of less than one year.

Please refer to Table 52: "*External Debt Stock*" in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum for further details of the development of Egypt's external debt.

Recent Developments

In December 2022, the Executive Board of the IMF approved a three-year extended arrangement under the EFF for Egypt in an amount of SDR 2,350.17 million (approximately U.S.$3.0 billion).

In February 2023, the Republic established its trust certificate issuance programme and issued U.S.$1.5 billion Trust Certificates due 2026 thereunder.

In July 2023, the Arab Monetary Fund extended a loan of Arab Accounting Dinnar 153.475 million (equivalent to approximately U.S.$615.8 million), which is aimed at enhancing the efficiency of the financial and banking sector.

As per Ministry of Supply, in June 2023, the International Islamic Trade Finance Corporation approved a U.S.$700 million financing tranche to Egypt to fund grain imports.

In March 2023, Egypt and the World Bank Group agreed the Country Partnership Framework for the period FY2023-2027 (the "**CPF**"), which seeks to create conditions for green, resilient and inclusive development. The CPF targets a financial envelop of U.S.$7 billion (U.S.$1 billion per year from IBRD and approximately U.S.$2 billion throughout the life of the CPF from IFC), in addition to guarantees from the Multilateral Investment Guarantee Agency.

(4) Guaranteed Debt

Please refer to Table 58: "*Publicly-Guaranteed Private Sector External Debt*" in Section 5 "*Principal Economic Data of Egypt*" of this Offering Memorandum for details of Egypt's publicly-guaranteed private sector external debt outstanding as at the date indicated.

(5) Debt Record

Egypt has not, within a period of 20 years prior to the date of this Offering Memorandum, defaulted on the principal or interest of any external security.

SECTION 5 PRINCIPAL ECONOMIC DATA OF EGYPT

Annual information presented in this Offering Memorandum is based upon 1 July to 30 June periods (which is the fiscal year of the Ministry of Finance of Egypt), unless otherwise indicated. Certain figures and percentages included in this Offering Memorandum have been subject to rounding adjustments. Accordingly, figures shown in the same category presented in different tables may vary slightly, and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures, which precede them. It should be noted that certain historic data set out herein may be subject to amendment as a result of more accurate and updated information becoming available.

Statistical information reported herein has been derived from official publications of, and information supplied by, a number of agencies of the Ministry of Finance, including, inter alia, the CAPMAS, as well as the CBE. Certain statistical information has also been derived from information publicly made available by the IMF. Certain historical statistical information contained herein is based on estimates that the Ministry of Finance or its agencies believe to be based on reasonable assumptions.

The Ministry of Finance's official financial and economic statistics are subject to review as part of a regular confirmation process. Accordingly, financial and economic information presented herein may differ from previously published figures and may be subsequently adjusted or revised. Certain of the information and data contained in this Offering Memorandum for all or part of the fiscal years 2020/21, 2021/22 and 2022/23 and subsequent periods are preliminary and subject to further adjustment or revision. While the Ministry of Finance does not expect revisions to be material, no assurance can be given that material changes will not be made. Final figures will be published on the relevant Ministry of Finance or CBE website, when available. Results for interim periods are not necessarily indicative of full year results.

Information contained herein that is identified as being derived from a publication of the Ministry of Finance or one of its agencies or instrumentalities is included herein on the authority of such publication as an official public document of the Ministry of Finance. All other information contained herein with respect to the Ministry of Finance is included as an official public statement made on the authority of the Minister of Finance of the Arab Republic of Egypt.

For ease of presentation, the Ministry of Finance presents certain financial information as translated into U.S. dollar. Unless otherwise indicated, such translations have been performed using the weighted average exchange rate for the year to which the translated amount relates. The CBE calculated this weighted average exchange rate for amounts prior to 1 January 2005 based on the official exchange rate and, since the introduction of the Egyptian interbank market for foreign currency in December 2004, based on spot transactions in the interbank market. These translations, including translations of Egyptian Pounds into U.S. dollar, have been performed solely for convenience purposes and should not be construed as a representation that the amounts in question have been, could have been or could be, converted into any particular denomination at any particular rate or at all.

1. Overview

Table 1: Selected Economic Information

The following table sets forth selected economic information relating to Egypt as at the dates and for the periods indicated.

Selected Economic Information(1)(2)

	2020/21	2021/22(3)	2022/23(3)
Domestic Economy			
Nominal GDP (*LE billions*)	6,663	7,843	—
Real GDP (*LE billions*)(4)	4,347	4,634	—
Real GDP Growth Rate (%)(5)(6)	3.3	6.6	—
Consumer Price Index (%)(7)	4.9	13.2	—
Total population (in millions as at 1 July)	100.6	102	—

Balance of Payments			
Exports of Goods (*FOB*) (*in U.S.$ millions*)......	28,677	43,906	39,624
Imports of Goods (*CIF*) (*in U.S.$ millions*).......	(70,736)	(87,302)	(70,784)
Current Account Balance (*in U.S.$ millions*).....	(18,436)	(16,551)	(4,711)
Overall Balance (*in U.S.$ millions*)...................	1,862	(10,546)	882
Net International Reserves (*in U.S.$ millions*)...	40,584	33,380	34,828
Months of Import Coverage	6.9	4.6	5.9
Public Finance (*LE millions*)			
Total Revenues..	1,108,625	1,347,178	1,564,115
Total Expenditure..	1,578,774	1,831,022	2,184,790
Overall Fiscal Balance	(472,345)	(483,844)	(620,675)
Overall Deficit (*% of GDP*)...............................	(6.8)	(6.1)	(6.0)
Primary Balance (*% of GDP*)............................	1.3	1.3	1.6
Gross External Debt/GDP (*%*)[8]	32.3	32.6	—

Notes:

(1) The fiscal year in Egypt runs from 1 July to 30 June.

(2) The figures in this table have been revised and differ from previously published data.

(3) Preliminary data.

(4) Real GDP at constant prices is calculated using 2016/17 as the base year.

(5) Percentage change from previous year.

(6) The IMF has projected Egypt's real GDP growth at 4.2% for 2023 (IMF October 2023 World Economic Outlook Update).

(7) Annual rate of change. Data is presented for the calendar years ended 2021 and 2022.

(8) Gross External Debt as percent of GDP figures are as reported by CBE.

2. Egyptian Economy

Table 2: State-Owned Companies Information

The following table sets forth certain metrics relating to state-owned companies.

State-Owned Public Enterprises		
	2020/21	**2021/22**[1]
Number of state-owned company affiliates................................	79[2]	76[2]
Number of profitable state-owned companies............................	40	51
Number of Workers..	152,397	146,846
Salaries (*LE millions*)	14,938	15,000
Total Operating Revenue (*LE millions*).....................................	81,353	101,417
Net Profit (net of losses) (*LE millions*)......................................	4,749	13,219
Dividends paid to Ministry of Finance (*LE millions*).................	2,816	1,494

Notes:

(1) Figures for 2021/22 are preliminary until the Financial Statements 2021/22 are revised by the Central Auditing Agency endorsed by the general assemblies of the remaining subsidiaries.

(2) The number of subsidiaries was reduced to 76. This decrease was the result of the merger of two companies in the Nasr Company for Import and Export "Gosoor", and the merger of the Engineering Automotive Company in the Nasr Automotive Industry Company.

Table 3: Nominal Gross Domestic Product

The following table sets forth the composition of Egypt's GDP at market prices (including net indirect taxes) for the periods indicated.

Nominal Gross Domestic Product[(1)]				
	2020/21	**2021/22[(4)]**	**1 July – 31 December 2021[(4)]**	**1 July – 31 December 2022[(4)]**
	(LE billions, except where indicated)			
Nominal GDP (GDP at current prices)......	**6,663**	**7,843**	**4,017**	**4,963**
Domestic Demand	**7,245**	**8,377**	**4,269**	**5,064**
Final Consumption......................................	6,234	7,042	3,665	4,505
Private Consumption	*5,731*	*6,472*	*3,396*	*4,195*
Public Consumption...................................	*504*	*570*	*269*	*310*
Investment[(2)]..	1,011	1,335	604	559
Net Exports...	**(582)**	**(534)**	**(252)**	**(101)**
Exports of Goods and Services[(3)]................	704	1,183	531	850
Imports of Goods and Services..................	1,286	1,717	784	951

Source: Ministry of Planning and Economic Development

Notes:

(1) The figures in this table have been revised and differ from previously published data.
(2) Includes fixed capital formation and change in inventory.
(3) Includes shares of foreign partners in the oil sector.
(4) Preliminary.

Table 4: Real Gross Domestic Product

The following table sets forth the composition of Egypt's GDP at constant prices (including net indirect taxes) for the periods indicated.

Real Gross Domestic Product[(1)]				
	2020/21	**2021/22[(4)]**	**1 July – 31 December 2021[(4)]**	**1 July – 31 December 2022[(4)]**
	(LE billions, except where indicated)			
Real GDP[(2)]	**4,347**	**4,634**	**4,017**	**4,183**
Domestic Expenditure	**4,699**	**4,918**	**4,269**	**4,230**
Final Consumption....................................	4,093	4,215	3,665	3,814
Private Consumption	*3,686*	*3,788*	*3,396*	*3,539*
Public Consumption.................................	*407*	*427*	*269*	*275*
Investment[(3)]	*525*	*622*	*534*	*362*
Net Exports..	**(352)**	**(285)**	**(252)**	**(47)**
Exports of Goods and Services................	462	727	531	731
Imports of Goods and Services................	814	1,012	784	778

Source: Ministry of Planning and Economic Development

Notes:

(1) The figures in this table have been revised and differ from previously published data.
(2) Real GDP at constant prices is calculated using 2016/17 as the base year.
(3) Including change in inventory.
(4) Preliminary.

Table 5: Nominal GDP by Economic Activity

The following table sets forth the composition of Egypt's nominal GDP at factor cost, by economic activity, at current prices for the periods indicated.

Nominal GDP by Economic Activity[(1)(2)]

	2020/21	2021/22
	(LE millions, except where indicated)	
GDP	**6,336,733**	**7,457,122**
Nominal GDP Growth Rate (%)	**7.8**	**17.7**
Total Commodity Sector	**2,840,118**	**3,423,815**
Growth (%)	6.0	20.6
Agriculture, Forestry and Fishing	762,054	858,421
Extractive Industry	411,261	565,562
Petroleum	162,707	253,836
Natural Gas	157,026	208,178
Growth Natural Gas (%)	(48.2)	23.4
Other	91,528	103,549
Manufacturing Industry	1,031,800	1,252,489
Petroleum Refinement	220,022	263,191
Other	811,778	989,298
Electricity	118,311	137,444
Water	35,494	41,001
Construction and Building	481,197	568,898
Growth (%)	34.3	35.4
Total Production Services	**1,875,238**	**2,198,776**
Growth (%)	8.4	17.3
Transport Rate and Warehousing	334,546	385,388
Telecommunications	147,953	178,327
Suez Canal	92,773	114,626
Growth (%)	0.9	23.6
Wholesale and Retail Trade	913,190	1,040,120
Financial Intermediation	228,236	254,132
Insurance and Social Insurance	44,578	49,828
Tourism (Hotels and Restaurants)	113,962	176,355
Growth (%)	(18.9)	54.7
Total Social Services	**1,621,377**	**1,834,531**
Growth (%)	10.3	13.1
Real Estate	725,780	815,086
General Government	437,417	488,465
Education	144,531	169,984
Health	172,879	201,344
Other Services[(3)]	140,770	159,653

Source: Ministry of Planning and Economic Development

Notes:

(1) The figures in this table have been revised and differ from previously published data.
(2) In current prices.
(3) Includes the information sector.

Table 6: Distribution of Investments

The following table sets forth the distribution of total investments in projects in the Egyptian economy during 2021/22.

Distribution of Investments in Projects in the Egyptian Economy						
	Government	Economic Authorities	Public Sector	National Projects	Private Sector	% of Total
			(LE millions)			
Commodity Sector	**111,739.62**	**55,808.6**	**49,913.05**	**149,426.60**	**152,428.80**	**43.5%**
Of which:						
Agriculture	20,300.2	213.5	7.5	17,298.0	20,880.8	4.9%
Crude oil	322.7	33,586.4	2,538.3	1,223.4	7,066.3	3.8%
Natural gas	0.0	220.3	9,136.1	0.0	29,400.2	3.2%
Other extractions	51.6	0.0	159.7	0.0	2,881.2	0.3%
Oil refinement	0.0	0.0	10,182.9	0.0	7,200.3	1.5%
Other manufacturing	785.0	2,676.2	9,405.6	28,656.5	37,172.0	6.6%
Electricity	11,386.2	14,923.1	16,954.0	18,821.0	3,886.0	5.5%
Water	25,245.4	1,695.7	0.0	15,429.3	604.5	3.6%
Drainage	45,593.5	2,492.1	0.0	42,668.2	0.0	7.6%
Construction and building	8,055.0	1.3	1,529.0	25,330.2	43,337.5	6.6%
Production Services	**66,570.7**	**118,435.6**	**27,919.1**	**24,218.9**	**96,519.1**	**28.0%**
Of which:						
Transportation and storage	50,247.2	96,655.0	13,516.9	23,814.7	30,038.9	18.0%
Communications	12,948.6	4,599.7	5,648.8	58.5	24,792.2	4.0%
Information	3,302.1	294.6	90.5	0.0	5,245.0	0.7%
Suez Canal	0.0	16,578.8	0.0	137.8	0.0	1.4%
Wholesale and retail trade	0.0	128.4	1,161.6	207.9	18,450.0	1.7%
Financial services	16.8	155.2	6,757.2	0.0	7,435.0	1.2%
Tourism (restaurants and hotels)	55.9	23.9	744.1	0.0	10,558.0	1.0%
Social Services	**151,419.9**	**70,187.4**	**1,363.4**	**23,306.1**	**93,326.5**	**28.5%**
Of which:						
Real estate	15,391.5	325.4	0.0	9,211.0	58,423.5	7.0%
Education services	55,611.5	3,008.6	0.0	209.7	10,620.0	5.8%
Health services	34,523.4	2,076.8	31.9	737.6	11,890.0	4.1%
Other services	45,893.4	64,776.6	1,331.5	13,147.8	12,393.0	11.5%
Settlements						
Total Investments	**329,730.1**	**244,431.6**	**79,195.6**	**196,951.6**	**342,274.4**	**100.0**

Source: Ministry of Planning and Economic Development

Table 7: Crude Oil Imports

The following table sets out the countries from which Egypt imports crude oil for the periods indicated.

Imports of Crude Oil		
	2020/21	**2021/22**
	(U.S.$ millions)	
Kuwait	1,410.6	1,593.8
Iraq	424.7	445.5
Saudi Arabia	1,603.7	2,485.7
Total	**3,439.0**	**4,525.0**

Source: Ministry of Petroleum

Table 8: Oil Product Imports

The following table sets out the countries from which Egypt imports oil products for the periods indicated.

Imports of Oil Products		
	2020/21	2021/22
	(U.S.$ millions)	
UAE	291.5	525.4
Algeria	0.0	0.0
Saudi Arabia	927.5	2691.8
Kuwait	362.6	377.4
Greece	154.4	76.8
Spain	68.8	24.5
Italy	268.2	552.0
Belgium	190.7	435.1
Turkey	67.1	0.0
Georgia	—	18.5
Tunisia	27.2	260.9
Switzerland	34.1	0.0
Amman	27.0	0.0
France	25.0	0.0
Malta	51.3	0.0
Holland	87.0	152.6
Libya	0.0	0.0
Malaysia	35.5	0.0
Romania	15.6	0.0
Bulgaria	33.2	181.7
Finland	12.4	0.0
Midor (ITT)	—	20.8
Other mineral oils	383.4	427.1
Ireland	14.0	0.0
Israel	10.7	0.0
Argentina	27.0	0.0
Barbados	14.0	0.0
Estonia	1.3	0.0
Total	**3,129.5**	**5,744.6**

Source: Ministry of Petroleum

Table 9: Non-Oil Product Imports

The following table sets out the countries from which Egypt imports non-oil products for the periods indicated.

Imports of Non-Oil Products			
	January to February		
	2021	2022	Percentage Change
Countries	*(U.S.$ millions)*		*(%)*
China	2,193	2,444	11.4
USA	1,000	1,013	1.3
Turkey	493	741	50.3
Germany	646	686	6.2

Russia	592	529	(10.6)
India	410	658	60.5

Source: Ministry of Trade and Industry

Table 10: Non-Oil Product Exports

The following table sets out the countries to which Egypt exports non-oil products for the periods indicated.

Exports of Non-Oil Products			
	January to February		
	2021	2022	Percentage Change
Countries	*(U.S.$ millions)*		*(%)*
Saudi Arabia	305	384	25.9
USA	277	368	32.9
UAE	238	368	54.6
Turkey	343	361	5.2
Italy	285	334	17.2
China	83	196	136.1

Source: Ministry of Trade and Industry

Table 11: LNG Imports

The following table sets out the country from which Egypt imports LNG for the periods indicated.

Imports of LNG		
	2020/21	2021/22
Countries	*(U.S.$ millions)*	
Israel	764.0	1,531.6
Total	**764.0**	**1,531.6**

Source: Ministry of Petroleum

Table 12: Butane Gas Imports

The following table sets out the countries from which Egypt imports butane gas for the periods indicated.

Imports of Butane Gas		
	2020/21	2021/22
	(U.S.$ millions)	
Saudi Arabia	495.5	387.2
Algeria	73.8	8.5
Libya	5.5	22.9
Switzerland	64.6	0.0
Italy	—	2.8
USA	341.6	825.8
Norway	11.7	38.6
Spain	17.3	8.2
England	11.8	0.0

Singapore	24.4	0.0
Argentina	9.1	0.0
UAE	0.0	188.6
Panama	5.4	0.0
Total	**1,060.7**	**1,482.6**

Source: Ministry of Petroleum

Table 13: Petroleum and Product Production and Consumption

The following table sets forth the amount of petroleum and product production and consumption for the periods indicated. These reflect the changes to the activity of the oil sector. There were also various changes in the rate of activity in respect of the oil sector.

Petroleum and Product Production and Consumption		
	2020/21	**2021/22**[(1)]
	(millions of tonnes)	
Production		
Crude Oil, LPG and Condensates	29.3	28.6
Natural Gas	49.9	52
Total Production	**79.2**	**80.6**
Domestic Consumption		
Petroleum and Petrochemical Products	25.9	32.3
Natural Gas	47.4	47.3
Total Consumption	**73.3**	**79.6**

Source: Ministry of Petroleum

Note:
(1) Preliminary figures.

Table 14: Electricity Generation and Consumption

The following table sets forth electricity generation and consumption for the periods indicated.

Electricity Generation and Consumption		
	2020/21	**2021/22**
	(millions of megawatt hours)	
Domestic Electricity Consumption		
Industrial	42.1	45.7
Commercial and household	69.6	71.2
Other	40.5	45.2
Total electricity consumed domestically	**152.2**	**162.1**
Electricity generated, but not consumed domestically (build-own-operate and transfer and interconnection)	1.9	2.0
Total Electricity Consumed	**154.1**	**164.1**

Source: Ministry of Electricity and Renewable Energy

Table 15: Suez Canal Traffic

The following table provides information relating to Suez Canal traffic for the periods indicated.

Suez Canal Traffic		
	2020/21	**2021/22**
Number of vessels[(1)]	19,047	22,032
Vessels (*millions of tonnes*)	1,191	1,321
Receipts (*U.S.$ millions*)	5,843	6,978

Source: Suez Canal Authority

Note:
(1) Includes oil tankers and other vessels.

Table 16: Tourism Activities

The following table sets forth information regarding tourism activities for the periods indicated.

Tourism Receipts (July to December)	
	(U.S.$ millions)
2020/21	1,788
2021/22	5,821

Source: CBE

Table 17: Tourism Investments

The following table sets forth information regarding tourism investments for the periods indicated.

Tourism Implemented Investments			
	Public	**Private**	**Total**
	(LE millions in current prices)		
2019/20	319	4,953	5,272
2020/21	408	5,596	6,004

Source: Ministry of Planning

Table 18: Population Breakdown

The following table sets forth the estimated population breakdown by gender and age group as at 1 July 2022.

Population Breakdown				
Age Group	**Female**	**Male**	**Total**	**Proportion of total population** *(%)*
0-4	6,918,183	7,197,924	14,116,107	13.6
5-9	5,540,562	5,963,439	11,504,001	11.1
10-14	4,741,642	5,136,902	9,878,544	9.5
15-19	4,748,552	5,104,882	9,853,434	9.5
20-24	4,381,917	4,619,879	9,001,796	8.7
25-29	4,529,152	4,398,631	8,927,783	8.6
30-34	3,919,121	4,100,374	8,019,495	7.7
35-39	3,446,863	3,633,159	7,080,022	6.8
40-44	2,730,411	2,892,752	5,623,163	5.4
45-49	2,306,712	2,486,862	4,793,574	4.6
50-54	2,130,492	2,231,450	4,361,942	4.2
55-59	1,691,593	1,865,618	3,557,211	3.4
60-64	1,349,298	1,541,422	2,890,720	2.8
65-69	850,770	1,025,667	1,876,437	1.8
70-74	530,713	578,165	1,108,878	1.1
75+	492,257	519,675	1,011,932	1.0
Total	**50,308,238**	**53,296,801**	**103,605,039**	**100.0**

Source: CAPMAS

Table 19: Labour Force Trends

The following table sets forth trends in the labour force as at 31 December for the years indicated.

Employment[(1)]		
	2020	**2021**
Labour force (*millions*)	28.5	29.4
Employed (*millions*)	26.2	27.2
Unemployed (*millions*)	2.3	2.2
Unemployment rate (%)	7.9	7.4

Source: CAPMAS

Note:

(1) The figures in this table have been revised and differ from previously published data.

Table 20: Number of Workers by Sector

The following table sets forth the number of workers by sector as at the dates indicated.

Number of Workers by Sector		
	As at 31 December	
	2019	**2021**
	(thousands of people)	
Agriculture, forestry and fishing	5,325	5,232
Mining	40	40

Manufacturing	3,409	3,414
Electricity, Gas and A/C supplies	230	215
Water supplies and drainage networks	249	284
Construction and building	3,518	3,739
Wholesale, retail, vehicles	3,794	4,077
Transport and warehousing	2,247	2,421
Tourism	786	820
Information and telecommunications	187	221
Financial intermediaries and insurance	160	201
Real estate and leasing	50	53
Technology	489	556
Administrative activities and subsidy services	222	234
Public administration, defence and obligatory social security	1,541	1,461
Education	2,024	2,126
Health and social work activities	918	1,003
Art and entertainment	116	146
Other Services	644	651
Individual households' services	178	231
International organisations and embassies	2	3
Other	70	63
Total	**26,199**	**27,188**

Source: CAPMAS

Table 21: Weekly Average Wages

The following table sets forth weekly average wages for the years indicated.

Weekly Average Wages(1)		
	2020	**2021**
	(LE)	
Public Sector	1,834	1,881
Private Sector	885	912
Overall	915	942

Source: CAPMAS

Note:

(1) Figures stated as at 31 December.

3. External Sector

Table 22: Balance of Payments

The following table sets forth data on Egypt's balance of payments for the periods indicated.

Balance of Payments(1)		
	Fiscal year	
	2021/22(2)	**2022/23(2)**
	(U.S.$ millions)	
Exports(3)	43,906	39,624

Imports	(87,302)	(70,784)
Trade Balance[4]	**(43,396)**	(31,160)
Services and income (*net*)[5]	(4,605)	4,608
Balance of goods, services and income	(48,001)	(26,552)
Official Transfers (*net*)	(271)	(56)
Private Transfers (*net*)	31,720	21,897
Total Transfers	31,449	21,841
Balance of Current Account	**(16,551)**	**(4,711)**
Foreign Direct Investment (*net*)[6]	8,937	10,039
Portfolio Investment in Egypt (*net*)	(20,983)	(3,766)
Net Borrowing	(1,447)	1,434
Medium- and Long-term Loans	710	(226)
Drawings	3,661	3,195
Repayments	(2,951)	(3,421)
Medium-Term Suppliers' Credits	750	1,678
Drawings	3,974	2,862
Repayments	(3,224)	(1,183)
Short-Term Suppliers' Credits (*net*)	(2,907)	(18)
Other Assets	4,242	(4,751)
Other Liabilities	21,620	6,695
Capital and Financial Account	**11,806**	**8,932**
Net Errors and Omissions	(5,800)	(3,339)
Overall Balance	**(10,546)**	**882**
Trade Balance/GDP (%)	(9.1)	(7.6)
Current Account/GDP (%)	(3.5)	(1.2)
Overall balance/GDP (%)	(2.2)	0.2
NIR[7] as months of merchandise imports	4.6	5.9

Source: CBE

Notes:

(1) This data differs from previously published data.
(2) Preliminary figures.
(3) Including petroleum and other exports.
(4) Including exports and imports of free zones.
(5) Includes transportation, travel, investment income, Government expenditure and other receipts and payments.
(6) Includes FDI in the petroleum sector.
(7) Net International Reserves. As at 30 September 2023, net international reserves were U.S.$35.0 billion.

Table 23: Net Unrequited Current Transfers

The following table sets out the net unrequited current transfers of Egypt for the periods indicated.

Net Unrequited Current Transfers		
	2021/22[(1)]	2022/23[(1)]
	(U.S.$ millions)	
Net unrequited current transfers	**31,449**	**21,841**
Net Private Transfers		
of which:	**31,720**	**21,897**
Worker Remittances	31,924	22,076
Net official Transfers	**(271)**	**(56)**

Source: CBE

Notes:

(1) Preliminary figures.

Table 24: Exports by Product

The following table sets forth the value of products exported for the periods indicated.

Exports by Product[(1)]		
	2021/22[(2)]	2022/23[(2)]
	(U.S.$ billions)	
Fuel Exports:	**18.0**	**13.8**
Crude Petroleum	3.8	2.3
Petroleum products[(3)]	14.1	11.5
Non-Fuel Exports, *of which:*	**25.9**	**25.8**
Raw Materials	3.5	3.8
Semi-finished goods	5.9	5.9
Finished goods	16.3	15.9
Other Exports	0.0	0.0
Total Exports[(4)]	**43.9**	**39.6**

Source: CBE

Notes:

(1) According to the Harmonised System Coding (Degree of Processing).
(2) Preliminary figures.
(3) Including gas, and bunker and jet fuel.
(4) Including exports from free zones.

Table 25: Destinations of Egyptian Exports

The following table sets forth the destination of exports from Egypt for the periods indicated.

Destinations of Egyptian Exports		
	2021/22[1]	2022/23[1]
	(U.S.$ billions)	
European Union	12.6	12.3
United States	4.4	3.4
Arab countries	7.7	8.3
Asian countries (excluding Arab countries)	6.9	5.3
Other European countries	7.5	6.4
African countries (excluding Arab countries)	0.9	0.8
Commonwealth of Independent States[2]	0.5	0.4
Other countries	3.6	2.6
Total Exports[3]	**43.9**	**39.6**

Source: CBE

Notes:

(1) Preliminary figures.
(2) Includes Russia and Ukraine.
(3) Including exports from free zones.

Table 26: Russia and Ukraine Trade

The following table shows the non-oil import and export figures in relation to Russia and Ukraine.

Non-Oil Russia and Ukraine Exports/Imports				
	2021/22[1]		2022/23[1]	
	(U.S.$ millions)	*(%)*	*(U.S.$ millions)*	*(%)*
Total non-oil Exports, *of which*:	**25,929.2**	**100.0**	**25,807.5**	**100.0**
Russia (non-oil exports)	366.2	1.4	376.2	1.5
Ukraine (non-oil exports)	24.0	0.1	19.8	0.1
Total non-oil Imports, *of which:*	**73,757.8**	**100.0**	**57,377.1**	**100.0**
Russia (non-oil imports)	2,749.9	3.7	1,763.9	3.1
Ukraine (non-oil imports)	1,568.1	2.1	871.0	1.5

Source: CBE

Note:

(1) Preliminary figures.

Table 27: Imports by Product

The following table sets forth the levels of Egyptian imports by product for the periods indicated.

Imports by Product[1]		
	2021/22[2]	2022/23[2]
	(U.S.$ billions)	
Fuel Imports:	**13.5**	**13.4**
Petroleum products[3]	9.0	10.1
Crude Oil	4.5	3.3
Non-Fuel Imports	**73.8**	**57.4**

Raw Materials	9.6	7.6
Intermediate Goods	29.6	22.7
Investment Goods	10.0	7.9
Consumer Goods	22.0	13.7
Other Imports	2.6	5.5
Total Imports(4)	**87.3**	**70.8**

Source: CBE

Notes:

(1) According to The Harmonised System Coding (H.S.C.) (Degree of Use).
(2) Preliminary figures.
(3) Including gas, and bunker and jet fuel.
(4) Including imports to free zones, and commodity grants and loans.

Table 28: Imports by Origin

The following table sets forth the origin of Egyptian imports for the periods indicated.

Origins of Imports		
	2021/22(1)	**2022/23(1)**
	(U.S.$ billions)	
European Union	18.2	14.9
United States	5.0	4.2
Asian countries (excluding Arab countries)	22.7	17.2
Arab countries	18.9	14.5
Other European countries	9.3	6.7
Commonwealth of Independent States(2)	4.4	3.0
African countries (excluding Arab countries)	0.5	0.5
Australia	0.6	0.4
Other countries	7.8	9.5
Total Imports(3)	**87.3**	**70.8**

Source: CBE

Notes:

(1) Preliminary figures.
(2) Includes Russia and Ukraine.
(3) Including exports of free zones.

Table 29: Imports of Non-Oil Products

The following table sets out the countries from which Egypt imports non-oil products for the periods indicated.

Imports of Non-Oil Products			
	2021/22(1)	**2022/23(1)**	**Percentage Change**
	(U.S.$ millions)		*(%)*
China	9,745.1	6,599.7	(32.3)
UAE	5,789.8	4,267.8	(26.3)
USA	4,136.7	3,306.3	(20.1)
Germany	3,882.2	3,199.7	(17.6)

Turkey	3,392.2	2,275.7	(32.9)
Switzerland	3,050.5	2,052.6	(32.7)

Note:
(1) Preliminary figures.

Table 30: Exports of Non-Oil Products

The following table sets out the countries to which Egypt exports non-oil products for the periods indicated.

Exports of Non-Oil Products			
	2021/22(1)	**2022/23(1)**	**Percentage Change**
Countries	*(U.S.$ millions)*		*(%)*
UAE	2,457.5	3,479.9	41.6
USA	3,745.8	2,594.1	(30.7)
United Kingdom	2,381.9	1,901.8	(20.2)
Saudi Arabia	1,560.1	1,526.9	(2.1)
Turkey	1,050.9	1,407.7	34.0
Germany	1,581.0	1,296.7	(18.0)

Note:
(1) Preliminary figures.

Table 31: Foreign Direct Investment by Country

The following table sets forth FDI figures and the principal countries of origin for the periods indicated.

FDI by Country		
	2021/22	**2022/23**
	(U.S.$ millions)	
Total Net Foreign Direct Investment	**8,937**	**10,039**
Inflows	**22,205**	**23,053**
United States	1,530	2,304
United Kingdom	1,990	2,001
France	551	591
Spain	125	161
Germany	633	356
Saudi Arabia	492	2,410
Switzerland	649	943
Kuwait	669	633
Bahrain	458	337
United Arab Emirates	5,656	3,009
Netherlands	2,148	1,127
Oman	(5)	4.1
Others	7,309	9,177
Outflows(1)	**(13,268)**	**(13,014)**

Source: CBE

Notes:

(1) Including cost recovery and profit sharing related to international oil and gas companies.

Table 32: Foreign Direct Investment (Ukraine and Russia)

The following tables show the inflows and outflows of foreign direct investment in relation to Ukraine and Russia for the periods presented:

Ukraine		
	2021/22	**2022/23**
	(U.S.$ millions)	
Inflow	38.0	31.0
Outflow	30.0	29.0
Net FDI	**8.0**	**2.0**

Russia		
	2021/22	**2022/23**
	(U.S.$ millions)	
Inflow	65.0	141.0
Outflow	31.0	19.0
Net FDI	**34.0**	**122.0**

4. **Monetary and Financial Sector**

Table 33: Egyptian Banking Sector Statistics

The following table sets forth statistics regarding the Egyptian banking sector as at the dates indicated.

Egyptian Banking Sector					
30 June 2021		**30 June 2022**		**30 June 2023**	
Banks	**Branches**	**Banks**	**Branches**	**Banks**	**Branches**
38	4,577	38	4,598	36	4,638

Table 34: Aggregate Financial Position of Banks

The following table sets forth the aggregate financial position of banks (except CBE) in Egypt as at the dates indicated.

Aggregate Financial Position of Banks			
	As at 30 June		**As at 30 April**
	2021	**2022**	**2023**
		(LE millions)	
Assets			
Cash	65,190	76,532	97,833
Securities and Investments Treasuries	2,871,055	3,739,698	4,720,573
Balances with Banks in Egypt	1,006,534	1,608,543	2,404,938
of which Loans and Discounts	6,195	6,411	11,398
Balances with Banks abroad	307,525	222,074	357,125
of which Loans and Discounts	6,546	9,447	7,116
Loans and Discount Balances for customers	2,903,723	3,564,671	4,518,929

Other Assets	794,088	825,553	1,177,873
Total Assets	**7,948,115**	**10,037,071**	**13,277,271**
Liabilities and Capital			
Capital	185,357	234,690	323,193
Reserves	362,183	428,928	484,383
Provisions	170,349	219,589	303,474
Bonds and Long-Term Loans	243,973	371,388	546,729
Obligations to Banks in Egypt	304,598	303,226	554,622
Obligations to Banks abroad	100,469	219,252	442,265
Total Deposits	5,731,539	7,353,461	9,285021
Other Liabilities, of which	849,647	906,537	1,337,584
Cheques Payable	10,113	10,059	15,410
Total Liabilities	**7,948,115**	**10,037,071**	**13,277,271**

Source: CBE

Table 35: Bank Deposits

The following table sets forth the composition of deposits with all domestically operating banks as at the dates indicated.

Composition of Deposits(1)			
	As at 30 June		**As at 30 April**
	2021	**2022**	**2023**
		(LE Millions)	
Total Deposits	**5,731,539**	**7,353,461**	**9,285,020**
Demand Deposits	928,597	1,280,398	1,710,726
Time and saving deposits and saving accounts	4,330,952	5,393,038	6,612,078
Blocked or retained deposits	471,990	680,025	962,216
Local Currency Deposits	**4,946,027**	**6,287,054**	**7,399,313**
Demand Deposits	768,637	1,038,772	1,232,683
Time and saving deposits and saving accounts	3,740,662	4,634,464	5,311,969
Blocked or retained deposits	436,729	613,817	854,662
Foreign Currencies Deposits	**785,512**	**1,066,407**	**1,885,707**
Demand Deposits	159,960	241,625	478,043
Time and saving deposits and saving accounts	590,290	758,573	1,300,109
Blocked or retained deposits	35,262	66,208	107,555

Source: CBE

Note:

(1) The figures in this table have been revised and differ from previously published data.

Table 36: Banking Sector Financial Soundness

The following table sets forth indicators of banking sector financial soundness as at the dates indicated.

Banking Sector Financial Soundness Indicators[1]		
	FY	
	2022	2023
	(%)	
Regulatory capital to risk-weighted assets[2]	18.9	17.5
Leverage ratio	6.4	6.3
NPLs to total loans	3.3	3.3
Loan provisions to NPLs	91.9	91.6
Return on average assets	1.2	—
Return on average equity	17.7	—
Liquidity Ratios		
Local currency	43.3	37.6
Foreign currency	77.9	70.1
Loans to deposits	48.0	50.9

Source: CBE

Notes:

(1) Since fiscal year end 2021, the fiscal year ends 30 June for all banks. Quarterly figures are based on reports for all banks as at the end of the relevant quarter. Annual figures are based on audited annual reports provided by the banks.

(2) Basel II regulations introduced in December 2012 applied with effect from December 2012 to all banks whose fiscal year ends in December, and from June 2013 to those banks whose fiscal year ends in June.

Table 37: Annual Headline Inflation

The following table sets forth annual headline inflation rates as measured by the CPI for the 12 months ended in the month indicated year-on-year.

Inflation—Annual Headline Inflation—Twelve Months		
Percentage Change	**2022**	**2023**
	(%)	
January	7.3	25.8
February	8.8	31.9
March	10.5	32.7
April	13.1	30.6
May	13.5	32.7
June	13.2	35.7
July	13.6	36.5
August	14.6	37.4
September	15.0	—
October	16.2	—
November	18.7	—
December	21.3	—

Sources: CAPMAS and CBE

Table 38: Composition and Weighting of CPI

The following table sets forth the current composition of the CPI and the relative weight of the component that CAPMAS uses to calculate the Urban CPI.

Composition and Weighting of the CPI	
Component	**Weight**
	(%)
Food and beverages	32.73
Tobacco and related products	4.41
Clothing and footwear	4.38
Housing, water, electricity, gas and other fuels	19.46
Furnishings, household equipment and routine maintenance of dwellings	3.93
Medical care	8.59
Transportation	6.66
Communications	2.75
Recreation and culture	2.24
Education	5.49
Hotels, cafés and restaurants	4.98
Miscellaneous goods and services	4.37

Sources: CAPMAS and CBE

Table 39: CBE Key Interest Rates

The following table sets forth the dates of the changes in the CBE's key interest rates.

CBE Key Interest Rates			
CBE Key Interest Rates	**Overnight Deposit Rate**	**Overnight Lending Rate**	**Discount Rate**
		(%)	
9 June 2011	8.25	9.75	8.50
24 November 2011	9.25	10.25	9.50
21 March 2013	9.75	10.75	10.25
1 August 2013	9.25	10.25	9.75
19 September 2013	8.75	9.75	9.25
5 December 2013	8.25	9.25	8.75
17 July 2014	9.25	10.25	9.75
15 January 2015	8.75	9.75	9.25
24 December 2015	9.25	10.25	9.75
17 March 2016	10.75	11.75	11.25
16 June 2016	11.75	12.75	12.25
3 November 2016	14.75	15.75	15.25
21 May 2017	16.75	17.75	17.25
6 July 2017	18.75	19.75	19.25
15 February 2018	17.75	18.75	18.25
29 March 2018	16.75	17.75	17.25
14 February 2019	15.75	16.75	16.25
22 August 2019	14.25	15.25	14.75
26 September 2019	13.25	14.25	13.75
14 November 2019	12.25	13.25	12.75
16 March 2020	9.25	10.25	9.75
13 August 2020	9.25	10.25	9.75
24 September 2020	8.75	9.75	9.25

12 November 2020	8.25	9.25	8.75
24 December 2020	8.25	9.25	8.75
4 February 2021	8.25	9.25	8.75
18 March 2021	8.25	9.25	8.75
28 April 2021	8.25	9.25	8.75
17 June 2021	8.25	9.25	8.75
5 August 2021	8.25	9.25	8.75
16 September 2021	8.25	9.25	8.75
28 October 2021	8.25	9.25	8.75
16 December 2021	8.25	9.25	8.75
3 February 2022	8.25	9.25	8.75
21 March 2022(*)	9.25	10.25	9.75
19 May 2022	11.25	12.25	11.75
23 June 2022	11.25	12.25	11.75
18 August 2022	11.25	12.25	11.75
22 September 2022	11.25	12.25	11.75
27 October 2022(*)	13.25	14.25	13.75
25 December 2022	16.25	17.25	16.75
2 April 2023	18.25	19.25	18.75
6 August 2023	19.25	20.25	19.75

Source: CBE

(*) Special, unscheduled MPC meeting

Table 40: Interest Rates

The following table sets forth the discount rate, 91-day treasury bill rate and overnight interbank rates as at the end of the periods indicated.

Interest Rates			
	Discount Rate	**Treasury Bills**	**Rate**
		(%)	
2022			
January	8.75	11.33	9.96
February	8.75	11.34	9.60
March	9.75	11.35	9.46
April	9.75	12.32	9.51
May	11.75	13.42	11.79
June	11.75	15.14	11.63
July	11.75	15.57	11.55
August	11.75	16.04	11.30
September	11.75	15.70	11.28
October	13.75	15.99	13.39
November	13.75	17.63	13.43
December	16.75	18.06	16.33
2023			
January	16.75	20.09	16.77
February	16.75	20.52	16.41
March	18.75	20.67	16.37

April	18.75	21.41	18.28
May	18.75	22.56	18.37
June	18.75	23.19	18.31
July	18.75	23.43	18.33
August	19.75	24.34	19.39

Source: CBE

Table 41: Liquidity and Credit Aggregates

The following table sets forth the liquidity and credit aggregates as at the dates indicated.

Liquidity and Credit Aggregates(1)		
	30 June 2022	**30 June 2023**
	(LE millions, except where indicated)	
M1(2)	1,545,378	2,060,944
Domestic Liquidity (M2)(3)	6,614,488	8,248,189
Change in Domestic Liquidity (%)	23.5	24.7
Foreign Currency Deposits (as a % of M2)	12.8	18.4
Foreign Currency Deposits (as a % of Total Deposits)	14.50	20.9
M2 of a % of GDP	84.34	80.86
Domestic Credit		
Government (net)(4)	4,424,940	5,842,603
Public Business Sector	154,513	164,839
Private Business Sector	1,482,282	1,894,855
Household Sector	695,900	837,350
Total Domestic Credit	**6,757,635**	8,739,647
Year-on-year Change in Domestic Credit (%)	24.7	29.3

Source: CBE

Notes:
(1) The figures in this table have been revised and differ from previously published data.
(2) Money in circulation plus local currency demand deposits.
(3) M1 plus local currency time and saving deposits and foreign currency deposits.
(4) Including public enterprises and authorities.

Table 42: Exchange Rates

The following table sets forth average data relating to the official exchange rate between the Egyptian Pound and the U.S. dollar for the years indicated.

Egyptian Pound – U.S. Dollar Exchange Rates(1)		
2020	**2021**	**2022**
	(LE per U.S.$1.0)	
15.758	15.645	19.215

Source: CBE

Note:
(1) The figures in this table represent the average exchange rates for each calendar year.

Table 43: Net International Reserves

The following table sets forth net international reserves data as at and for the periods indicated.

Net International Reserves		
	June 2022	June 2023
	(U.S.$ millions)	
Net International Reserves..........................	33,380	34,828
Gross Official Reserves	33,385	34,830
Gold	7,314	7,738
Foreign Currencies...	26,021	27,065
Special Drawing Rights	50	27
Loans to IMF	0	0
Banks' Net Foreign Assets	(11,660)	(17,146)
Assets..	14,529	12,792
Liabilities	26,189	29,938
NIR in months of merchandise imports.........	4.6	5.9

Source: CBE

Table 44: Stock Exchange Indicators

The following table sets forth selected indicators for the EGX as at the dates indicated.

Selected Indicators for the Egyptian Exchange(1)		
	As at 30 June	
	2022	2023
Total Market Capitalisation(2) (*LE millions*)......	620,166	1,160,200
Total Value of Trading(*LE millions*)	55,269	67,657
Number of Listed Companies(2).........................	215	217
EGX 30 Index (end of period)..........................	9,225.6	17,665.3

Source: Financial Regulatory Authority and the Egyptian Exchange (EGX)

Notes:
(1) This data differs from previously published data.
(2) Main market.

5. Public Finance

Table 45: 2023/24 Budget and Actual Results

The following table sets out the budget for 2023/24 and actual results for 2020/21 to 2022/23.

2020/21 – 2022/23 (Actual Results) – 2023/24 (Budget)							
	2020/21	2021/22	Growth Rate (%)	2022/23 (Actual)	Growth Rate (%)	Budget 2023/24(1)	Budgeted Growth Rate (%)
	(LE millions, except for percentages)						
Revenues and Grants	**1,108,625**	**1,347,178**	**21.5**	**1,564,115**	**16.1**	**2,142,097**	**37.0**
Tax Revenue	833,993	991,403	18.9	1,258,582	26.9	1,529,977	21.6
Grants	2,955	4,081	38.1	5,432	33.1	1,931	(64.5)
Other Revenues	271,678	351,694	29.5	300,102	(14.7)	610,188	103.3
Expenditures	**1,578,774**	**1,831,022**	**16.0**	**2,184,790**	**19.3**	**2,990,925**	**36.9**
Wages and Salaries	318,806	358,735	12.5	412,464	15.0	470,000	13.9

Purchases of Goods and Services	81,462	99,580	22.2	127,778	28.3	139,381	9.1
Interest Payments	565,497	584,826	3.4	774,236	32.4	1,120,086	44.7
Subsidies, Grants and Social Benefits	263,886	343,405	30.1	454,101	32.2	529,685	16.6
Other Expenditures	99,751	114,746	15.0	127,060	10.7	145,083	14.2
Purchases of Non-Financial Assets	249,372	329,730	32.2	289,152	(12.3)	586,690	102.9
Cash Deficit	**470,149**	**483,844**	**2.9**	**620,675**	**28.3**	**848,828**	**36.8**
Net Acquisition of Financial Assets	**2,196**	**570**	**(74.0)**	**(10,772)**	**(1,990.8)**	**(24,375)**	**126.3**
Overall Fiscal Deficit	**472,345**	**484,414**	**42.6**	**609,903**	**25.9**	**824,453**	**35.2**
Primary Surplus	**93,153**	**100,421**	**7.8**	**164,333**	**63.7**	**295,633**	**79.9**
Cash Deficit/GDP*(%)*	6.8	6.1	—	6.2	—	7.2	—
Primary Surplus/GDP*(%)*	1.3	1.3	—	1.6	—	2.5	—
Overall Deficit/GDP(%)	6.8	6.1	—	6.0	—	7.0	—

Source: Ministry of Finance

Notes:

(1) No assurance can be given that the actual financial performance and condition will match the forecasts in Egypt's budget. The budget was approved by the House of Representatives in June 2023. For the 2023/24 Budget, GDP is estimated at LE11,843 billion.

Table 46: Public Accounts

The following table sets forth an overview of the revenues, expenditure and overall balance of the budget sector public accounts for the periods indicated.

Public Accounts[1]				
	2020/21	2021/22	2022/23 Actual	2023/2024 Budget[2]
	(LE millions)			
Revenues and Grants	**1,108,625**	**1,347,178**	**1,564,115**	**2,142,097**
Tax Revenues	**833,993**	**991,403**	**1,258,582**	**1,529,977**
Income Tax	321,246	386,393	516,287	594,433
Property Taxes	72,404	90,221	125,157	173,652
Value Added Taxes	384,913	454,211	555,556	664,677
Taxes on International Trade	36,130	42,956	59,390	58,215
Other Taxes	19,300	17,621	2,193	39,000
Grants	**2,955**	**4,081**	**5,432**	**1,931**
Other Revenues	**271,678**	**351,694**	**300,102**	**610,188**
Property Income	79,669	93,120	86,220	115,177
Proceeds from Sales of Goods and Services	57,730	77,814	94,707	96,586
Miscellaneous Revenues	126,619	170,870	106,243	394,385
Expenditures	**1,578,774**	**1,831,022**	**2,184,790**	**2,990,925**
Wages and Salaries	318,806	358,735	412,464	470,000
Purchases of Goods and Services	81,462	99,580	127,778	139,381
Interest Payments	565,497	584,826	774,236	1,120,086
Subsidies, Grants and Social benefits	263,886	343,405	454,101	529,685
Other Expenditures	99,751	114,746	127,060	145,083
Purchases of Non-Financial assets	249,372	329,730	289,152	586,690
Cash Deficit[4]	**470,149**	**483,844**	**620,675**	**848,828**
Net Acquisition of Financial assets	**2,196**	**570**	**(10,772)**	**(24,375)**
Overall Fiscal Deficit	**472,345**	**484,414**	**609,903**	**824,453**
Overall Balance/GDP (%)	(6.8)	(6.1)	(6.0)	(7.0)
Primary Balance/GDP (%)	1.3	1.3	1.6	2.5
Revenues/GDP (%)	16.0	17.0	15.5	18.1
Expenditure/GDP (%)	22.8	23.1	21.6	25.3

Source: Ministry of Finance

Notes:
(1) The figures in this table have been revised and differ from previously published data.
(2) Budgeted figures.
(3) Overall deficit excluding net acquisition of financial assets.

Table 47: Subsidies

The following table sets forth the details of the actual subsidies for the fiscal years indicated.

Subsidies (Actual Figures)[1]			
	2020/21	2021/22	2022/23 Prelim[2]
	(LE millions)		
Food subsidies	**83,018**	**96,805**	**121,810**
Petroleum subsidies	**18,913**	**59,829**	**125,810**
Electricity subsidies	**0**	**0**	**0**
Support subsidies	**19,600**	**26,285**	**28,227**
Housing loan Interest	369	260	232

Transportation	1,800	1,848	1,901
Potable water	1,497	5,926	4,294
Low-income housing	1,499	2,048	4,380
Export Subsidies	3,927	2,528	1,959
Industrial Zones	0	0	0
Other subsidies(3)	10,508	13,757	15,461
Total	**121,530**	**182,919**	**275,847**

Source: Ministry of Finance

Notes:

(1) The figures in this table have been revised and differ from previously published data.

(2) According to the Ministry of Finance's preliminary figures (which are subject to revision and amendment that could be material).

(3) Includes, among other items, subsidies to farmers, medical insurance and subsidies in respect of the development of Upper Egypt.

6. Public Debt

Table 48: General Government Debt

The following table sets forth Egypt's general Government debt as at the dates indicated.

Total General Government Debt(1)(2)		
	As at 30 June	
	2021	2022
	(LE millions, unless otherwise stated)	
Gross Consolidated Public Domestic Debt	**5,046,259**	**5,970,816**
Gross Consolidated General Government Domestic Debt	4,564,074	5,243,263
Economic Authorities' Domestic Debt	672,118	907,330
Less:		
Economic Authorities' Borrowings from NIB	*184,707*	*168,554*
Economic Authorities' Deposits in TSA(3)	*5,226*	*11,222*
Less:		
Public Sector Deposits	645,504	1,093,173
General Government Deposits	402,272	723,837
Economic Authorities Gross Deposits	322,973	458,651
Less:		
Social Insurance Funds Deposits(4)(5)	*74,515*	*78,093*
Economic Authorities' Deposits in TSA(3)	5,226	11,222
Net Consolidated Public Domestic Debt	**4,400,755**	**4,877,643**
Gross External Debt (*U.S.$ millions*)	**137,859**	**155,709**
Gross External Government Debt *(U.S.$ millions)*	**82,445**	**82,275**
Bonds and Notes *(U.S.$ millions)*	28,709	29,014
Loans *(U.S.$ millions)*	51,736	53,262
Shot-term Debt (Loans) *(U.S.$ millions)*	2,000	
Gross External Non-Government Debt (*U.S.$ millions*)	**55,414**	**73,434**
Monetary Authorities (*U.S.$ millions*)	25,567	40,882
Banks (*U.S.$ millions*)	14,390	17,714
Other sectors (*U.S.$ millions*)	15,457	14,837
Total General Government Debt(6)	**5,831,711**	**6,769,887**

Debt to GDP Ratios		
Gross Consolidated Public Domestic Debt/GDP (%)	72.9	75.2
Net Consolidated Public Domestic Debt/GDP (%)	63.6	61.4
Gross External Debt/GDP (%)(7)	34.2	32.6
Gross External Government Debt/GDP(%)(7)	20.5	17.2
General Government Debt/GDP (%)	84.2	85.3
Budget Sector Debt/GDP (%)	84.6	87.2

Sources: Ministry of Finance and CBE

Notes:

(1) The figures in this table have been revised and differ from previously published data. According to preliminary figures, as at 30 June 2023, Gross Consolidated General Government Domestic Debt was LE7,002,890 million and Total General Government Debt was LE6,548,385 million.

(2) Excluding outstanding debt of economic authorities to NIB.

(3) Represents a portion of the economic authorities' deposits at Treasury Single Account (the "**TSA**") at the CBE that is borrowed by the budget sector in the form of loan facilities. Accordingly, it represents an interrelated debt between the budget and economic authorities and is deducted on consolidation from both gross public sector debt and deposits of economic authorities.

(4) Data revised to exclude deposits used as loan facilities for the budget sector.

(5) In 2006, outstanding debt of the treasury to the Social Insurance Fund (through the NIB) was recognised as a direct liability of the treasury to the Social Insurance Fund. The outstanding debt relates to the issuance of two treasury bonds in the interest of the Social Insurance Fund of LE1.2 billion. A third bond of LE74.5 million was issued in June 2007. A fourth bond of LE1.1 billion was issued in June 2008. A fifth bond of LE2.3 billion was issued in June 2009. A sixth bond of LE988.8 million was issued in June 2010. A seventh bond of LE1.8 billion was issued in June 2011. In December 2012, additional bonds were issued with a total amount of LE15.5 billion to repay part of the historical liability.

(6) Total General Government debt is the sum of Gross Consolidated General Government Domestic Debt and Gross External Government Debt.

(7) As reported by the CBE.

Table 49: Outstanding Domestic Debt

The following table sets forth Egypt's outstanding domestic debt as at the dates indicated.

Budget Sector Domestic Debt(1)			
	As at 30 June		
	2021	2022	2023(2)
		(LE millions)	
Gross Domestic Budget Sector Debt	**4,591,676**	**5,399,149**	**7,119,506**
Ministry of Finance Securities	4,812,921	5,474,564	7,268,177
Treasury Bills(3)	1,786,568	1,758,783	2,601,282
Treasury Bonds	2,198,487	2,805,549	2,862,195
Treasury Bonds and Notes issued to Bank Misr and NBE	42,948	51,555	84,797
Treasury Bonds and Notes issued to the CBE	672,838	689,143	752,121
Revaluation Bonds	41,062	83,068	209,068
Insurance Notes	0	0	0
Eurobonds (held domestically)	70,967	86,413	140,359
Housing Bonds	51	53	55
Social Insurance Fund Bonds	0	0	0
Other(4)	0	0	618,300
Budget Sector Bank Loans	(221,245)	(75,415)	(148,671)
Facilities from Social Insurance Funds(4)	0	0	0

From banking sector	(221,245)	(75,415)	(148,671)
Budget Sector Deposits	311,859	617,722	1,055,935
Net Domestic Budget Sector Debt	**4,279,817**	**4,781,427**	**6,063,571**
Gross Domestic Budget Sector Debt/GDP (%)	71.7	68.0	70.5
Net Domestic Budget Sector Debt/GDP (%)	66.9	60.2	60

Sources: Ministry of Finance and CBE

Notes:

(1) Outstanding domestic debt stock due from the central administration, local governments and public service authorities. The figures in this table have been revised and differ from previously published data.

(2) According to the Ministry of Finance's preliminary figures (which are subject to revision and amendment that could be material).

(3) Includes treasury bills issued in U.S. dollar and Euros.

(4) A portion of the Social Insurance Funds deposits that are used as loan facilities for the budget sector are recognised as part of budget sector domestic debt obligations.

Table 50: Government Securities Issuances

The following table sets forth details of the Government's securities issuances, denominated in Egyptian Pounds as at the dates indicated.

Government Securities Issuances(1)			
	As at 30 June		As at 31 May
	2021	2022	2023(2)
	(LE millions)		
Issued	**3,402**	**3,040**	**4,655**
Treasury Bills	2,521	2,216	3,933
Treasury Bonds	881	824	722
Matured	**2,796**	**2,502**	**4,091**
Treasury Bills	2,501	2,283	3,410
Treasury Bonds	294	220	681
Net Issuances	**608**	**538**	**564**
Outstanding Stock (End of Period)	**3,916**	**4,454**	**3,591**
Treasury Bills	1,648	1,581	1,606
Treasury Bonds	2,269	2,873	1,985
Average Interest Rates(3)			
91-day Treasury Bills	13.1	12.5	18.6
182-day Treasury Bills	13.3	12.9	19.3
273-day Treasury Bills	13.4	13.2	19.7
364-day Treasury Bills	13.4	13.4	19.7
Bonds	14.5	14.2	16.0

Source: Ministry of Finance

Notes:

(1) The figures in this table have been revised and differ from previously published data.

(2) Until end of December 2022.

(3) Average interest rates in the primary market.

Table 51: Treasury Bills and Treasury Bonds

The following table sets forth details of Egypt's outstanding amount of U.S. dollar and Euro-denominated treasury bills and treasury bonds as at 30 June 2023.

Issue Date	Issue Size	Interest Rate	Maturity Date
20 July 2022	U.S.$200,000,000	3.050%	19 July 2023
16 August 2022	€626,900,000	1.697%	15 August 2023
8 November 2022	€699,200,000	2.300%	7 November 2023
15 November 2022	U.S.$1,612,000,000	4.598%	14 November 2023
22 November 2022	U.S.$1,057,800,000	4.600%	21 November 2023
6 December 2022	U.S.$990,000,000	4.599%	5 December 2023
3 January 2023	U.S.$850,000,000	4.649%	2 January 2024
21 February 2023	U.S.$3,899,500,000	4.900%	20 February 2024
22 February 2023	U.S.$460,400,000	4.900%	21 February 2024
16 March 2023	U.S.$644,400,000	4.900%	14 March 2024
2 May 2023	U.S.$1,007,600,000	4.900%	30 April 2024
6 June 2023	U.S.$554,100,000	5.149%	4 June 2024
17 June 2021	U.S.$2,750,000,000	3.750%	17 June 2024
23 November 2021	U.S.$5,000,000,000	3.750%	25 November 2031
14 December 2021	U.S.$2,500,000,000	3.750%	16 December 2031
28 December 2021	U.S.$2,500,000,000	3.750%	23 December 2031

Source: Ministry of Finance

Table 52: External Debt Stock

The following table sets forth details of the development of Egypt's external debt stock as at the dates indicated.

External Debt Stock		
	As at 30 June	
	2021	2022[(2)]
	(U.S.$ millions)	
Medium- and Long-term External Public and Publicly Guaranteed Debt...	**123,752**	**128,255**
Rescheduled bilateral debt..	1,926	1,275
Other bilateral debt	10,053	10,326
Multilateral Institutions[(2)]..	49,947	51,275
Suppliers' and buyers' credit	18,139	21,404
Bonds and Notes	28,709	29,013
Sovereign Notes..	355	355
Eurobonds denominated in U.S. dollar	23,128	23,550
Eurobonds denominated in Euros......................................	4,489	3,931
Green bonds issued in U.S. dollar......................................	737	737
Samurai bonds issued in JPY	0.0	440
Euro Medium-Term Notes (EMTN)...................................	0.0	0.0
Saudi Bonds	0.0	0.0
Guaranteed Notes..	0.0	0.0
Deposits[(3)]	14,977	14,962
Medium- and Long-term Private Sector Non-guaranteed Debt	392	834
Short-Term Debt[(4)]..	**13,716**	**26,620**
Currency and Deposits (non-residents)...............................	4,035	16,859

Loans and Trade Credits	9,681	9,761
Total	**137,860**	**155,709**

Source: CBE

Notes:

(1) Preliminary figures.

(2) Includes, as at 30 June 2022, U.S.$10,543 million disbursed under the EFF with the IMF, U.S.$3,799.94 million of SDR allocations by the IMF to its member countries, of which Egypt's share is SDR 2,850.92 million, U.S.$2,715 million representing amounts drawn down under the Rapid Financial Instrument with the IMF (SDR 2,037.1 million) and U.S.$5,017 million representing amounts drawn down under the Stand-by Arrangement with the IMF (SDR 3,763.6 million).

(3) Representing United Arab Emirates, Saudi and Kuwait deposits of, as at 30 June 2022, U.S.$5,661.7 million, U.S.$5,300 million and U.S.$4,000 million, respectively.

(4) Includes, as at 30 June 2022, United Arab Emirates, Saudi Arabia & Qatar deposits amounted U.S.$5,000 million, U.S.$5,000 million and U.S.$3,000 million respectively, and U.S.$2,686.9 million representing the currency swap arrangement entered into with the PBOC.

Table 53: External Debt by Currency

The following table sets forth Egypt's total external debt, by currency, as at the dates indicated.

Total External Debt by Currency		
	As at 30 June	
	2021	**2022**[(1)]
	(U.S.$ millions)[(2)]	
U.S. Dollar	85,382	103,463
Euro	17,550	16,374
Japanese Yen	2,582	2,794
Kuwaiti Dinar	3,730	3,904
Special Drawing Rights	22,628	23,431
Chinese Yuan	3,900	3,635
Egyptian Pound	406	404
Swiss Franc	143	134
British Pound Sterling	9	7
Canadian Dollar	26	21
Danish Kroner	35	27
UAE Dirham	19	19
Swedish Kroner	0	2
Saudi Riyal	1,448	1,473
Norwegian Kroner	1	1
Korean Won	1	20
Total	**137,860**	**155,709**

Source: CBE

Notes:

(1) Preliminary figures.

(2) Using end of period exchange rate.

Table 54: Short-Term External Debt

The following table sets forth details of Egypt's short-term external debt as at the dates indicated.

Short-term External Debt		
	As at 30 June	
	2021	2022[1]
	(U.S.$ millions)	
Short-Term Debt	**13,716**	**26,620**
Deposits (Non-Residents)[2]	4,035	16,859
Other Facilities	9,681	9,761

Source: CBE

Notes:

(1) Preliminary figures.

(2) Includes United Arab Emirates, Saudi Arabia & Qatar deposits amounted U.S.$5 billion, U.S.$5 billion and U.S.$3 billion respectively, and U.S.$2.69 billion in respect of the currency swap entered into with the PBOC.

Table 55: Medium- and Long-term Public External Debt by Creditor

The following table sets forth Egypt's medium- and long-term public external debt, by origin of creditor, as at the dates indicated.

Medium- and Long-term Public External Debt by Creditor		
	As at 30 June	
	2021	2022[1]
Creditor	(U.S.$ millions)[2]	
Group of banks	12,063.80	10,989.76
Russia	702.58	1,126.53
Korea	169.70	210.53
France	1,545.50	1,490.64
United States	434.85	160.01
Germany	2,776.25	2,329.23
Japan	2,619.81	2,402.91
Spain	278.65	238.82
United Kingdom	751.40	784.35
Italy	47.95	42.90
Bahrain	170.00	208.28
Austria	37.82	27.30
Kuwait	1,745.11	1,886.41
Switzerland	2.84	2.25
Denmark	36.80	26.21
Canada	285.53	511.96
Qatar	0.0	0.0
Turkey	0.0	0.0
China	4,631.54	4,775.79
The Netherlands	37.13	26.94
Belgium	0.0	0.0
Finland	1.63	1.12
United Arab Emirates	177.78	3,896.16
Sweden	0.0	0.0
Saudi Arabia	1,440.78	1,469.71

Norway	0.0	0.0
Hungary	161.02	396.83
International Organisations[(3)(4)]	49,947.36	51,275.36
Guaranteed Sovereign Bonds	0.00	0.0
Sovereign Notes	355.40	355.40
Saudi Bond	0.00	0.0
Deposits[(5)]	14,976.55	14,961.74
Eurobonds denominated in U.S. dollar	23,127.67	23,550.06
Eurobonds denominated in Euros	4,489.00	3,930.98
Green Bonds issued in U.S. dollar	737.20	737.20
Samurai Bonds issued in JPY	0.00	439.82
Total[(6)]	**123,751.65**	**128,255.20**

Source: CBE

Notes:

(1) Preliminary figures.

(2) Using end of period exchange rate.

(3) Includes international organisations, such as the European Investment Bank, the Arab Fund for Economic and Social Development, the World Bank Group and the African Development Group.

(4) Includes, as at 30 June 2022, U.S.$10,543 million disbursed under the EFF with the IMF, U.S.$3,799.94 million of SDR allocations by the IMF to its member countries, of which Egypt's share is SDR 2,850.92 million, U.S.$2,715 million representing amounts drawn down under the Rapid Financial Instrument with the IMF (SDR 2,037.1 million) and U.S.$5,017 million representing amounts drawn down under the Stand-by Arrangement with the IMF (SDR 3,763.6 million).

(5) Representing United Arab Emirates, Saudi and Kuwait deposits of, as at 30 June 2022, U.S.$5,661.74 million, U.S.$5,300 million and U.S.$4,000 million, respectively.

(6) Recent Development: In February 2023, Egypt established its trust certificate issuance programme and issued U.S.$1.5 billion trust certificates due 2026 thereunder (which are not included in the above table).

Table 56: Outstanding International Government Bonds and Trust Certificates

The following table sets forth details of Egypt's outstanding international Government bonds and trust certificates.

Outstanding International Government Bonds			
Issue Date	**Issue Size**	**Coupon**	**Maturity**
		(% per annum)	
20 November 2019	U.S.$500,000,000	4.5500	20 November 2023
26 February 2019	U.S.$750,000,000	6.2004	1 March 2024
10 November 2016[(3)]	U.S.$1,320,000,000	6.750	10 November 2024
11 April 2019	€750,000,000	4.750	11 April 2025
11 June 2015	U.S.$1,500,000,000	5.875	11 June 2025
16 April 2018	€1,000,000,000	4.750	16 April 2026
16 November 2018[(3)]	U.S.$860,000,000	7.125	10 November 2026
31 January 2017	U.S.$1,000,000,000	7.50	31 January 2027
29 May 2017[(1)]	U.S.$1,000,000,000	7.50	31 January 2027
21 February 2018	U.S.$1,250,000,000	6.588	21 February 2028
10 November 2016[(2)]	U.S.$1,320,000,000	7.000	10 November 2028
26 February 2019	U.S.$1,750,000,000	7.6003	1 March 2029
16 April 2018	€1,000,000,000	5.625	16 April 2030
16 November 2018[(3)]	U.S.$1,710,000,000	7.625	10 November 2030
11 April 2019	€1,250,000,000	6.375	11 April 2031

20 November 2019	U.S.$1,000,000,000	7.0529	15 January 2032
30 April 2010	U.S.$500,000,000	6.875	30 April 2040
31 January 2017	U.S.$1,250,000,000	8.500	31 January 2047
29 May 2017(1)	U.S.$1,250,000,000	8.500	31 January 2047
21 February 2018	U.S.$1,500,000,000	7.903	21 February 2048
26 February 2019	U.S.$1,500,000,000	8.7002	1 March 2049
20 November 2019	U.S.$500,000,000	8.1500	20 November 2059
29 May 2020	U.S.$1,250,000,000	5.750	29 May 2024
29 May 2020	U.S.$1,750,000,000	7.625	29 May 2032
29 May 2020	U.S.$2,000,000,000	8.875	29 May 2050
6 October 2020(4)	U.S.$750,000,000	5.250	6 October 2025
16 February 2021	U.S.$750,000,000	3.875	16 February 2026
16 February 2021	U.S.$1,500,000,000	5.875	16 February 2031
16 February 2021	U.S.$1,500,000,000	7.500	16 February 2061
30 September 2021	U.S.$1,125,000,000	5.800	30 September 2027
30 September 2021	U.S.$1,125,000,000	7.300	30 September 2033
30 September 2021	U.S.$750,000,000	8.750	30 September 2051
31 March 2022(5)	JPY60,000,000,000	0.85	31 March 2027
28 February 2023(6)	U.S.$1,500,000,000	10.875	28 February 2026

Source: Ministry of Finance

Notes:

(1) Notes issued as a tap issuance.
(2) Issued in connection with a 2016 repurchase transaction.
(3) Issued in connection with the 2018 repurchase transactions.
(4) Green bond.
(5) Samurai bond.
(6) Trust certificates issuance.

In April 2010, Egypt issued U.S.$1 billion 5.75% notes due 2020 and U.S.$500 million 6.875% notes due 2040 in order to refinance a U.S.$1 billion bond that matured in July 2011, extend external debt maturities and diversify its investor base.

In May 2015, Egypt established its global medium term note programme (the "**GMTN Programme**"). In June 2015, Egypt issued U.S.$1.5 billion notes due 2025 under the GMTN Programme, which bear interest at a rate of 5.875% *per annum*.

In November 2016, Egypt issued: (i) U.S.$1.36 billion notes due 2017, which bear interest at a rate of 4.622% *per annum*; (ii) U.S.$1.32 billion notes due 2024, which bear interest at a rate of 6.750% *per annum*; and (iii) U.S.$1.32 billion notes due 2028, which bear interest at a rate of 7.000% *per annum*. In November 2017, Egypt conducted a consent solicitation exercise to extend the maturity date of its U.S.$1.36 billion 4.622% notes due 2017 from 10 December 2017 to 10 December 2018.

In January 2017, Egypt issued U.S.$1.75 billion 6.125% notes due 2022, U.S.$1.0 billion 7.500% notes due 2027 and U.S.$1.25 billion 8.500% notes due 2047 under the GMTN Programme. These notes were listed on the Luxembourg Stock Exchange and the London Stock Exchange.

In May 2017, Egypt issued U.S.$750 million 6.125% notes due 2022 (which were consolidated to form a single series with the U.S.$1.75 billion 6.125% notes due 2022 issued on 31 January 2017), the U.S.$1 billion 7.500% notes due 2027 (which were consolidated to form a single series with the U.S.$1 billion 7.500% notes due 2027 issued on 31 January 2017) and U.S.$1.25 billion 8.500% notes due 2047 (which were consolidated to form a single series with the U.S.$1.25 billion 8.500% notes due 2047 issued on 31 January 2017) under the GMTN Programme. These notes were listed on the Luxembourg Stock Exchange and the London Stock Exchange.

In February 2018, Egypt issued U.S.$1.25 billion 5.577% notes due 2023, U.S.$1.25 billion 6.588% notes due 2028 and U.S.$1.5 billion 7.903% notes due 2048 under the GMTN Programme. Each Series of these notes were listed on the London Stock Exchange.

In April 2018, Egypt issued €1.0 billion 4.750% notes due 2026 and €1.0 billion 5.625% notes due 2030 under the GMTN Programme. These notes were listed on the London Stock Exchange.

In November 2018, Egypt issued the November 2018 notes: the U.S.$860 million 7.125% notes due 2026 and U.S.$1.71 billion 7.625% notes due 2030. These notes were listed on the Irish Stock Exchange.

In February 2019, Egypt issued U.S.$750 million 6.2004% notes due 2024, U.S.$1.75 billion 7.6003% notes due 2029 and U.S.$1.5 billion 8.7002% notes due 2049 under the GMTN Programme.

In April 2019, Egypt issued €750 million 4.750% notes due 2025 and its €1.25 billion 6.375% notes due 2031 under the GMTN Programme. These notes were listed on the London Stock Exchange.

In November 2019, Egypt issued U.S.$500 million 4.5500% notes due 2023, U.S.$1.0 billion 7.0529% notes due 2032 and U.S.$500 million 8.1500% notes due 2059 under the GMTN Programme.

In May 2020, Egypt issued U.S.$1,250 million 5.75% notes due 2024, U.S.$1,750 million 5.875% notes due 2032 and U.S.$2,000 million 8.875% notes due 2050.

In October 2020, Egypt issued U.S.$750,000,000 5.250% green bonds due 2025, its inaugural issuance of green bonds.

In February 2021, Egypt issued U.S.$750 million 3.875% notes due 2026, U.S.$1.5 billion 5.875% notes due 2031 and U.S.$1.5 billion 7.5% notes due 2061 under the GMTN Programme.

In September 2021, Egypt issued U.S.$1.125 billion 5.800% notes due 2027, U.S.$1.125 billion 7.300% notes due 2033 and U.S.$750 million 8.750% notes due 2051 under the GMTN Programme.

In March 2022, Egypt issued JPY60 billion 0.850% samurai bonds due 2027.

In February 2023, Egypt established its trust certificate issuance programme and issued U.S.$1.5 billion trust certificates due 2026 thereunder.

Table 57: Projected Medium- and Long-Term Public External Debt Service

The following table sets forth Egypt's medium- and long-term public external debt service for the years indicated based on outstanding debt as at 1 April 2023.

Projected Medium- and Long-Term Public External Debt Service Based on Outstanding Amounts as of 1 April 2023

	Principal Repayments[1]	Interest Payments	Total Debt Service
Year		*(U.S.$ millions)*[2]	
2023/H2	8252.56	3511.82	11,764.37
2024/H1	11145.38	3450.08	14,595.46
2024/H2	11772.26	2862.30	14,634.55
2025/H1	8466.05	2688.83	11,154.87
2025/H2	6010.48	2270.30	8,280.78
2026/H1	9228.03	2230.69	11,458.72
2026/H2	9689.83	1792.46	11,482.29
2027/H1	4527.20	1690.87	6,218.07
2027/H2	4472.53	1422.88	5,895.41
2028/H1	2815.94	1473.73	4,289.67
2028/H2	2018.52	1264.28	3,282.80

2029/H1	3258.50	1364.16	4,622.66
2029/H2	1716.24	1134.84	2,851.09
2030/H1	2519.16	1245.54	3,764.70
2030/H2	1385.27	1075.86	2,461.13
2031/H1	3789.60	1132.98	4,922.58
2031/H2	1140.62	991.71	2,132.33
2032/H1	3672.95	970.61	4,643.56
2032/H2	1094.16	856.19	1,950.36
2033/H1	1096.85	833.86	1,930.71
2033/H2	2093.49	812.53	2,906.02
2034/H1	874.03	752.34	1,626.37
2034/H2	853.99	739.83	1,593.82
2035/H1	851.80	724.79	1,576.60
2035/H2	758.64	713.02	1,471.66
2036/H1	656.39	700.30	1,356.69
2036/H2	648.67	689.99	1,338.66
2037/H1	609.03	676.87	1,285.90
2037/H2	551.85	665.23	1,217.08
2038/H1	499.21	654.77	1,153.98
2038/H2	467.62	647.85	1,115.47
2039/H1	452.94	638.85	1,091.80
2039/H2	439.14	632.71	1,071.85
2040/H1	776.63	625.09	1,401.72
2040/H2	390.83	606.68	997.52
2041/H1	384.60	598.73	983.33
2041/H2	352.57	593.52	946.09
2042/H1	308.29	586.17	894.47
2042/H2	289.46	582.03	871.49
2043/H1	269.74	575.68	845.42
2043/H2	260.51	571.92	832.43
2044/H1	257.55	504.72	762.27
2044/H2	247.17	499.98	747.15
2045/H1	243.18	495.02	738.20
2045/H2	243.18	490.55	733.73
2046/H1	236.75	485.74	722.50
2046/H2	230.79	481.29	712.08
2047/H1	2716.73	476.57	3,193.30
2047/H2	227.08	366.37	593.45
2048/H1	1712.92	361.85	2,074.77
2048/H2	219.87	298.52	518.39
2049/H1	1702.02	293.89	1,995.91
2049/H2	216.42	224.93	441.35
2050/H1	2217.05	220.39	2,437.44
2050/H2	179.98	127.15	307.14
2051/H1	168.26	123.34	291.60
2051/H2	900.26	119.97	1,020.23
2052/H1	135.06	84.09	219.15
2052/H2	84.82	81.45	166.27
2053/H1	56.14	79.52	135.65

2053/H2	49.12	78.41	127.52
2054/H1	30.94	77.47	108.41
2054/H2	21.59	77.03	98.62
2055/H1	18.05	76.83	94.88
2055/H2	15.29	76.73	92.02
2056/H1	13.28	76.70	89.98
2056/H2	11.59	76.69	88.28
2057/H1	6.69	76.68	83.36
2057/H2	6.38	76.67	83.05
2058/H1	6.38	76.67	83.05
2058/H2	6.38	76.67	83.05
2059/H1	6.38	76.67	83.05
2059/H2	506.38	76.67	583.05
2060/H1	6.38	56.29	62.67
2060/H2	6.38	56.29	62.67
2061/H1	1506.38	56.29	1,562.67
2061/H2	6.38	0.03	6.41
2062/H1	6.38	0.03	6.41
2062/H2	5.86	0.03	5.89
2063/H1	3.33	0.03	3.36
2063/H2	3.33	0.03	3.36
2064/H1	3.33	0.03	3.36
2064/H2	3.33	0.03	3.36
2065/H1	3.33	0.02	3.35
2065/H2	3.33	0.02	3.35
2066/H1	3.33	0.02	3.35
2066/H2	3.33	0.02	3.35
2067/H1	3.33	0.02	3.35
2067/H2	3.33	0.02	3.35
2068/H1	3.33	0.02	3.35
2068/H2	3.33	0.01	3.34
2069/H1	3.33	0.01	3.34
2069/H2	3.33	0.01	3.34
2070/H1	3.33	0.01	3.34
2070/H2	3.33	0.01	3.34
2071/H1	3.33	0.00	3.33
2071/H2	3.38	0.00	3.38

Sources: Ministry of Finance and CBE

Notes:

(1) Excludes U.S.$3,836.48 million representing SDR allocation by IMF to its member countries, Egypt's share is SDR 2,850.92 million.

(2) Using an exchange rate as of 31 March 2023.

Table 58: Publicly-Guaranteed Private Sector External Debt

The following table sets forth details of Egypt's publicly-guaranteed private sector external debt outstanding as at 30 June 2022.

Publicly-Guaranteed Private Sector External Debt

Borrower	Outstanding Amount
	(U.S.$ millions)
Medium- and Long Term Debt	**206.6**
Short-Term Debt	**2,669.5**
Loans	1,780.0
Trade Credits	889.5
Total	**2,876.1**

Source: CBE

SECTION 6 DESCRIPTION OF THE GUARANTORS

1. AIIB

(1) Basic Information

English Name	Asian Infrastructure Investment Bank (“**AIIB**”)
Chinese Name	亚洲基础设施投资银行
Address	Asian Infrastructure Investment Bank (AIIB), Tower A, Asia Financial Center, No.1 Tianchen East Road, Chaoyang District, Beijing 100101, the People’s Republic of China
Telephone No.	+86 10 8358 0000
Website	www.aiib.org

(2) Overview of AIIB

AIIB is a multilateral development bank with a mandate to (i) foster sustainable economic development, create wealth and improve infrastructure connectivity in Asia by investing in infrastructure and other productive sectors, and (ii) promote regional cooperation and partnership in addressing development challenges by working in close collaboration with other multilateral and bilateral development institutions.

AIIB commenced operations on 16 January 2016 to help its members meet a substantial financing gap between the demand for infrastructure investment in Asia and available financial resources. AIIB aims to work with public and private sector partners to channel its own public resources, together with private and institutional funds, into sustainable infrastructure investment. AIIB maintains its principal office in Beijing, China.

AIIB’s mission is “Financing Infrastructure for Tomorrow,” which reflects AIIB’s commitment to sustainability, be it financial, economic, social or environmental in nature. AIIB has identified the following thematic priorities:

- Green Infrastructure: Prioritizing green infrastructure and supporting its members to meet their environmental and development goals by financing projects that deliver local environmental improvements and investments dedicated to climate action;
- Connectivity and Regional Cooperation: Prioritizing projects that facilitate better domestic and cross-border infrastructure connectivity within Asia and between Asia and the rest of the world, and supporting projects that complement cross-border infrastructure connectivity by generating direct measurable benefits in enhancing regional trade, investment, and digital and financial integration across Asian economies and beyond;
- Technology-enabled Infrastructure: Supporting projects where the application of technology delivers better value, quality, productivity, efficiency, resilience, sustainability, inclusion, transparency or better governance along the full project life cycle; and
- Private Capital Mobilization: Supporting projects that directly or indirectly mobilize private financing into sectors within AIIB’s mandate.

(3) Key Financial Information of AIIB

a) Statement of Comprehensive Income

	For the years ended 31 December	
	2021	**2022**
	(in thousands of U.S. dollars) *(audited)*	
Interest income	243,692	683,925
Interest expense	(189,522)	(333,335)
Net interest income	**54,170**	**350,590**
Net fee and commission income	23,263	36,215
Net gain on financial instruments measured at fair value through profit or loss	237,171	184,718
Net loss on financial instruments measured at amortized cost	(6,848)	(14,955)
Share of (loss)/gain on investment in associate	(217)	1,834
Impairment provision	(23,211)	(120,066)
General and administrative expenses	(164,102)	(188,166)
Net foreign exchange loss	(70,081)	(60,628)
Operating profit for the year	**50,145**	**189,542**
Accretion of paid-in capital receivables	4,783	2,357
Net profit for the year	**54,928**	**191,899**
Other comprehensive income		
Items will not be reclassified to profit or loss		
Unrealized (loss)/gain on fair-valued borrowings arising from changes in own credit risk	(37,919)	71,170
Total comprehensive income	**17,009**	**263,069**
Attributable to:		
Equity holders of the Bank	**17,009**	**263,069**

b) Statement of Financial Position

	As of 31 December	
	2021	**2022**
	(in thousands of U.S. dollars) *(audited)*	
Assets		
Cash and cash equivalents	2,109,608	3,077,356
Term deposits	11,748,908	6,669,005
Investments at fair value through profit or loss	10,565,949	12,701,947
Loan investments, at amortized cost	12,245,887	17,641,931
Bond investments, at amortized cost	2,495,119	4,565,178
Paid-in capital receivables	303,695	304,862
Derivative assets	248,371	477,469
Investment in associate	33,842	49,176
Property and equipment	4,330	4,365
Intangible assets	5,107	6,712
Other assets	477,323	1,911,247
Total assets	**40,238,139**	**47,409,248**

Liabilities		
Borrowings	19,267,851	24,475,728
Derivative liabilities	563,604	2,286,664
Prepaid paid-in capital	1,200	—
Other liabilities	239,566	181,131
Total liabilities	**20,072,221**	**26,943,523**
Members' equity		
Paid-in capital	19,355,000	19,392,900
Reserves		
Accretion of paid-in capital receivables	(3,463)	(2,268)
Unrealized (loss)/gain on fair-valued borrowings arising from changes in own credit risk	(61,622)	9,548
Retained earnings	876,003	1,065,545
Total members' equity	**20,165,918**	**20,465,725**
Total liabilities and members' equity	**40,238,139**	**47,409,248**

c) Statement of Cash Flows

	For the year ended 31 December	
	2021	**2022**
	(in thousands of U.S. dollars) *(audited)*	
Net cash used in operating activities	(4,821,215)	(6,783,209)
Net cash (used in)/from investing activities	(4,044,895)	1,088,079
Net cash from financing activities	8,273,257	6,662,878
Net (decrease)/increase in cash and cash equivalents	**(592,853)**	**967,748**
Cash and cash equivalents at beginning of year	2,702,461	2,109,608
Cash and cash equivalents at end of year	**2,109,608**	**3,077,356**

(4) Recent Financial Updates of AIIB for the Six Months Ended 30 June 2023

a) Statement of Comprehensive Income

	For the six months ended 30 June	
	2022	**2023**
	(in thousands of U.S. dollars) *(unaudited)*	
Interest income	179,499	884,321
Interest expense	(115,430)	(358,741)
Net interest income	**64,069**	**525,580**
Net fee and commission income	17,397	16,429
Net gain on financial instruments measured at fair value through profit or loss	71,959	53,549
Net loss on financial instruments measured at amortized cost	(10,807)	(3,800)
Share of gain on investment in associate	689	2,122
Impairment provision	(152,633)	(36,931)
General and administrative expenses	(83,533)	(103,602)

Net foreign exchange gain/(loss)	22,099	(60,255)
Operating (loss)/profit for the period	**(70,760)**	**393,092**
Accretion of paid-in capital receivables	1,320	712
Net (loss)/profit for the period	**(69,440)**	**393,804**
Other comprehensive income		
Items will not be reclassified to profit or loss		
Unrealized gain/(loss) on fair-valued borrowings arising from changes in own credit risk	52,603	(120,126)
Total comprehensive (loss)/income	**(16,837)**	**273,678**
Attributable to:		
Equity holders of the Bank	**(16,837)**	**273,678**

b) Statement of Financial Position

	As of 31 December	As of 30 June
	2022	2023
	(in thousands of U.S. dollars)	
	(audited)	*(unaudited)*
Assets		
Cash and cash equivalents	3,077,356	2,601,708
Term deposits	6,669,005	6,226,009
Investments at fair value through profit or loss	12,701,947	16,543,701
Loan investments, at amortized cost	17,641,931	20,109,189
Bond investments, at amortized cost	4,565,178	6,243,632
Paid-in capital receivables	304,862	282,465
Derivative assets	477,469	531,625
Investment in associate	49,176	51,298
Property and equipment	4,365	5,246
Intangible assets	6,712	5,461
Other assets	1,911,247	1,695,090
Total assets	**47,409,248**	**54,295,424**
Liabilities		
Borrowings	24,475,728	30,882,470
Derivative liabilities	2,286,664	2,219,115
Prepaid paid-in capital	—	1,000
Other liabilities	181,131	453,436
Total liabilities	**26,943,523**	**33,556,021**
Members' equity		
Paid-in capital	19,392,900	19,392,900
Reserves		
Accretion of paid-in capital receivables	(2,268)	(1,556)
Unrealized gain/(loss) on fair-valued borrowings arising from changes in own credit risk	9,548	(110,578)
Retained earnings	1,065,545	1,458,637
Total members' equity	**20,465,725**	**20,739,403**
Total liabilities and members' equity	**47,409,248**	**54,295,424**

c) **Statement of Cash Flows**

	For the six months ended 30 June	
	2022	2023
	(unaudited)	
	(in thousands of U.S. dollars)	
Net cash used in operating activities	(3,018,278)	(1,959,716)
Net cash from/(used) in investing activities	19,085	(4,593,895)
Net cash from financing activities	3,296,397	6,077,963
Net increase/(decrease) in cash and cash equivalents	**297,204**	**(475,648)**
Cash and cash equivalents at beginning of period	2,109,608	3,077,356
Cash and cash equivalents at end of period	**2,406,812**	**2,601,708**

2. AfDB

(1) Basic Information

English Name	African Development Bank ("**AfDB**")
Chinese Name	非洲开发银行
Executive Office	Immeuble du Centre de commerce International d'Abidjan (CCIA) Avenue Jean-Paul II 01 BP 1387 Abidjan 01 Côte d'Ivoire
Telephone No.	+225 27 2026 3900
Website	www.afdb.org

(2) Overview of AfDB

AfDB is a regional multilateral development institution with membership comprising 54 African states and 27 non-African states from the Americas, Asia, and Europe (the "**regional members**" and "**non-regional members**", respectively). AfDB was established in 1963 and operates under its Agreement signed in Khartoum, Sudan, on 4 August 1963.

The central goal of AfDB's activities is promoting sustainable economic growth and reducing poverty in Africa. AfDB provides financing for a broad range of development projects and programmes. In addition, it: (i) provides policy-based loans and equity investments; (ii) finances non-publicly guaranteed private sector loans; (iii) offers technical assistance for projects and programmes that provide institutional support; (iv) promotes the investment of public and private capital; and (v) responds to requests for assistance in coordinating regional members development policies and plans. AfDB also gives high priority to national and multinational projects and programmes that promote regional economic cooperation and integration. AfDB's 2013-2022 strategy (the "**Ten-Year Strategy**") focuses on achieving inclusive growth and assisting Africa to gradually transition to green growth. AfDB is responding to the challenge of supporting inclusive growth and the transition to green growth by scaling up investment and implementation of the Ten-Year Strategy by focusing on five priority areas, referred to as the "**High 5s**". The High 5s are to "Light up and power Africa"; "Feed Africa"; "Industrialize Africa"; "Integrate Africa" and "Improve the quality of life for the people of Africa".

AfDB's ordinary operations are financed from its ordinary capital resources. The ordinary capital resources include subscribed capital stock, borrowings by AfDB, loan repayments, income from loans, equity investments and guarantees and other funds and income received by AfDB in its ordinary operations. The capital stock of AfDB is divided into paid-up capital and callable capital. AfDB's paid-up capital is the amount of capital payable over a period specified in AfDB's Board of Governors' resolution approving the relevant capital increase. The callable capital is subject to call only as and when required by AfDB, to meet obligations incurred on funds borrowed or loans guaranteed.

In addition to its ordinary operations, AfDB administers the African Development Fund (the **"ADF"**), which provides loan financing on concessionary terms to regional members that are in the greatest need of such financing. The ADF is legally and financially separate from AfDB, and AfDB is not liable for any obligations of the ADF. AfDB also administers, under separate agreements and arrangements, the Nigeria Trust Fund (the "**NTF**") and several other special and trust funds. The resources of these special and trust funds are held, committed and otherwise disposed of entirely separately from AfDB's ordinary capital resources (please see Note T-3 and T-4 to AfDB's audited financial statements as of and for the year ended 31 December 2022).

(3) Key Financial Information of AfDB

a) Income statement

	For the year ended 31 December	
	2021	**2022**
	(in thousands of U.A[1]) *(audited)*	
OPERATIONAL INCOME & EXPENSES		
Income from:		
Loans and related derivatives (Note L)	348,244	521,566
Treasury investments and related derivatives (Note L)	129,340	218,162
Equity Participation Investments (Dividends)	23,859	14,185
Other Securities	5,530	6,889
Total Income from Loans and Treasury Investments	506,973	760,802
Borrowing expenses (Note N)	(71,048)	(353,990)
Interest and amortized issuance costs	(393,781)	(418,133)
Net interest on borrowing-related derivatives	322,733	64,143
(Losses)/Gains on borrowings at FVTPL and related derivatives (Note N)	(111,213)	88,900
Net Impairment charges (Note G)	(24,969)	(97,017)
Loan principal	(62,047)	(172,695)
Loan charges	37,078	75,678
Impairment (charges)/write-back on Financial Guarantees	(164)	872
Impairment (charges)/write-back on Treasury Investments	(65)	28
Impairment (charges)/write-back on Equity Accounted Investments (Note H)	(264)	1,531
Currency translation (losses)/gains	(1,475)	66,457
Other income (Note M)	13,432	13,990
Net operational income	**311,207**	**481,573**

[1] Based on the information published on the website of International Monetary Fund, as of 11 October 2023, rate of 1 U.A = 1.314880 USD.

OTHER OPERATING EXPENSES		
Administrative expenses (Note O)	(174,549)	(207,164)
Depreciation and Amortization (Note I)	(32,748)	(29,091)
Sundry expenses	(7,364)	(6,040)
Total Other Operating Expenses	(214,661)	(242,295)
Net Income before distributions approved by the Board of Governors	**96,546**	**239,278**
Distributions of income approved by the Board of Governors	(55,000)	(64,000)
NET INCOME FOR THE YEAR	**41,546**	**175,278**
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Net gains/(losses) on Equity Investments at FVOCI	39,388	(31,801)
Unrealized (losses)/gains on borrowings at fair value arising from 'own credit'	(38,248)	92,623
Re-measurements of defined benefit liability	183,508	283,373
Total items that will not be reclassified to profit or loss	184,648	344,195
Total other comprehensive income for the year	184,648	344,195
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**226,194**	**519,473**

b) Balance sheet

	As of 31 December	
	2021	**2022**
	(in thousands of U.A) *(audited)*	
ASSETS		
CASH	3,303,139	2,830,737
DEMAND OBLIGATIONS	1,142	1,143
TREASURY INVESTMENTS (Note E)		
Treasury investments at fair value	3,518,204	4,691,711
Treasury investments at amortized cost	6,275,696	7,020,916
	9,793,900	11,712,627
DERIVATIVE ASSETS (Note F)	825,944	924,352
ACCOUNTS RECEIVABLE (Note G)		
Accrued Income and Charges receivable on loans	223,319	501,710
Other Accounts Receivable	954,910	821,514
	1,178,229	1,323,224
DEVELOPMENT FINANCING ACTIVITIES		

Loans, net (Note C & G)	20,102,393	20,695,328
Hedged Loans – Fair value adjustment (Note F)	48,516	(394,435)
Equity participations (Note H)	983,204	1,043,838
	21,134,113	21,344,731
OTHER ASSETS		
Property and Equipment and Intangible Assets (Note I)	88,430	84,121
Miscellaneous	320	289
	88,750	84,410
TOTAL ASSETS	**36,325,217**	**38,221,224**
LIABILITIES AND EQUITY		
ACCOUNTS PAYABLE		
Accrued Financial Charges	251,408	527,025
Other Accounts Payable	854,516	703,941
	1,105,924	1,230,966
EMPLOYEE BENEFIT LIABILITIES (Note P)	448,664	228,431
DERIVATIVE LIABILITIES (Note F)	949,004	2,624,884
BORROWINGS (Note J)		
Borrowings at fair value	24,801,331	24,006,353
Borrowings at amortized cost	314,374	247,854
	25,115,705	24,254,207
TOTAL LIABILITIES	27,619,297	28,338,488
EQUITY (NOTE K)		
Capital		
Subscriptions paid	5,710,568	6,366,244
Cumulative Exchange Adjustment on Subscriptions (CEAS)	(155,837)	(154,169)
Subscriptions Paid (net of CEAS)	5,554,731	6,212,075
Reserves	3,151,189	3,670,661
TOTAL EQUITY	8,705,920	9,882,736
TOTAL LIABILITIES AND EQUITY	**36,325,217**	**38,221,224**

c) Statement of Cash Flows

	For the year ended 31 December	
	2021	**2022**
	(in thousands of U.A) *(audited)*	
Net cash used in operating activities	(69,720)	91,576
Net cash used in investing, lending and development activities	(34,644)	(2,007,562)
Net cash generated from financing activities	1,363,560	1,743,969

Net increase in cash and cash equivalents	**1,259,196**	**(172,017)**
Cash and cash equivalents at the beginning of the year	2,456,293	3,623,543
Cash and cash equivalents at end of year	**3,623,543**	**3,298,386**

(4) Recent Financial Updates of AfDB for the Six Months Ended 30 June 2023

a) Unaudited Income statement for the Period Ended 30 June 2023

	For the six months ended 30 June	
	2022	**2023**
	(in thousands of U.A) *(unaudited)*	
OPERATIONAL INCOME & EXPENSES		
Income from:		
Loans and related derivatives (Note L)	178,298	527,901
Treasury investments and related derivatives (Note L)	75,856	241,178
Equity Participation Investments (Dividends)	3,952	4,200
Other Securities	3,168	4,782
Total Income from Loans and Treasury Investments	261,274	778,061
Borrowing expenses (Note N)	(62,673)	(545,554)
Interest and amortized issuance costs	(203,817)	(261,081)
Net interest on borrowing-related derivatives	141,144	(284,473)
Losses on borrowings at FVTPL and related derivatives (Note N)	(124,296)	(26,443)
Net Impairment (provisions)/write-back (Note G)	(50,551)	70,275
Loan principal	(37,728)	53,943
Loan charges	(12,823)	16,332
Impairment write-back/(provisions) on Financial Guarantees	146	(105)
Impairment write-back/(provisions) on Treasury Investments	32	(16)
Impairment write-back on Equity Accounted Investments (Note H)	830	211
Currency translation gains	34,079	4,161
Other income (Note M)	5,146	4,619
Net operational income	**63,987**	**285,209**
OTHER OPERATING EXPENSES		
Administrative expenses (Note O)	(99,242)	(97,774)
Depreciation and Amortization (Note I)	(14,483)	(13,818)
Sundry expenses	(3,951)	12
Total Other Operating Expenses	(117,676)	(111,580)
Net (Loss)/Income before distributions approved by the Board of Governors	**(53,689)**	**173,629**
Distributions of income approved by the Board of Governors	(64,000)	(46,000)
NET(LOSS)/INCOME FOR THE PERIOD	**(117,689)**	**127,629**

The accompanying notes to the financial statements form part of this statement.

b) Unaudited Balance sheet as at 30 June 2023

	As of 31 December 2022	As of 30 June 2023
	(in thousands of U.A)	
	(audited)	*(unaudited)*
ASSETS		
CASH	2,830,737	891,548
DEMAND OBLIGATIONS	1,143	1,148
TREASURY INVESTMENTS (Note E)		
Treasury investments at fair value	4,691,711	5,181,704
Treasury investments at amortized cost	7,020,916	7,696,623
	11,712,627	12,878,327
DERIVATIVE ASSETS (Note F)	924,352	986,490
ACCOUNTS RECEIVABLE (Note G)		
Accrued Income and Charges receivable on loans	501,710	608,407
Other Accounts Receivable	821,514	917,462
	1,323,224	1,525,869
DEVELOPMENT FINANCING ACTIVITIES		
Loans, net (Note C & G)	20,695,328	21,247,255
Hedged Loans – Fair value adjustment (Note F)	(394,435)	(377,473)
Equity participations (Note H)	1,043,838	1,102,888
	21,344,731	21,972,670
OTHER ASSETS		
Property and Equipment and Intangible Assets (Note I)	84,121	84,942
Miscellaneous	289	258
	84,410	85,200
TOTAL ASSETS	**38,221,224**	**38,341,252**
LIABILITIES AND EQUITY		
ACCOUNTS PAYABLE		
Accrued Financial Charges	527,025	659,101
Other Accounts Payable	703,941	777,271
	1,230,966	1,436,372
EMPLOYEE BENEFIT LIABILITIES (Note P)	228,431	246,485
DERIVATIVE LIABILITIES (Note F)	2,624,884	2,677,366
BORROWINGS (Note J)		
Borrowings at fair value	24,006,353	23,473,584
Borrowings at amortized cost	247,854	133,765

	24,254,207	23,607,349
TOTAL LIABILITIES	28,338,488	27,967,572
EQUITY (NOTE K)		
Capital		
Subscriptions paid	6,366,244	6,697,468
Cumulative Exchange Adjustment on Subscriptions (CEAS)	(154,169)	(150,214)
Subscriptions Paid (net of CEAS)	6,212,075	6,547,254
Reserves	3,670,661	3,826,426
TOTAL EQUITY	9,882,736	10,373,680
TOTAL LIABILITIES AND EQUITY	**38,221,224**	**38,341,252**

The accompanying notes to the financial statements form part of this statement.

c) Unaudited Statement of Cash Flows for the Period Ended 30 June 2023

	For the six months ended 30 June	
	2022	**2023**
	(in thousands of U.A) *(unaudited)*	
Net cash used in operating activities	(568,843)	180,292
Net cash used in investing, lending and development activities	(2,324,620)	(1,027,994)
Net cash generated from financing activities	1,820,966	(487,681)
Net increase in cash and cash equivalents	**(1,072,497)**	**(1,335,383)**
Cash and cash equivalents at the beginning of the period	3,623,543	3,298,386
Cash and cash equivalents at end of period	**2,326,420**	**1,885,561**

The accompanying notes to the financial statements form part of this statement.

SECTION 7 USE OF PROCEEDS AND THE ISSUER'S SOVEREIGN SUSTAINABLE FINANCING FRAMEWORK

1. Use of Proceeds of the Bonds

100% of the net proceeds from the offering of the Bonds will be remitted out of PRC in Renminbi. The proceeds from the offering of the Bonds, net of fees and expenses in connection with the offering and the Guarantee, will be used to finance public deficit expenditures in accordance with Egypt's Sovereign Sustainable Financing Framework earmarked for eligible sustainable expenditures which include but are not limited to: climate proofing agriculture, clean transportation, sustainable water and waste water management, health, affordable housing, affordable basic infrastructure, digital infrastructure, renewable energy and biodiversity conservation.

2. Egypt's Sovereign Sustainable Financing Framework

Eligible sustainable expenditures will be aligned with Egypt's Sovereign Sustainable Financing Framework and will comply with the Environmental and Social Policy and Standards, the Environmental and Social Exclusion List and the Procurement Policy of each of AIIB and AfDB.

Egypt's Sovereign Sustainable Financing Framework and the Second Party Opinion are disclosed together with this Offering Memorandum through the Designated Disclosure Methods as well as on Egypt's website listed below:

https://mof.gov.eg/en/archive/publicDept/5fef221390744800073130a8/Public%20Debt.

None of the Egypt's Sovereign Sustainable Financing Framework, the Second Party Opinion and any of the reports, opinions or contents thereof available at the Issuer's website is incorporated in or form part of this Offering Memorandum.

SECTION 8 SELLING RESTRICTIONS

1. General

The distribution of this Offering Memorandum or any other offering materials relating to the Bonds and the issue, sale and delivery of the Bonds must comply with the rules and limitations of any selling restrictions of the relevant jurisdictions. Accordingly, each potential Investor (including the Specific Institutional Investor and the Specialized Institutional Investor) shall consult with its own legal advisors with regard to selling restrictions and is advised to observe such selling restrictions. This Offering Memorandum does not constitute an offer or an invitation to subscribe for or purchase any Bonds without authorization.

The Bonds will be offered by private placement only on the Interbank Market. No actions have been taken or will be taken in relation to a public offering of the Bonds, nor in respect of listing on the Shanghai Stock Exchange or the Shenzhen Stock Exchange or in any other countries or jurisdictions.

2. PRC

The Bonds will be privately placed to, and traded among, Specialized Institutional Investors and the Specific Institutional Investors whose names are listed in Section 13 "*List and Information of the Investors*" of this Offering Memorandum (including onshore and offshore Investors permitted to invest in private placement bonds).

Offshore Specific Institutional Investors participating in the subscription of the Bonds through the "Bond Connect" regime should, in connection with the registration, custody, clearing, settlement of the Bonds and remittance and conversion of funds, comply with applicable laws and regulations, including the Interim Measures for the Connection and Cooperation between the Mainland and the Hong Kong Bond Market published by PBOC, as well as rules of other relevant parties and service providers.

3. Hong Kong

The Bonds have not been and will not be offered or sold in Hong Kong by means of any document other than: (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the Bonds has been or will be issued (whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

4. United States

The Bonds have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each of the Principal Underwriters has represented, warranted and undertaken that it has not offered or sold, and will not offer or sell, any Bonds within the United States except in accordance with Rule 903 of Regulation S under the U.S. Securities Act and, accordingly, that neither it nor any of its affiliates (including any person acting on behalf of any of the Principal Underwriters or any of its affiliates) has engaged or will engage in any directed selling efforts with respect to the Bonds. Terms used in this paragraph have the same meanings assigned to them in Regulation S under the U.S. Securities Act.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act.

5. Egypt

Each Principal Underwriter has represented and agreed that the Bonds have not been and will not be offered, sold or publicly promoted or advertised by it in Egypt, other than in compliance with any laws applicable in Egypt governing the issue, offering and sale of securities.

SECTION 9 TAXATION RELATING TO THE BONDS

The following summary of certain tax consequences of the purchase, ownership and disposition of the Bonds is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Memorandum, all of which are subject to change (possibly with retroactive effect).

This summary is not intended to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and is not intended to deal with consequences applicable to all categories of prospective Investors, some of which may be subject to special rules. Each prospective Investor considering the purchase of the Bonds should consult its own tax advisors concerning the possible tax consequences relating to the Bonds.

1. PRC Taxation

(1) Value-added tax ("VAT") and local surcharge and levies

(a) Domestic PRC Investors

The Public Notice on Comprehensive Roll-out of the Pilot Programme for Transforming Business Tax to VAT issued by the Ministry of Finance and the State Administration of Taxation (Caishui [2016] No.36) ("**Circular 36**"), which became effective on 1 May 2016, provides that, provision of services within the PRC (such term contemplating that the provider or recipient of such services is located within the PRC, except for leasing of real properties) is subject to VAT, and income derived from the usage and borrowing of funds, including interest income derived during the holding (including maturity) of financial products, is subject to VAT. VAT applies to lending services where the taxable turnover is the gross amount of the interest income and any income in the nature of interest. The transfer of financial products, including transfer of the ownership of marketable securities, is subject to VAT on the taxable turnover which is the balance of the sales price less the purchase price. With respect to a general VAT taxpayer, output VAT shall be calculated at 6% of the taxable turnover on the difference between output VAT and input VAT on the taxable items mentioned above. In the case of a small-scale VAT taxpayer, VAT shall be calculated at 3% of the taxable turnover on the taxable items mentioned above, without any credit for input VAT. A VAT taxpayer is also subject to urban maintenance and construction tax at 7%, education surcharge at 3%, local education surcharge at 2% and potential applicable other local surcharges. Therefore, domestic PRC Investors' interest income and gains from transferring or selling the Bonds are subject to VAT and the relevant surcharges.

(b) Foreign Specific Institutional Investors

Pursuant to Circular 36, it is possible that the revenues of foreign entities and individuals generated from their provision of services to foreign entities or individuals are not deemed as the provision of services within the PRC and therefore not subject to VAT. As a result, if the interest income on the Bonds received by selected foreign Specific Institutional Investors is regarded as providing lending services to foreign issuer of bonds, such services are not categorized as provision of services in the PRC, thus interest income on the Bonds received by such foreign Specific Institutional Investors is not subject to VAT. Furthermore, pursuant to the Circular on Renewal of Enterprise Income Tax and Value-added Tax in relation to Investments in PRC Bond Markets by Overseas Institutional Investors issued by the Ministry of Finance and the State Administration of Taxation of the PRC, during period from 7 November 2021 to 31 December 2025, interest income received by overseas institutional investors from investing in the PRC bond markets is exempt from VAT.

In addition, Circular 36 categorizes transfers of financial products as the provision of financial services. Pursuant to the Supplemental Circular on VAT Policies Relating to Transactions between Financial Institutions issued by the Ministry of Finance and the State Administration of Taxation (Caishui [2016] No.70), the income of foreign Specific Institutional Investors that are approved by PBOC from investing in the interbank bond market is exempt from VAT. Therefore, if the gains of foreign Specific Institutional Investors on the transfer or sale of the

Bonds are recognized as such income, such gains are exempt from VAT and the relevant surcharges.

(2) Enterprise Income Tax ("EIT")

(a) EIT for PRC Tax Residents

the Bonds and any interest thereon are not exempt from taxation under PRC Laws. According to the Enterprise Income Tax Law of the PRC and its Implementation Rules, investors of the Bonds who are PRC resident enterprises shall be subject to income tax for the interest income received from the Bonds held by them and for gains received from the transfer or sale of the Bonds. Such income shall be included in such Investors' revenues recognized in the respective period, income tax on which is generally assessed at the rate of 25%.

(b) EIT for Non-PRC Tax Residents

The Enterprise Income Tax Law of the PRC and its Implementation Rules provides that a non-resident enterprise that has no business establishment or place in the PRC, or has business establishment or place in the PRC but the income derived is not effectively connected with such business establishment or place, is subject to EIT on the income sourced from the PRC. The source of income for interest is determined on the basis of the location of the enterprise or entity that bears or pays such income; for income derived from transfer of movable property, the source of income is determined on the basis of the location of the enterprise or entity that transfers such property.

If an Investor of the Bonds is a non-resident enterprise that has no business establishment or place in the PRC or that has a business establishment or place in the PRC but the income derived is not effectively connected with such business establishment or place, and the interest arising from the Bonds is borne and paid by a foreign bond issuer, such interest income shall be regarded as income sourced from outside of the PRC and the Investor shall not be subject to EIT on such interest income. Additionally, if an Investor is a non-resident enterprise located outside the PRC, the gain derived by such Bondholder from transferring or selling the Bonds shall be regarded as the income sourced from outside the PRC and thus shall not be subject to EIT. Furthermore, pursuant to the Circular on Renewal of Enterprise Income Tax and Value-added Tax in relation to Investments in PRC Bond Markets by Overseas Institutional Investors issued by the Ministry of Finance and the State Administration of Taxation of the PRC, during the period from 7 November 2021 to 31 December 2025, interest income received by overseas institutional investors from investing in the PRC bond markets that are not derived from, nor associated with, any entities or establishments of such overseas institution in the PRC is exempt from EIT.

(3) Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (the "**Stamp Duty Law**") implemented on 1 July 2022, persons or entities who conclude taxable vouchers or conduct securities transactions within the PRC shall be taxpayers of stamp duty and pay stamp duty. Currently the transfer of the Bonds is not subject to stamp duty under the Stamp Duty Law.

2. Egyptian Taxation

According to the provisions of Law No. 3 of 2021, payments of interest by the Issuer in respect of the Bonds shall be exempt from all applicable taxes and fees throughout the term of the Bonds.

SECTION 10 CREDIT ENHANCEMENT

The payment obligations with respect to the outstanding principal and accrued and unpaid interest on the Bonds are unconditionally and irrevocably guaranteed by Asian Infrastructure Investment Bank ("**AIIB**") and African Development Bank ("**AfDB**", together with AIIB, the "**Guarantors**", and each, a "**Guarantor**"), up to an amount of RMB3,911,955,500 (the "**Maximum Guarantee Amount**") (such guarantee provided severally, and not jointly, by the Guarantors, the "**Guarantee**"), pursuant to and subject to the terms of the letter of guarantee dated 13 October 2023 (the "**Letter of Guarantee**").

Under the Guarantee, subject to the Maximum Guarantee Amount, the AIIB Maximum Guarantee Amount and the AfDB Maximum Guarantee Amount and only to the extent of their respective Pro-rata Shares, each Guarantor assumes joint liability with the Issuer for the payment of the outstanding principal and accrued and unpaid interest on the outstanding Bonds. In respect of the payment of the principal and each instalment of interest unpaid by the Issuer under the Bonds (each as an "**Instalment of Payment**"), each Guarantor shall be obligated to perform its respective guarantee obligation in accordance with and to the extent of its respective percentage of guarantee liability set forth below (each, a "**Pro-rata Share**"):

AIIB: 37% of each Instalment of Payment; and

AfDB: 63% of each Instalment of Payment.

Any claim in respect of an Instalment of Payment under the Letter of Guarantee shall be borne pro rata by each of the Guarantors according to its respective Pro-rata Share, up to the AIIB Maximum Guarantee Amount (in the case of AIIB) and AfDB Maximum Guarantee Amount (in the case of AfDB). For the avoidance of doubt, no Guarantor shall be responsible for the guarantee obligation of the other Guarantor. The default of one Guarantor under the Letter of Guarantee or the Guarantee does not constitute the default of the other Guarantor hereunder.

Each Guarantor's obligations under the Guarantee will constitute irrevocable, several (and not joint) and unsecured obligations of such Guarantor up to its respective Pro-rata Share, ranking *pari passu*, without any preference among themselves, with all its other present and future obligations for borrowed monies that are unsecured and not subordinated. If the Guarantee is called, any amount disbursed by the Guarantors will not be available for new payments under the Guarantee.

The Guarantors shall be required to make a payment under the Guarantee following the occurrence of any non-payment of principal and each instalment of interest by the Issuer under the Bonds due and payable on any Interest Payment Date or the Maturity Date (an "**Issuer Non-Payment Event**"), *provided that* each Guarantor has received a written notice of demand for performance of their respective obligations under the Guarantee in substantially the form set out in the Letter of Guarantee (a "**Payment Demand**") delivered by or on behalf of the Post-issuance Manager and *provided, further, that* in no circumstances shall any Guarantor be obliged to make any payments under the Letter of Guarantee unless and until a Payment Demand has been received by such Guarantors and *provided,* further*, that* the extent of the Guarantors' obligations to pay in respect of any and each Payment Demand shall be subject at all times to the AIIB Maximum Guarantee Amount and the AfDB Maximum Guarantee Amount, as applicable.

Upon each Guarantor's receipt of a Payment Demand relating to an Issuer Non-Payment Event, such Guarantor shall be obliged to pay the relevant guaranteed amount set out in such Payment Demand on or before the 29th Business Day after the date on which it received the Payment Demand. For the avoidance of doubt, under no circumstances (whether following the occurrence of an Event of Default or otherwise) shall any Bondholder (or any other person) take (or be entitled to take) any action to accelerate the Guarantee and/or demand immediate payment of all outstanding amounts due under the Guarantee prior to the originally scheduled Interest Payment Dates or the Maturity Date (as applicable) of the Bonds.

The obligations of each Guarantor arising from the Guarantee will commence from the Settlement Date of the Bonds (provided that the Bonds have been issued and the Issuer has received the full proceeds of the issuance of the Bonds on the Settlement Date for the Bonds) and will terminate on the earlier of (each a "**Termination Date**"):

(i) the date on which such Guarantor has made full payment of any and all amounts due under the Letter of Guarantee, up to the AIIB Maximum Guarantee Amount (in the case of AIIB) and AfDB Maximum Guarantee Amount (in the case of AfDB);

(ii) the date on which the Issuer has made full payment of any and all outstanding principal of and accrued and unpaid interest, if any, on the Bonds;

(iii) the date falling three (3) months after the date of the last Interest Payment Date or Maturity Date of the Bonds, whichever is the later; and

(iv) the first date on which any Unsanctioned Modification occurs.

SECTION 11 DISCLOSURE ARRANGEMENTS

The Issuer shall make accurate, truthful, complete and timely disclose of the information related to the Bonds in accordance with the requirements of NAFMII. During the offering process of the Bonds and during the period in which they remain outstanding, the Issuer will disclose the relevant information through the Designated Disclosure Methods, on the Interbank Market in accordance with the requirements of NAFMII.

1. Disclosure Documents for the Offering of the Bonds

The Issuer will, by no later than one (1) Business Days before the Bookbuilding Date of the Bonds, disclose the following documents through the Designated Disclosure Methods:

(1) the Offering Memorandum and any supplement thereto (where applicable) in relation to the Bonds (English and Chinese versions);

(2) the Letter of Guarantee issued by the Guarantors in relation to the Bonds (English and Chinese versions);

(3) the legal opinion of Fangda Partners in relation to the issuance of the Bonds;

(4) the legal opinion of ADSERO – Ragy Soliman & Partners in relation to the issuance of the Bonds (English version);

(5) the in-house legal opinion of AIIB in relation to the Guarantee (English version);

(6) the in-house legal opinion of AfDB in relation to the Guarantee (English version);

(7) Egypt's Sovereign Sustainable Financing Framework (English version with a Chinese translation);

(8) the Second Party Opinion (English version);

(9) the principal economic data of Egypt (English and Chinese versions);

(10) the independent auditor's report (English version) and the audited financial statements of AIIB as of and for the year ended 31 December 2022 and the comparative period for 31 December 2021 (English version with a Chinese summary);

(11) the independent auditor's report (English version) and the audited financial statements of AfDB as of and for the year ended 31 December 2022 and the comparative period for 31 December 2021 (English version with a Chinese summary);

(12) the unaudited interim financial statements of AIIB as of and for the six months ended 30 June 2023 and the comparative period for 30 June 2022 (English version with a Chinese summary);

(13) the unaudited condensed interim financial statements of AfDB as of and for the six months ended 30 June 2023 and the comparative period for 30 June 2022 (English version);

(14) the consent letter of PricewaterhouseCoopers (English version); and

(15) the consent letter of Deloitte & Associés (English version).

2. Regular Reports

(1) The Issuer

During the period in which any of the Bonds remains outstanding, the Issuer will disclose the following through the Designated Disclosure Methods:

(a) the updated principal economic data of the Issuer for the previous fiscal year in English no later than 30 November of each year, and a Chinese translation thereof within 45 days after the English version is disclosed;

(b) the annual Allocation Report in English within one year of the issuance of the Bond, and a Chinese summary thereof within 45 days after the respective English version is disclosed; and

(c) the Impact Reporting in English on the expected environmental impacts of the Eligible Green and Social Projects on at least annual basis, subject to the availability of the relevant data, and a Chinese translation thereof within 45 days after such English report is disclosed.

(2) The Guarantors

AIIB

During the period in which any of the Bonds remains outstanding, the following documents of AIIB will be disclosed through the Designated Disclosure Methods:

(a) the English version of AIIB's audited annual financial statements within five (5) months after the end of each financial year, and a Chinese summary of such financial statements within 20 days after the English version is disclosed; and

(b) the English version of AIIB's unaudited condensed quarterly financial statements (other than for the last quarter of a year) at the same time as, or as soon as reasonably practicable after, AIIB discloses such financial statements on its website; and a Chinese summary of the unaudited condensed quarterly financial statements (other than for the last quarter of a year) within 20 days after the English version is disclosed.

AfDB

During the period in which any of the Bonds remains outstanding, the following documents of AfDB will be disclosed through the Designated Disclosure Methods:

(a) the English version of AfDB's audited annual financial statements within six (6) months after the end of each financial year, and a Chinese summary of such financial statements within 30 Business Days after the English version is disclosed; and

(b) the English version of AfDB's unaudited condensed semi-annual financial statements at the same time as, or as soon as reasonably practicable after, AfDB discloses such financial statements on other international capital markets, and a Chinese summary of the unaudited condensed semi-annual financial statements within 30 Business Days after the English version is disclosed.

3. Disclosure of Material Events

(1) The Issuer

During the period in which any of the Bonds remains outstanding, upon the occurrence of any Material Events (as listed below) affecting the Issuer's abilities to perform its obligations to pay the interest or principal of the Bonds, the Issuer will disclose such Material Events in Chinese or English (in the latter case, with a Chinese summary to be provided within seven Business Days upon the disclosure of the English version) through the Designated Disclosure Methods as soon as reasonably practicable.

"**Material Events**" include:

- any changes in laws, regulations, treaties, conventions, approvals or authorizations of the Issuer (or its home country or region) that is reasonably expected to have a material impact on the Bonds;
- any Event of Default under, or acceleration or debt restructuring of, any external indebtedness of the Issuer (notwithstanding that the Bonds are not accelerable in any such scenario);
- any change in the rights of Bondholders, including, but not limited to, any change in the terms and conditions of the Issuer's other debt obligations that indirectly alters the rights of the holders of the Bonds; and
- any other events that may have a material adverse effect on the Issuer's ability to perform its obligations (including, but not limited to, the obligation to make full payment of the principal and interest on the Bonds when due) under the Bonds.

(2) The Guarantors

During the period in which any Bonds remain outstanding, upon the occurrence of any of the Material Events listed below affecting any Guarantor's ability to perform its obligations under the Guarantee, such Guarantor will disclose such Material Events in English (with a Chinese summary) through the Designated Disclosure Methods as soon as reasonably practicable.

"**Material Events**" include:

- any change in the Articles of Agreement or any basic documents of such Guarantor or any laws applicable to such Guarantor which may have a material impact on the Guarantee;
- any event of default under, or acceleration or debt restructuring of, any external indebtedness of such Guarantor;
- the failure of such Guarantor to receive any of its callable capital as scheduled; and
- any other events that may have a material adverse effect on such Guarantor's ability to perform its obligations under the Guarantee.

4. Payments of Interest and Repayment of Principal

The Issuer will, on the fifth Business Day prior to the payment date of the interest of the Bonds, deliver an Interest Payment Notice through the Designated Disclosure Methods in accordance with applicable regulatory requirements. The Issuer will, on the fifth Business Day prior to the payment date of the principal of the Bonds, deliver a Final Redemption Notice through the Designated Disclosure Methods in accordance with applicable regulatory requirements.

5. Others

If the Issuer makes any disclosure to any overseas markets (such as the U.S. or Europe) that may affect the decisions of the Investors of the Bonds, the Issuer will, simultaneously or as soon as reasonably practicable thereafter, make the same disclosure in the PRC in accordance with applicable regulatory requirements through the Designated Disclosure Methods.

SECTION 12 INVESTOR PROTECTION MECHANISM

1. Post-issuance Manager and Related Responsibilities

The Post-issuance Manager will monitor the Issuer and the Guarantors to perform their respective on-going obligations under the Bonds, and has agreed to take a leading role to act as the Post-issuance Manager for the Bonds. The responsibilities of the Post-issuance Manager include:

(1) prompting, guiding and assisting the Issuer and the Guarantors in a timely manner to disclose all the information that should be disclosed in a true, accurate and complete manner;

(2) prompting, guiding and assisting the Issuer in a timely manner to specify the interest rate of the Bonds in the Issuance Outcome Notice to be made following the Bookbuilding and assisting the Issuer to deliver such notice to fulfil the Issuer's disclosure obligations in the PRC;

(3) (i) reminding the Issuer at least ten (10) Business Days prior to each relevant date of the payment of the interest or principal of the Bonds to make payment of the interest on and/or principal of the Bonds and (ii) prompting, guiding and assisting the Issuer in a timely manner to disclose information in relation to the payment of the interest on and principal of the Bonds through the Designated Disclosure Methods to fulfil the Issuer's disclosure obligations under PRC Laws;

(4) prompting and assisting the Issuer and the Guarantors in a timely manner to disclose, through the Designated Disclosure Methods, the documents specified in the "Regular Reports" under the Section 11 "*Disclosure Arrangements*" of this Offering Memorandum in accordance with the respective timeline set forth therein;

(5) convening meetings of the Bondholders (where requested);

(6) prompting and assisting the Issuer in a timely manner to report any material events adversely affecting the repayment ability of the Issuer to the competent authorities of the PRC and assisting the Issuer to deliver such notices to fulfil the Issuer's disclosure obligations under PRC Laws; and

(7) upon the Issuer's failure to make interest and/or principal payment in full on the due day for such payment, delivering a written notice to the Guarantors of such failure by the Issuer to perform its payment obligations under the Bonds and assisting the Guarantors with the procedures to effect the payment by the Guarantors of the guaranteed amount.

2. Event of Default

Please see Term (40) (*Event of Default*) under part "*1. Terms of the Bonds*" in Section 3 "*Terms of the Bonds and Offering Arrangements*" of this Offering Memorandum for the events constituting "Events of Default" with respect to the Bonds and the remedies therefor (notwithstanding that the Bonds are not accelerable upon the occurrence of an Event of Default).

3. Meetings of Bondholders

Term (41) (*Meetings of Bondholders*) under part "1. *Terms of the Bonds*" in Section 3 "*Terms of the Bonds and Offering Arrangements*" of this Offering Memorandum sets forth, among other things, the conditions and procedures for convening meetings of Bondholders to consider matters relating to the Bonds, including, without limitation, the modification of any Terms of the Bonds. Such Term includes CACs, i.e., certain provisions relating to the amendments, modifications and waivers to certain Terms of the Bonds, which allow the decisions made by a majority of the Bondholders to bind all the Bondholders, including those who did not vote and who voted against such decisions. Please also see "*(2) The Terms of the Bonds contain CACs*" under "*3. Risks relating to the Bonds and the Guarantee*" in Section 2 "*Risk Factors*" of this Offering Memorandum for a risk disclosure relating to CACs.

SECTION 13 LIST AND INFORMATION OF THE INVESTORS

1. Specialized Institutional Investors

In accordance with the applicable self-regulatory rules of NAFMII, all the Specialized Institutional Investors are eligible for subscribing for and purchasing the Bonds.

SECTION 14 PARTIES INVOLVED IN THE OFFERING

1. Contact Information of the Issuer and other intermediaries relating to the Offering

Issuer	**The Arab Republic of Egypt** Address: Ministry of Finance, Ministry of Finance Towers, Ramsis Street Extension, Nasr City, Cairo, Egypt Contact: Ministry of Finance Tel: + 02 2342 8830 / +02 2054 4203 E-mail: finance@mof.gov.eg
Guarantor	**Asian Infrastructure Investment Bank** Address: Asian Infrastructure Investment Bank (AIIB), Tower A, Asia Financial Center, No.1 Tianchen East Road, Chaoyang District, Beijing 100101, the People's Republic of China Zip Code: 100101 Contact: Ming Hao (郝鸣), Investment Officer, Banking Department Region 2 Tel: +86 10 8358 0935
Guarantor	**African Development Bank** Address: Immeuble du Centre de commerce International d'Abidjan (CCIA), Avenue Jean-Paul II, 01 BP 1387 Abidjan 01, Côte d'Ivoire Zip Code: 01 BP 1387 Contact: Legal Department (PGCL.1) With a copy to: Client Solutions Division (FIST2) – fist2@afdb.org Financial Sector Development Department (PIFD) Capital Markets Development Division (PIFD.2) Tel: +225 27 2026 3900
Lead Underwriter and Lead Bookrunner	**Bank of China Limited** Address: No. 1, Fuxingmen Nei Dajie, Xicheng District, Beijing, China Zip Code: 100818 Legal Representative: Haijiao Ge (葛海蛟) Contact: Songleying Li, Jiasheng Xu Tel: +86 10 6659 2190; +86 10 6659 5027 Fax: +86 10 6659 0831
Joint Lead Underwriter and Joint Bookrunner	**HSBC Bank (China) Company Limited** Address: Level 35, HSBC Building, Shanghai IFC, 8 Century Avenue, Pudong, Shanghai, China

	Zip Code: 200120 Legal Representative: Wang Yunfeng (王云峰) Contact: Jason Liu Tel: +86 21 3888 5261 Fax: +86 21 2320 8533
Issuer's PRC Counsel	**Fangda Partners** Address: 24/F, HKRI Centre Two, HKRI Taikoo Hui, 288 Shi Men Yi Road, Shanghai, China Zip Code: 200041 Contact: Christine Chen Tel: +86 21 2208 1166 Fax: +86 21 5298 5599
Issuer's International Counsel	**Dechert LLP** Address: 25 Cannon Street, London, United Kingdom Zip Code: EC4M 5UB Tel: +44 20 7184 7000 Fax: +44 20 7184 7001
Issuer's Egyptian Counsel	**ADSERO – Ragy Soliman & Partners** Address: 1 Gabalaya Street, 6th Floor, Zamalek, Cairo, Egypt Zip Code: 11211 Contact: Hossam Gramon Tel: +20 2273 5320 3
AIIB's In-house Counsel	**Legal Department of AIIB** Address: Asian Infrastructure Investment Bank (AIIB), Tower A, Asia Financial Center, No.1 Tianchen East Road, Chaoyang District, Beijing, the People's Republic of China Zip Code: 100101 Contact: Alberto Ninio Tel: +86 10 8358 0000
AfDB's In-house Counsel	**Legal Department of AfDB** Address: Immeuble du Centre de commerce International d'Abidjan (CCIA), Avenue Jean-Paul II, 01 BP 1387 Abidjan 01, Côte d'Ivoire Zip Code: 01 BP 1387 Contact: Legal Department (PGCL.1) With a copy to: Client Solutions Division (FIST2) – fist2@afdb.org Financial Sector Development Department (PIFD)

Capital Markets Development Division (PIFD.2)

Tel: +225 27 2026 3900

Guarantors' International Counsel	**White & Case LLP** Address: 19th Floor, Tower 1 of China Central Place 81 Jianguo Lu, Chaoyang District Zip Code: Beijing 100025 Contact: David Li and Xuan Jin Tel: +86 10 5912 9600 Fax: +86 10 5969 5760
Guarantors' PRC Counsel	**Global Law Office** Address: 15&20/F Tower 1, China Central Place, No. 81 Jianguo Road Chaoyang District, Beijing, China Zip Code: 100025 Contact: Xin Zhang and Li Zhu Tel: +86 10 6584 6688 Fax: +86 10 6584 6666
Principal Underwriters' PRC Counsel	**JunHe LLP** Address: 20th Floor, China Resources Building, 8 Jianguomenbei Avenue, Beijing, China Zip Code: 100005 Contact: Tianxiao Lei Tel: +86 10 8553 7690 Fax: +86 10 8519 1350
AIIB's Independent Auditor	**PricewaterhouseCoopers** Address: 24/F Prince's Building, Central, Hong Kong SAR, China Contact: Yuen Kwok Sun Tel: +852 2289 2060 Fax: +852 2810 9888
AfDB's Independent Auditor	**Deloitte & Associés** Address: 6 place de la Pyramide Zip Code: 92908 Paris-La Défense Cedex (France) Contact: Jean-Vincent Coustel Tel: +33 1 40 88 28 00
Bond Registrar and Depositary	**Interbank Market Clearing House Co., Ltd.** Address: No. 2, Beijing East Road, Huangpu District, Shanghai, China

	Zip Code: 200002 Legal Representative: Zhen Xu Contact: Issuance Department Tel: +86 21 2319 8888 Fax: +86 21 2319 8866
Technology Supporting Institution for Central Bookbuilding	**Beijing Financial Asset Exchange** Address: No. 17B Finance Street, Xicheng District, Beijing, China Zip Code: 100032 Legal Representative: Guo Bing Contact: Issuing Department Tel: +86 10 5789 6722; +86 10 5789 6516 Fax: +86 10 5789 6726

2. Potential Conflicts of Interest among the Issuer, the Guarantors and the Principal Underwriters

The Principal Underwriters and their respective affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Principal Underwriters may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer and/or the Guarantor(s) from time to time. In the ordinary course of their various business activities, the Principal Underwriters and their respective affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer including the Bonds or securities and instruments of a Guarantor, may be entered into at the same time or proximate to offers and sales of the Bonds or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of the Bonds. The Bonds may be purchased by or be allocated to any Principal Underwriter or an affiliate for asset management and/or proprietary purposes but not with a view to distribution.

SECTION 15 DOCUMENTS AVAILABLE FOR INSPECTION

1. Documents Available for Inspection

(1) Notice of Acceptance of Registration issued by NAFMII (NAFMII Registration No. [2023] RB3);

(2) A copy of the internal authorization document approving the issuance of the Bonds;

(3) The Offering Memorandum and any supplement thereto (where applicable) in relation to the Bonds (English and Chinese versions);

(4) The Letter of Guarantee issued by the Guarantors in relation to the Bonds (English and Chinese versions);

(5) A copy of the legal opinion of Fangda Partners in relation to the issuance of the Bonds;

(6) A copy of the legal opinion of ADSERO – Ragy Soliman & Partners in relation to the issuance of the Bonds (English version);

(7) A copy of the in-house legal opinion of AIIB in relation to the Guarantee (English version);

(8) A copy of the in-house legal opinion of AfDB in relation to the Guarantee (English version);

(9) A copy of the Sovereign Sustainable Financing Framework of the Issuer (English version with a Chinese translation);

(10) A copy of the Second Party Opinion (English version);

(11) The principal economic data of Egypt (English and Chinese versions);

(12) A copy of the independent auditor's report (English version) and the audited financial statements of AIIB as of and for the year ended 31 December 2022 and the comparative period for 31 December 2021 (English version with a Chinese summary);

(13) A copy of the independent auditor's report (English version) and the audited financial statements of AfDB as of and for the year ended 31 December 2022 and the comparative period for 31 December 2021 (English version with a Chinese summary);

(14) A copy of the unaudited interim financial statements of AIIB as of and for the six months ended 30 June 2023 and the comparative period for 30 June 2022 (English version with a Chinese summary);

(15) A copy of the unaudited condensed interim financial statements of AfDB as of and for the six months ended 30 June 2023 and the comparative period for 30 June 2022 (English version);

(16) A copy of the consent letter of PricewaterhouseCoopers (English version); and

(17) A copy of the consent letter of Deloitte & Associés (English version).

2. Address for Keeping the Documents

Issuer	**The Arab Republic of Egypt**
Address:	Ministry of Finance, Ministry of Finance Towers, Ramsis Street Extension, Nasr City, Cairo, Egypt
Contact:	Ministry of Finance
Tel:	+ 02 2342 8830
E-mail:	finance@mof.gov.eg

Lead Underwriter and Lead Bookrunner:	**Bank of China Limited**
Address:	No. 1, Fuxingmen Nei Dajie, Xicheng District, Beijing, China
Zip Code:	100818
Legal Representative:	Haijiao Ge (葛海蛟)
Contact:	Songleying Li, Jiasheng Xu
Tel:	+86 10 6659 2190; +86 10 6659 5027
Fax:	+86 10 6659 0831

Joint Lead Underwriter and Joint Bookrunner:	**HSBC Bank (China) Company Limited**
Address:	Level 35, HSBC Building, Shanghai IFC, 8 Century Avenue, Pudong, Shanghai, China
Zip Code:	200120
Legal Representative:	Wang Yunfeng (王云峰)
Contact:	Jason Liu
Tel:	+86 21 3888 5261
Fax:	+86 21 2320 8533

Investors may also access to the full text of this Offering Memorandum and the documents mentioned above through the Designated Disclosure Methods.

Investors who have any questions regarding this Offering Memorandum and the above-mentioned documents on record should consult their own securities brokers, legal advisors, accountants or other professional advisors.

(This Page is the Execution Page of the Arab Republic of Egypt 2023 Renminbi Bonds (Series 1) (Sustainable Development Bonds) (Bond Connect) Private Placement Offering Memorandum.)

Issuer:

The Arab Republic of Egypt

AHMED KOUCHOUK

By: ______________________

Name: Ahmed Kouchouk

Title: Egypt's Vice Minister of Finance for Fiscal Policies and Institutional Reform

Date: 13 October 2023