Section 6

MONETARY SECTOR

Table (24) : Developments in Main Monetary Aggregates
(August 2017)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change 1/
Net Foreign Assets (LE terms)	**25.2**	**152.0**	**255.9**	**-436.5**
CBE NFA	-0.6	76.7	-242.7	-246.6
CBE NIR	-0.49	14.1	335.1	229.0
Banks NFA 2/	80.5	406.6	55.5	-1710.6
Net Foreign Assets (US dollar terms)	**26.2**	**156.4**	**-178.2**	**-171.2**
CBE NFA	0.2	79.8	-171.6	-156.0
CBE NIR	0.30	16.1	118.2	65.9
Banks NFA 2/	81.9	415.4	-187.7	656.1
Net Domestic Assets	**1.0**	**1.8**	**25.0**	**34.3**
Net Claims on Government and GASC	1.2	0.3	12.6	26.4
Claims on Public Companies	0.88	-0.6	59.2	63.4
Claims on Private Sector	-0.4	-0.8	34.6	35.9
Total Liquidity (M2)	**2.1**	**5.4**	**39.6**	**35.4**
Money (M1)	2.9	5.0	21.0	20.5
Quasi Money	1.90	5.5	46.7	41.0

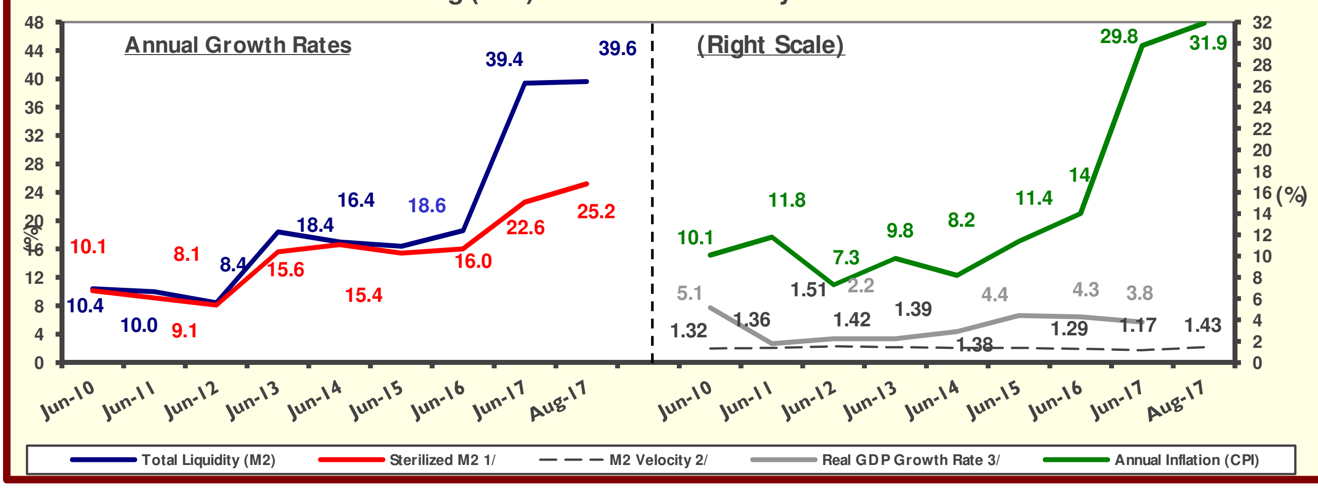
Source: Central Bank of Egypt.

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

2/ Commercial, specialized, business and investment banks.

MONETARY SECTOR

Fig (15) :Selected Monetary Indicators



Source: Central Bank of Egypt.

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

2/ GDP estimate for FY16/17 has been revised recently to reach LE 3478 billion instead of 3407.7 billion. Meanwhile GDP projections for FY17/18 is estimated to reach LE 4286.5 billion as per the Ministry of Finance Calculations.

3/ Real Growth of GDP at market prices.

Table (25) : Monetary Survey
Assets and Liabilities of The Banking Sector
(August 2017)

(LE Million)

	Aug-12	Aug-13	Aug-14	Aug-15	Aug-16	May-17	Jun-17	Jul-17	Aug-17*
Net Foreign Assets 1/	153,731	134,825	119,732	29,980	(112,206)	69,387	61,056	139,658	174,878
	-(36.7)	-(12.3)	-(11.2)	-(75.0)	-(474.3)	(183.8)	(169.9)	(236.5)	(255.9)
Central bank (Net)	70,843	44,884	38,711	10,523	(66,308)	53,540	3,690	95,172	94,599
Foreign Assets	89,976	128,980	117,084	136,307	141,330	584,396	551,514	629,176	623,814
Foreign Liabilities	19,133	84,096	78,373	125,784	207,638	530,856	547,824	534,004	529,215
Banks (Net)	82,888	89,941	81,021	19,457	(45,898)	15,847	57,366	44,486	80,279
Foreign Assets	113,778	123,707	116,833	82,320	83,461	285,546	339,126	325,509	362,571
Foreign Liabilities	30,890	33,766	35,812	62,863	129,359	269,699	281,760	281,023	282,292
Net Domestic Assets of which:	961,536	1,194,667	1,437,647	1,789,138	2,263,854	2,780,214	2,857,137	2,801,157	2,829,008
	(23.0)	(24.2)	(20.3)	(24.4)	(26.5)	(30.7)	(30.9)	(26.1)	(25.0)
Net Claims on Government, and GASC 2/	615,055	833,351	1,085,964	1,359,796	1,749,664	1,964,153	1,979,641	1,947,793	1,970,644
National Currency	667,566	887,815	1,071,154	1,308,870	1,590,647	1,551,524	1,545,112	1,440,951	1,419,021
Foreign Currency	(52,511)	(54,464)	14,810	50,926	159,017	412,629	434,529	506,842	551,623
Claims on Public Business Sector	41,662	44,135	45,901	72,542	94,023	150,560	148,715	148,345	149,645
National Currency	33,043	35,271	36,118	50,591	66,356	97,511	96,035	97,762	100,094
Foreign Currency	8,619	8,864	9,783	21,951	27,667	53,049	52,680	50,583	49,551
Claims on Private Sector 2/	453,497	496,117	534,344	629,157	720,653	978,257	982,914	973,485	969,974
National Currency	349,115	374,220	404,499	462,267	547,486	672,724	680,046	676,219	681,094
Foreign Currency	104,382	121,897	129,845	166,890	173,167	305,533	302,868	297,266	288,880
Other Items (net) 1/ 2/	(148,678)	(178,936)	(228,562)	(272,357)	(300,486)	(312,756)	(254,133)	(268,466)	(261,255)
Total Liquidity (M2)	1,115,267	1,329,492	1,557,379	1,819,118	2,151,648	2,849,601	2,918,193	2,940,815	3,003,886
	(8.9)	(19.2)	(17.1)	(16.8)	(18.3)	(39.4)	(39.3)	(38.7)	(39.6)
Money (M1) 3/	283,817	362,971	425,822	506,834	594,095	684,278	707,427	698,360	718,759
	(9.1)	(27.9)	(17.3)	(19.0)	(17.2)	(23.7)	(23.5)	(20.7)	(21.0)
Currency in Circulation	202,586	258,602	280,412	301,090	362,916	404,614	419,058	411,041	425,620
Demand Deposits in Local Currency	81,231	104,369	145,410	205,744	231,179	279,664	288,369	287,319	293,139
Quasi Money	831,450	966,521	1,131,557	1,312,284	1,557,553	2,165,323	2,210,766	2,242,455	2,285,127
	(8.8)	(16.2)	(17.1)	(16.0)	(18.7)	(45.2)	(45.3)	(45.5)	(46.7)
Local Currency Time & Savings Deposits	643,869	744,064	893,249	1,039,136	1,229,595	1,479,420	1,516,480	1,557,894	1,620,679
Foreign Currency Demand Deposits	45,318	54,833	63,901	71,904	75,181	147,690	150,042	146,502	135,832
Foreign Currency Time and Savings Deposits	142,263	167,624	174,407	201,244	252,777	538,213	544,244	538,059	528,616

Source: Central Bank of Egypt.

( ) Percent change over previous year.

* Preliminary.

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

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

3/ Excludes drafts and checks under collection.

Table (25) : Monetary Survey (continued)

(Memorandum Items)

(August 2017)

	Aug-12	Aug-13	Aug-14	Aug-15	Aug-16	May-17	Jun-17	Jul-17	Aug-17 *
Net Foreign Assets (In Million US$) 4/	25,342	19,298	16,758	3,840	(12,636)	3,852	3,387	7,826	9,877
Central bank NFA	11,678	6,424	5,418	1,348	(7,467)	2,972	205	5,333	5,343
Net International Reserves	28,496	31,335	27,727	19,950	10,747	33,323	33,773	37,748	39,766
Central Bank (Gross)	15,127	18,924	16,836	18,096	16,564	31,126	31,305	36,036	36,143
Banks (net)	13,664	12,873	11,340	2,492	(5,169)	880	3,182	2,493	4,534
Foreign assets	18,756	17,706	16,352	10,544	9,399	15,852	18,811	18,240	20,477
Foreign Liabilities	5,092	4,833	5,012	8,052	14,567	14,973	15,629	15,747	15,943
In Percent of Beginning of Money Stocks 5/									
Net Foreign Assets	-0.36%	0.90%	0.04%	-1.22%	-9.27%	1.0%	0.5%	5.0%	7.0%
Net Domestic Assets	2.3%	1.7%	2.7%	4.3%	31.1%	60.4%	64.7%	61.6%	63.2%
Money (M1)	0.9%	1.5%	1.0%	0.4%	5.4%	10.5%	11.8%	11.3%	12.4%
Quasi Money	1.1%	1.1%	1.7%	2.6%	16.5%	50.9%	53.5%	55.3%	57.7%
Dollarization (% of Total Liquidity) 6/	0.17	0.17	0.15	0.15	0.15	24.1	23.8	23.3	22.1
M2 Multiplier 7/	4.34	3.97	4.20	4.55	4.32	5.15	5.05	5.50	5.12
M2 Velocity 8/	1.67	1.60	1.57	1.49	1.62	1.22	1.19	1.46	1.43
M2 (annual percentage change)	8.87	19.21	17.14	16.81	18.28	39.4	39.3	38.7	39.6
Credit to private sector (annual percentage change) 9/	0.07	0.1	0.1	0.18	0.1	39.0	38.0	37.0	34.6
Exchange Rate 10/	6.07	6.99	7.14	7.81	8.88	18.01	18.03	17.85	17.71

Source: Central Bank of Egypt.

* Preliminary.

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

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

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

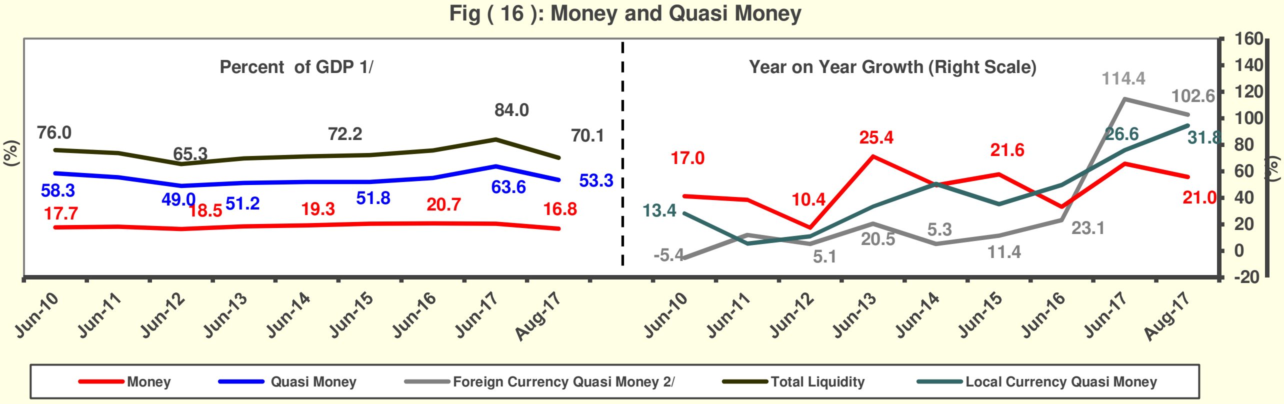
7/ M2 / Reserve Money.

8/ GDP estimate for FY16/17 has been revised recently to reach LE 3478 billion instead of 3407.7 billion. Meanwhile GDP projections for FY17/18 is estimated to reach LE 4286.5 billion as per the Ministry of Finance Calculations.

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

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

Fig (16): Money and Quasi Money



Source: Central Bank of Egypt.

1/ GDP estimate for FY16/17 has been revised recently to reach LE 3478 billion instead of 3407.7 billion. Meanwhile GDP projections for FY17/18 is estimated to reach LE 4286.5 billion as per the Ministry of Finance Calculations.

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

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

(LE Million)

	Aug-12	Aug-13	Aug-14	Aug-15	Aug-16	May-17	Jun-17	Jul-17	Aug-17 *
Reserve Money	256,705	334,549	370,901	399,916	498,438	553,812	577,582	534,830	586,899
	(1.4)	(30.3)	(10.9)	(7.8)	(24.6)	(19.2)	(20.8)	(19.0)	(17.7)
Currency in Circulation	214,650	271,407	297,587	320,917	386,462	434,034	452,035	442,237	461,358
	(12.9)	(26.4)	(9.6)	(7.8)	(20.4)	(23.6)	(22.7)	(17.8)	(19.4)
Banks LE Deposits with CBE	42,055	63,142	73,314	78,999	111,976	119,778	125,547	92,593	125,541
	-(33.4)	(50.1)	(16.1)	(7.8)	(41.7)	(5.5)	(14.5)	(24.9)	(12.1)
Counter Assets:									
Net Foreign Assets	70,843	44,884	38,711	10,523	-66,308	53,540	3,690	95,172	94,599
	-(48.5)	-(36.6)	-(13.8)	-(72.8)	-(730.1)	(218.4)	(108.2)	(257.6)	(242.7)
Net Domestic Assets	185,862	289,665	332,190	389,393	564,746	500,272	573,892	439,658	492,300
	(60.7)	(55.8)	(14.7)	(17.2)	(45.0)	-(1.9)	(9.7)	-(13.8)	-(12.8)
Net Claims on Government [2/]	192,668	325,546	453,435	594,258	652,097	681,576	708,637	708,268	737,368
	(46.8)	(69.0)	(39.3)	(31.1)	(9.7)	(11.5)	(14.4)	(10.1)	(13.1)
Claims	271,473	419,240	496,511	679,776	719,070	822,984	821,975	805,195	803,663
	(31.0)	(54.4)	(18.4)	(36.9)	(5.8)	(18.4)	(16.3)	(10.9)	(11.8)
Securities	178,831	240,331	210,330	241,830	390,830	714,383	714,454	713,581	712,782
Credit Facilities	92,642	178,909	286,181	437,946	328,240	108,601	107,521	91,614	90,881
Deposits [3/]	78,805	93,694	43,076	85,518	66,973	141,408	113,338	96,927	66,295
	(3.6)	(18.9)	-(54.0)	(98.5)	-(21.7)	(68.2)	(29.6)	(17.4)	-(1.0)
Net Claims on Banks	-1,105	-3,356	-7,793	-27,370	90,189	128,264	157,141	129,898	156,148
Net Balancing Items [4/]	-5,701	-32,525	-113,452	-177,495	-177,540	-309,568	-291,886	-398,508	-401,216
Memorandum Items									
Reserve Money Velocity [5/, 6/]	7.25	6.37	6.59	6.77	6.98	6.28	6.02	8.01	7.30

Source: Central Bank of Egypt.

( ) Percent change over same period in previous year.

* Preliminary.

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

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

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

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

5/ GDP / Reserve Money (M0).

6/ GDP estimate for FY16/17 has been revised recently to reach LE 3478 billion instead of 3407.7 billion. Meanwhile GDP projections for FY17/18 is estimated to reach LE 4286.5 billion as per the Ministry of Finance Calculations.

Table (27) : Deposits With Banks 1/

(LE Million)

	Aug-12	Aug-13	Aug-14	Aug-15	Aug-16	May-17	Jun-17	Jul-17	Aug-17 *
Total Deposits	1,035,884	1,217,286	1,479,165	1,809,086	2,172,930	2,973,489	3,042,155	3,071,436	3,124,387
	(6.5)	(17.5)	(21.5)	(22.3)	(20.1)	(43.0)	(43.3)	(43.6)	(43.8)
In local currency	791,422	919,409	1,145,390	1,437,107	1,742,001	2,084,655	2,128,025	2,251,382	2,344,274
In foreign currency	244,462	297,877	333,775	371,979	430,929	888,834	914,130	820,054	780,113
Non Government Deposits 2/	920,047	1,079,702	1,286,903	1,533,430	1,803,002	2,462,330	2,517,727	2,549,957	2,594,985
	(7.9)	(17.4)	(19.2)	(19.2)	(17.6)	(42.5)	(43.0)	(43.3)	(43.9)
In local currency	728,530	853,200	1,044,465	1,255,089	1,471,014	1,769,182	1,815,641	1,857,370	1,923,164
In foreign currency	191,517	226,502	242,438	278,341	331,988	693,148	702,086	692,587	671,821
Government Deposits	115,837	137,584	192,262	275,656	369,928	511,159	524,428	521,479	529,402
	-(3.5)	(18.8)	(39.7)	(43.4)	(34.20)	(45.7)	(44.8)	(45.4)	(43.1)
In local currency	62,892	66,209	100,925	182,018	270,987	315,473	312,384	394,012	421,110
In foreign currency	52,945	71,375	91,337	93,638	98,941	195,686	212,044	127,467	108,292
Memorandum Items (In Percent):									
Dollarization in Total Deposits	23.6	24.5	22.6	20.6	19.8	29.9	30.0	26.7	25.0
Dollarization in Non-Government Deposits	20.8	21.0	18.8	18.2	18.4	28.2	27.9	27.2	25.9
Dollarization in Government Deposits	45.7	51.9	47.5	34.0	26.7	38.3	40.4	24.4	20.5

Source: Central bank of Egypt.

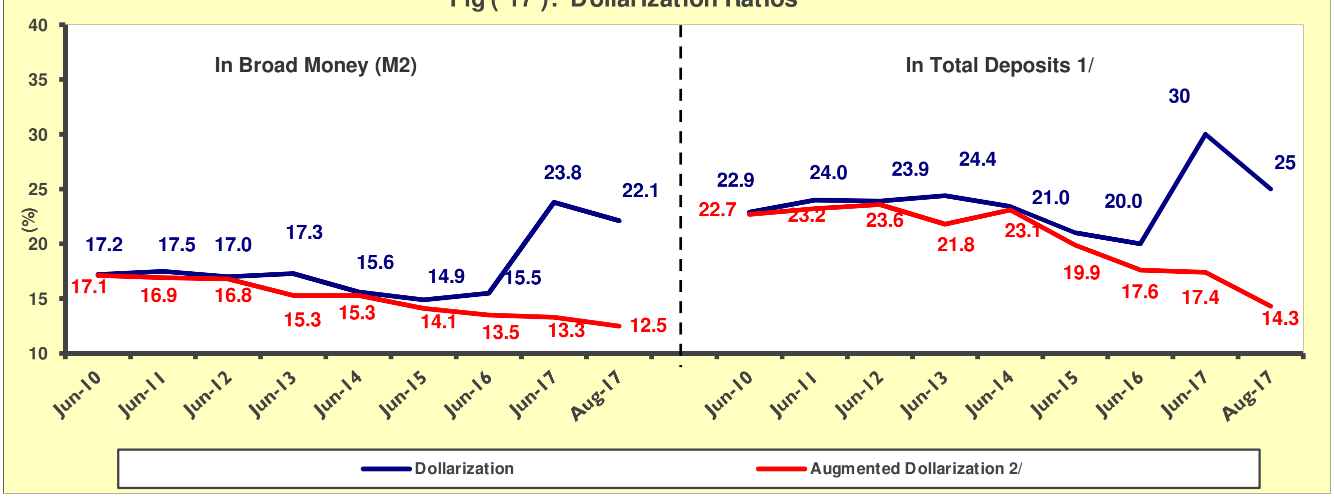
( ) Percent change over same period in previous year.

* Preliminary.

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

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

Fig (17): Dollarization Ratios



Source: Central Bank of Egypt.

1/ Excludes Deposits with CBE.

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

Table (28) : Credit Provided By Banks 1/

(LE Million)

	Aug-12	Aug-13	Aug-14	Aug-15	Aug-16	May-17	Jun-17	Jul-17	Aug-17*
Total lending	**505,501**	**550,393**	**587,986**	**736,914**	**956,638**	**1,405,513**	**1,426,457**	**1,413,757**	**1,410,331**
	(6.1)	(8.9)	(6.8)	(25.3)	(29.8)	(51.8)	(51.3)	(49.7)	(47.4)
To Government 2/	**33,807**	**37,137**	**41,017**	**69,740**	**181,962**	**335,829**	**354,723**	**351,402**	**350,001**
	-(12.5)	(9.9)	(10.4)	(70.0)	(160.9)	(95.2)	(104.2)	(98.6)	(92.3)
In local currency	13,902	10,963	11,735	10,637	102,189	143,198	142,710	142,943	143,984
In foreign currency	19,905	26,174	29,282	59,103	79,773	192,631	212,013	208,459	206,017
To Non-Government	**471,694**	**513,256**	**546,969**	**667,174**	**774,676**	**1,069,684**	**1,071,734**	**1,062,355**	**1,060,330**
	(7.7)	(8.8)	(6.6)	(22.0)	(16.1)	(41.9)	(39.4)	(38.4)	(36.9)
In local currency	349,778	375,758	404,461	476,392	574,206	718,577	724,503	723,014	730,302
In foreign currency	121,916	137,498	142,508	190,782	200,470	351,107	347,231	339,341	330,028
Memorandum Items (In Percent):									
Credit to private sector 3/ / Total Credit	85.1	85.3	85.3	80.7	71.2	65.4	64.7	64.7	64.6
Non Government Loans/ Deposits 4/	51.3	47.5	42.5	43.5	43.0	43.4	42.6	41.7	40.9
Government Loans / Deposits	29.2	27.0	21.3	25.3	49.2	65.7	67.6	67.4	66.1
Foreign currency denominated credit to total credit	28.1	29.7	29.2	33.9	29.3	38.7	39.2	38.7	38.0
Government foreign currency denominated credit to total government credit	58.9	70.5	71.4	84.7	43.8	57.4	59.8	59.3	58.9
denominated credit to total non-government credit	25.8	26.8	26.1	28.6	25.9	32.8	32.4	31.9	31.1

Source: Central Bank of Egypt.

( ) Percent change over previous year

* Preliminary.

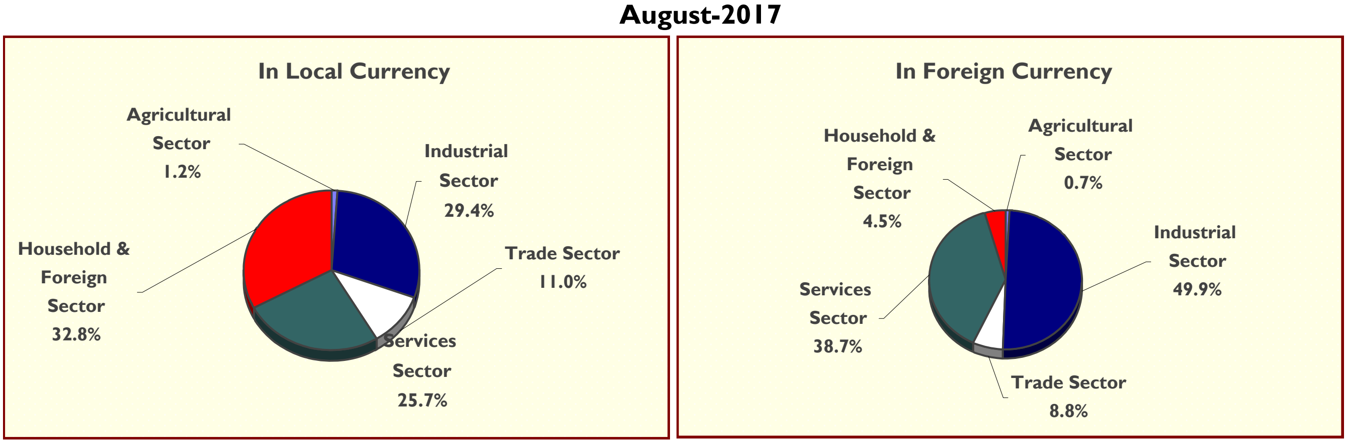
1/ Excludes credit provided by the Central Bank of Egypt.

2/ Includes central government and economic authorities.

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

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

Fig (18): Sectoral Distribution of Non-Government Credit Facilities August-2017



Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

	CBE Discount Rate [1/]	Lending Rate (Less than one year loans) [2/]	3 Months Deposit Rate [2/]	3 Months T-bills	Investment Certificates [1/ 3/]	Post Office Saving Deposits [1/]
Yearly Average						
2006/2007	9.00	12.64	6.01	8.65	10.00	9.50
2007/2008	10.00	12.22	6.09	6.97	10.00	9.50
2008/2009	9.00	12.39	7.03	11.32	10.00	9.27
2009/2010	8.50	11.35	5.97	9.86	9.58	9.00
2010/2011	8.50	10.84	6.52	10.20	9.50	9.00
2011/2012	9.50	11.63	7.26	13.38	10.92	9.00
2012/2013	10.25	12.20	7.77	13.35	11.92	9.00
2013/2014	8.75	11.92	7.19	10.88	10.48	8.63
2014/2015	9.25	11.71	6.99	11.44	9.83	8.46
2015/2016	12.25	12.12	7.00	11.83	11.92	8.00
2016/2017	17.25	15.75	9.79	17.53	15.08	9.50
Monthly Average						
Sep-16	12.25	13.90	8.10	14.77	12.75	8.00
Oct-16	12.25	13.90	8.20	14.55	12.75	8.00
Nov-16	15.25	16.00	8.80	18.25	16.25	10.25
Dec-16	15.25	16.30	10.30	18.68	16.25	10.25
Jan-17	15.25	16.50	10.90	18.99	16.25	10.25
Feb-17	15.25	16.50	11.30	18.32	16.25	10.25
Mar-17	15.25	16.60	11.30	19.48	16.25	10.25
Apr-17	15.25	16.70	10.90	19.40	16.25	10.25
May-17	15.75	17.00	10.80	19.33	16.25	10.25
Jun-17	17.25	18.00	11.20	20.35	16.25	10.25
Jul-17	18.75	18.50	12.40	21.74	16.25	10.25
Aug-17	19.25	19.60	13.00	19.48	16.25	10.25
Sep-17	19.25	19.60	13.40	18.95	16.25	10.25

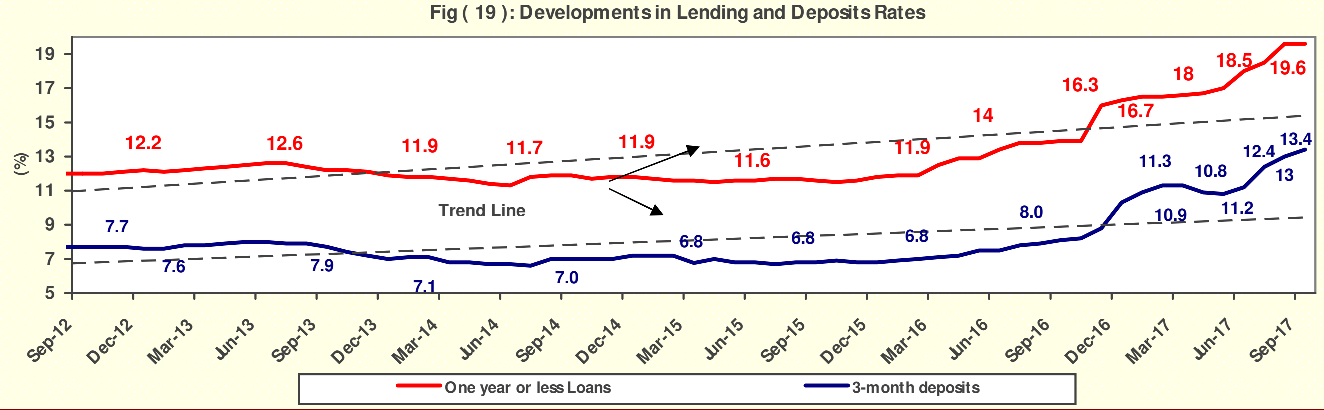
Source: Central Bank of Egypt.

1/ End of period rate.

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

3/ Simple Interest.

Fig (19): Developments in Lending and Deposits Rates



Source: Central Bank of Egypt.

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

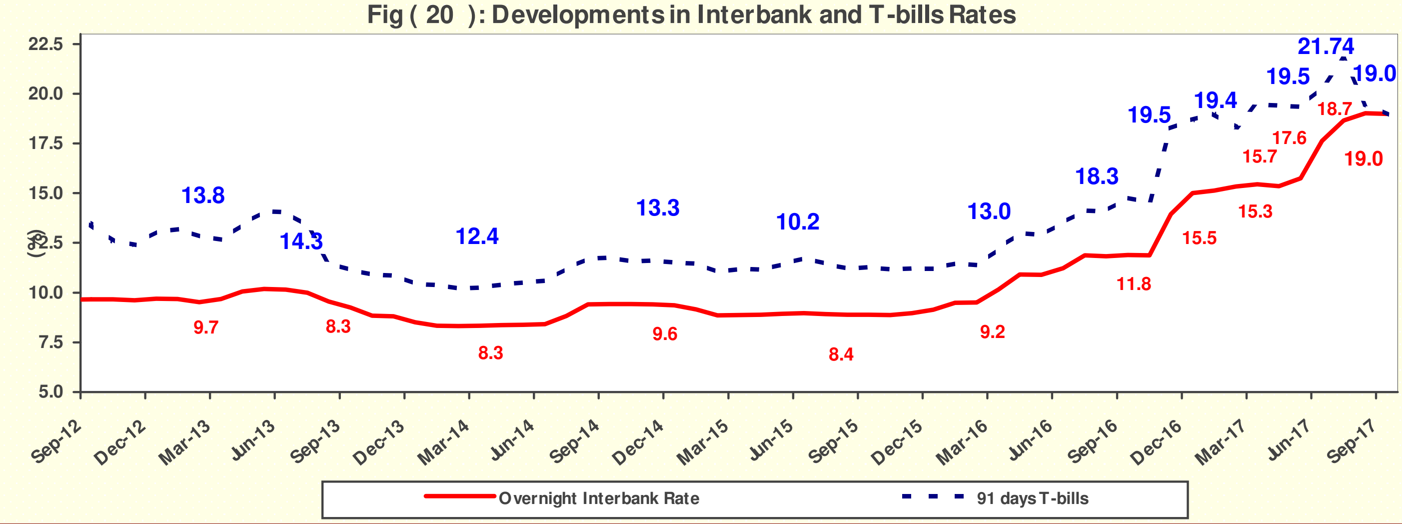
	Overnight	One Week	Month	More than One Month
Yearly Average				
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
2011	9.0	9.1	9.4	9.5
2012	9.4	9.8	10.1	10.2
2013	9.5	9.8	10.2	10.5
2014	8.8	9.1	--	--
2015	8.9	9.2	--	--
2016	11.5	11.6	--	12.6
Monthly Average				
Sep-16	11.89	11.94	--	--
Oct-16	11.88	11.95	--	12.05
Nov-16	13.94	13.48	--	14.85
Dec-16	15.01	15.26	--	--
Jan-17	15.13	15.33	--	--
Feb-17	15.34	15.42	--	15.30
Mar-17	15.45	15.74	--	16.27
Apr-17	15.35	15.76	--	--
May-17	15.75	15.77	--	17.00
Jun-17	17.63	17.85	--	--
Jul-17	18.65	18.91	--	19.00
Aug-17	19.01	19.42	19.97	--
Sep-17	18.98	19.18	--	--

Source: Central Bank of Egypt.

-- Data not available.

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

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



Source: Central Bank of Egypt.