

Section 6

MONETARY SECTOR

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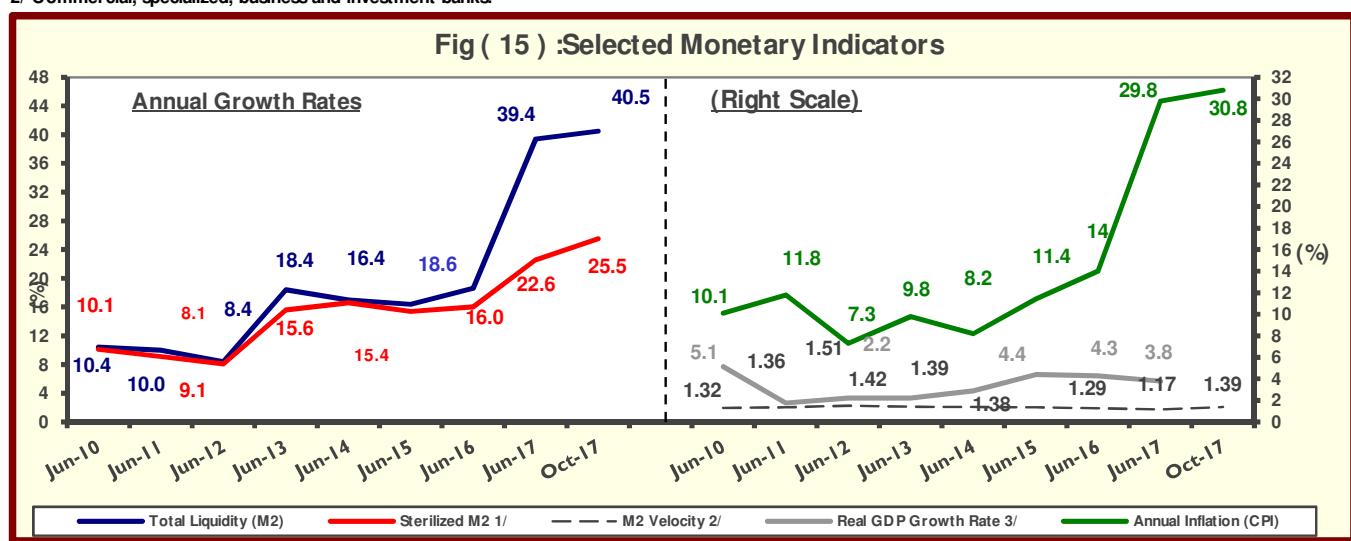
Table (24) : Developments in Main Monetary Aggregates
(October 2017)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	0.3	35.5	255.1	-151.3
CBE NFA	7.6	15.6	-285.0	13.4
CBE NIR	0.4	0.4	281.8	269.4
Banks NFA 2/	-8.3	78.0	-33.2	-1577.7
Net Foreign Assets (US dollar terms)	0.4	37.4	-178.3	14.6
CBE NFA	7.6	17.3	-193.4	62.7
CBE NIR	0.5	1.9	92.8	77.9
Banks NFA 2/	-8.2	80.6	-164.0	711.3
Net Domestic Assets	1.3	3.5	24.9	34.3
Net Claims on Government and GASC	1.8	4.5	13.9	24.1
Claims on Public Companies	0.3	1.3	56.7	48.2
Claims on Private Sector	1.0	1.4	34.1	39.0
Total Liquidity (M2)	1.2	5.0	40.5	39.1
Money (M1)	-1.8	3.8	18.2	20.9
Quasi Money	2.2	5.4	49.1	46.0

Source: Central Bank of Egypt.

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

2/ Commercial, specialized, business and investment banks.



Source: Central Bank of Egypt.

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

2/ GDP estimate for FY16/17 has been revised recently to reach LE 3470 billion instead of 3478 billion. Meanwhile GDP projections for FY17/18 are 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
(October 2017)

	Oct-12	Oct-13	Oct-14	Oct-15	Oct-16	Jul-17	Aug-17	Sep-17	Oct-17*
Net Foreign Assets 1/	154,358	121,994	111,643	7,461	(121,937)	139,658	174,878	188,602	189,180
	-(30.4)	-(21.0)	-(8.5)	-(93.3)	-(1734.3)	(236.5)	(255.9)	(268.6)	(255.1)
Central bank (Net)	69,831	42,133	43,092	(4,009)	(59,468)	95,172	94,599	102,268	109,993
Foreign Assets	92,180	125,104	117,908	126,278	163,318	629,176	623,814	630,491	633,722
Foreign Liabilities	22,349	82,971	74,816	130,287	222,786	534,004	529,215	528,223	523,729
Banks (Net)	84,527	79,861	68,551	11,470	(62,469)	44,486	80,279	86,334	79,187
Foreign Assets	116,056	113,696	106,029	82,155	79,387	325,509	362,571	369,350	369,751
Foreign Liabilities	31,529	33,835	37,478	70,685	141,856	281,023	282,292	283,016	290,564
Net Domestic Assets of which:	990,295	1,226,490	1,448,684	1,860,713	2,320,133	2,801,157	2,829,008	2,861,771	2,898,872
	(22.4)	(23.9)	(18.1)	(28.4)	(24.7)	(26.1)	(25.0)	(24.7)	(24.9)
Net Claims on Government, and GASC 2/	647,353	880,806	1,057,611	1,402,879	1,787,469	1,947,793	1,970,644	2,000,955	2,036,286
National Currency	701,159	935,380	1,044,687	1,342,283	1,618,108	1,440,951	1,419,021	1,464,450	1,488,361
Foreign Currency	(53,806)	(54,574)	12,924	60,596	169,361	506,842	551,623	536,505	547,925
Claims on Public Business Sector	43,059	43,543	55,747	76,059	95,954	148,345	149,645	149,843	150,321
National Currency	34,447	34,904	41,965	52,795	68,298	97,762	100,094	100,373	100,865
Foreign Currency	8,612	8,639	13,782	23,264	27,656	50,583	49,551	49,470	49,456
Claims on Private Sector 2/	458,433	496,961	549,740	638,328	736,252	973,485	969,974	977,032	987,181
National Currency	353,519	377,159	416,350	466,557	563,283	676,219	681,094	688,562	697,013
Foreign Currency	104,914	119,802	133,390	171,771	172,969	297,266	288,880	288,470	290,168
Other Items (net) 1/ 2/	(158,550)	(194,820)	(214,414)	(256,553)	(299,542)	(268,466)	(261,255)	(266,059)	(274,916)
Total Liquidity (M2)	1,144,653	1,348,484	1,560,327	1,819,118	2,198,196	2,940,815	3,003,886	3,050,373	3,088,052
	(11.0)	(17.8)	(15.7)	(16.8)	(17.7)	(38.7)	(39.6)	(39.7)	(40.5)
Money (M1) 3/	291,684	369,024	431,396	519,344	613,309	698,360	718,759	738,456	724,799
	(12.2)	(26.5)	(16.9)	(20.4)	(18.1)	(20.7)	(21.0)	(21.6)	(18.2)
Currency in Circulation	205,080	258,332	277,725	308,321	373,333	411,041	425,620	416,114	408,915
Demand Deposits in Local Currency	86,604	110,692	153,671	211,023	239,976	287,319	293,139	322,342	315,884
Quasi Money	852,969	979,460	1,128,931	1,348,830	1,584,887	2,242,455	2,285,127	2,311,917	2,363,253
	(10.6)	(14.8)	(15.3)	(19.5)	(17.5)	(45.5)	(46.7)	(46.7)	(49.1)
Local Currency Time & Savings Deposits	662,454	766,120	891,661	1,068,254	1,258,012	1,557,894	1,620,679	1,646,690	1,697,893
Foreign Currency Demand Deposits	45,860	52,924	64,367	71,245	74,815	146,502	135,832	141,237	138,294
Foreign Currency Time and Savings Deposits	144,655	160,416	172,903	209,331	252,060	538,059	528,616	523,990	527,066

Source: Central Bank of Egypt.

() Percent change over previous year.

* Preliminary.

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

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

3/ Excludes drafts and checks under collection.

Table (25) : Monetary Survey (continued)

(Memorandum Items)

(October 2017)

	Oct-12	Oct-13	Oct-14	Oct-15	Oct-16	Jul-17	Aug-17	Sep-17	Oct-17*
Net Foreign Assets (In Million US\$)^{4/}	25,367	17,717	15,622	943	(13,732)	7,826	9,877	10,716	10,756
Central bank NFA	11,476	6,119	6,030	(506)	(6,697)	5,333	5,343	5,811	6,254
Net International Reserves	29,040	29,767	26,092	17,402	11,357	37,748	39,766	40,730	40,533
Central Bank (Gross)	15,484	18,590	16,909	16,415	19,041	36,036	36,143	36,535	36,535
Banks (net)	13,891	11,598	9,593	1,449	(7,035)	2,493	4,534	4,906	4,502
Foreign assets	19,072	16,512	14,837	10,379	8,940	18,240	20,477	20,987	21,023
Foreign Liabilities	5,181	4,914	5,244	8,930	15,975	15,747	15,943	16,081	16,520
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	-0.30%	-0.09%	-0.50%	-2.49%	-9.82%	5.0%	7.0%	7.8%	7.8%
Net Domestic Assets	4.89%	4.14%	3.38%	8.31%	34.33%	61.6%	63.2%	65.0%	67.1%
Money (M1)	1.57%	1.92%	1.37%	1.15%	6.47%	11.3%	12.4%	13.6%	12.8%
Quasi Money	3.0%	2.12%	1.51%	4.67%	18.04%	55.3%	57.7%	59.2%	62.1%
Dollarization (% of Total Liquidity)^{6/}	0.17	0.16	0.15	0.15	0.15	23.3	22.1	21.8	21.5
M2 Multiplier^{7/}	4.27	4.03	4.23	4.39	4.33	5.50	5.12	5.20	4.57
M2 Velocity^{8/}	1.63	1.58	1.57	1.45	1.58	1.46	1.43	1.41	1.39
M2 (annual percentage change)	11.03	17.81	15.71	19.73	17.67	38.7	39.6	39.7	40.5
Credit to private sector (annual percentage change)^{9/}	0.07	0.08	0.11	0.16	0.15	37.0	34.6	34.0	34.1
Exchange Rate^{10/}	6.09	6.89	7.15	7.92	8.88	17.85	17.71	17.60	17.59

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.

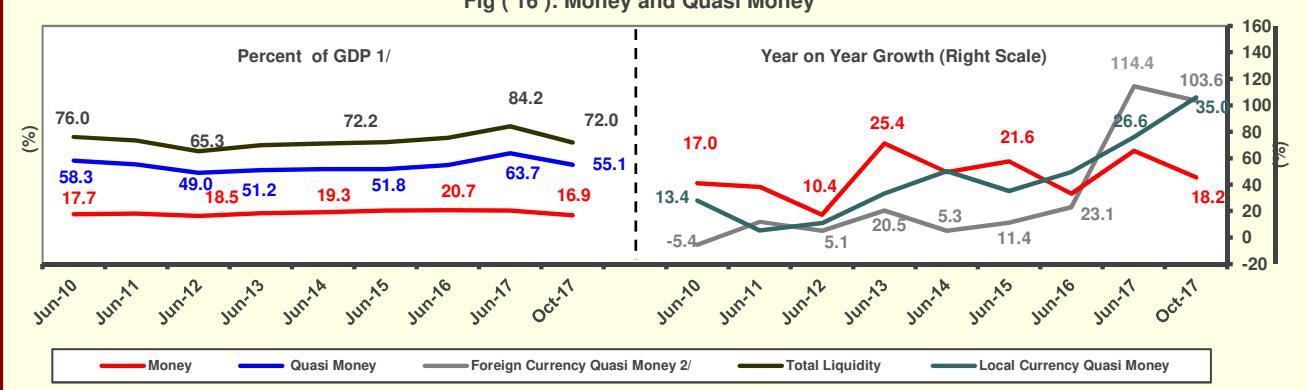
7/ M2 / Reserve Money.

8/ GDP estimate for FY16/17 has been revised recently to reach LE 3470 billion instead of 3478 billion. Meanwhile GDP projections for FY17/18 are 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 3470 billion instead of 3478 billion. Meanwhile GDP projections for FY17/18 are 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)

	Oct-12	Oct-13	Oct-14	Oct-15	Oct-16	Jul-17	Aug-17	Sep-17	Oct-17*
Reserve Money	268,250	334,745	368,636	425,386	507,549	534,830	586,899	586,624	675,069
	(12.3)	(24.8)	(10.1)	(15.4)	(19.3)	(19.0)	(17.7)	(15.4)	(33.0)
Currency in Circulation	216,926	272,721	294,086	325,495	396,109	442,237	461,358	449,981	439,364
	(14.9)	(25.7)	(7.8)	(10.7)	(21.7)	(17.8)	(19.4)	(14.3)	(10.9)
Banks LE Deposits with CBE	51,324	62,024	74,550	99,891	111,440	92,593	125,541	136,643	235,705
	(2.4)	(20.8)	(20.2)	(34.0)	(11.6)	(24.9)	(12.1)	(19.4)	(111.5)
Counter Assets:									
Net Foreign Assets	69,831	42,133	43,092	-4,009	-59,468	95,172	94,599	102,268	109,993
	-(42.0)	-(39.7)	(2.3)	-(109.3)	-(1383.4)	(257.6)	(242.7)	(278.8)	(285.0)
Net Domestic Assets	198,419	292,612	325,544	429,395	567,017	439,658	492,300	484,356	565,076
	(67.4)	(47.5)	(11.3)	(31.9)	(32.1)	-(13.8)	-(12.8)	-(14.3)	-(0.3)
Net Claims on Government ²	209,667	356,501	411,143	605,246	694,366	708,268	737,368	719,296	726,261
	(40.2)	(70.0)	(15.3)	(47.2)	(14.7)	(10.1)	(13.1)	(7.7)	(4.6)
Claims	289,434	446,409	515,510	686,774	753,387	805,195	803,663	800,363	795,877
	(27.7)	(54.2)	(15.5)	(33.2)	(9.7)	(10.9)	(11.8)	(10.1)	(5.6)
Securities	178,831	240,331	210,330	241,830	392,330	713,581	712,782	712,735	712,720
Credit Facilities	110,603	206,078	305,180	444,944	361,057	91,614	90,881	87,628	83,157
Deposits ^{3/}	79,767	89,908	104,367	81,528	59,021	96,927	66,295	81,067	69,616
	(3.5)	(12.7)	(16.1)	-(21.9)	-(27.6)	(17.4)	-(1.0)	(38.5)	(18.0)
Net Claims on Banks	-2,068	-6,865	-10,785	3,926	83,479	129,898	156,148	165,134	174,047
Net Balancing Items ^{4/}	7	-232	-74,814	-179,777	-210,828	-398,508	-401,216	-400,074	-335,232
Memorandum Items									
Reserve Money Velocity ^{5/ , 6/}	6.94	6.36	6.63	6.37	6.84	8.01	7.30	7.31	6.35

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 3470 billion instead of 3478 billion. Meanwhile GDP projections for FY17/18 are estimated to reach LE 4286.5 billion as per the Ministry of Finance Calculations.

Table (27) : Deposits With Banks^{1/}

	Oct-12	Oct-13	Oct-14	Oct-15	Oct-16	Jul-17	Aug-17	Sep-17	(LE Million) Oct-17*
Total Deposits	1,063,420	1,241,516	1,496,015	1,872,685	2,224,158	3,071,436	3,124,387	3,176,295	3,218,465
	(8.4)	(16.7)	(20.5)	(25.2)	(18.8)	(43.6)	(43.8)	(44.2)	(44.7)
In local currency	815,022	951,413	1,160,157	1,496,608	1,790,367	2,251,382	2,344,274	2,394,756	2,438,279
In foreign currency	248,398	290,103	335,858	376,077	433,791	820,054	780,113	781,539	780,186
Non Government Deposits ^{2/}	946,956	1,098,777	1,293,020	1,575,056	1,838,165	2,549,957	2,594,985	2,651,484	2,697,614
	(10.0)	(16.0)	(17.7)	(21.8)	(16.7)	(43.3)	(43.9)	(45.1)	(46.8)
In local currency	752,500	881,607	1,051,838	1,289,199	1,507,316	1,857,370	1,923,164	1,978,791	2,024,992
In foreign currency	194,456	217,170	241,182	285,857	330,849	692,587	671,821	672,693	672,622
Government Deposits	116,464	142,739	202,995	297,629	385,993	521,479	529,402	524,811	520,851
	-(2.9)	(22.6)	(42.2)	(46.62)	(29.69)	(45.4)	(43.1)	(39.9)	(34.9)
In local currency	62,522	69,806	108,319	207,409	283,051	394,012	421,110	415,965	413,287
In foreign currency	53,942	72,933	94,676	90,220	102,942	127,467	108,292	108,846	107,564
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	23.4	23.4	22.5	20.1	19.5	26.7	25.0	24.6	24.2
Dollarization in Non-Government Deposits	20.5	19.8	18.7	18.1	18.0	27.2	25.9	25.4	24.9
Dollarization in Government Deposits	46.3	51.1	46.6	30.3	26.7	24.4	20.5	20.7	20.7

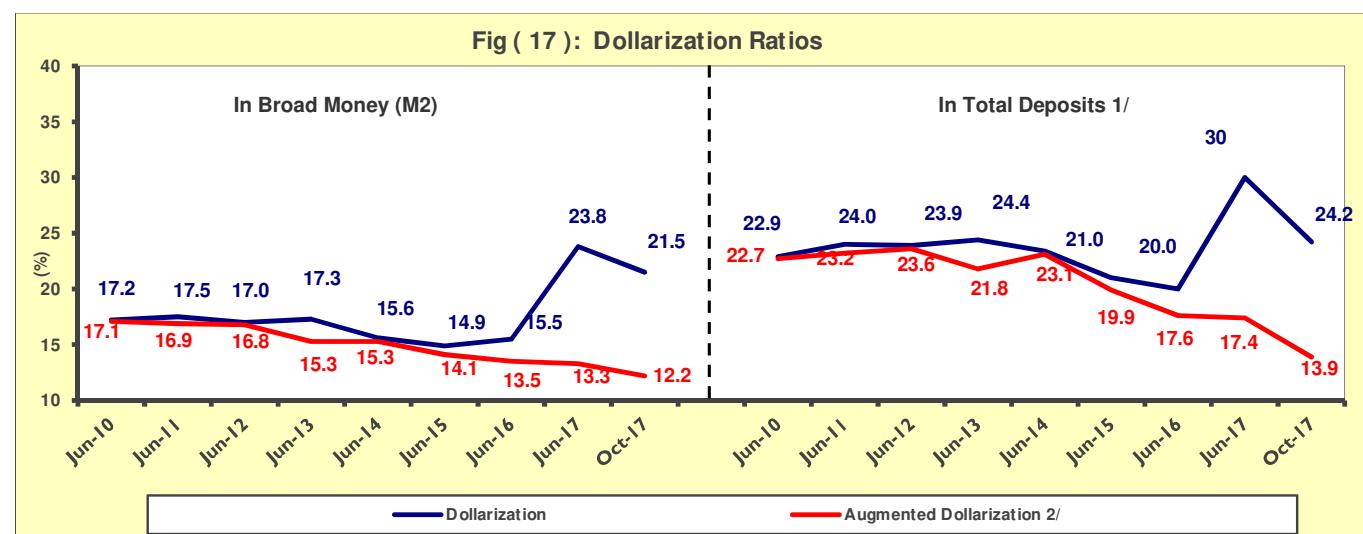
Source: Central bank of Egypt.

() 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.



Source: Central Bank of Egypt.

1/ Excludes Deposits with CBE.

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

Table (28) : Credit Provided By Banks ^{1/}

(LE Million)

	Oct-12	Oct-13	Oct-14	Oct-15	Oct-16	Jul-17	Aug-17	Sep-17	Oct-17 [*]
Total lending	509,469	549,950	615,707	782,393	981,167	1,413,757	1,410,331	1,423,040	1,433,139
	(5.8)	(7.9)	(12.0)	(27.1)	(25.4)	(49.7)	(47.4)	(46.7)	(46.1)
To Government ^{2/}	33,055	38,390	43,629	102,449	189,436	351,402	350,001	356,414	356,121
	-(12.6)	(16.1)	(13.6)	(134.8)	(84.9)	(98.6)	(92.3)	(91.3)	(88.0)
In local currency	13,306	10,656	11,934	40,784	102,229	142,943	143,984	150,248	150,889
In foreign currency	19,749	27,734	31,695	61,665	87,207	208,459	206,017	206,166	205,232
To Non-Government	476,414	511,560	572,078	679,944	791,731	1,062,355	1,060,330	1,066,626	1,077,018
	(7.3)	(7.4)	(11.8)	(18.9)	(16.4)	(38.4)	(36.9)	(36.1)	(36.0)
In local currency	354,580	377,715	422,238	482,874	592,010	723,014	730,302	737,541	746,339
In foreign currency	121,834	133,845	149,840	197,070	199,721	339,341	330,028	329,085	330,679
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	85.1	85.1	83.9	77.2	70.9	64.7	64.6	64.5	64.7
Non Government Loans/ Deposits ^{4/}	50.3	46.6	44.2	43.2	43.1	41.7	40.9	40.2	39.9
Government Loans / Deposits	28.4	26.9	21.5	34.4	49.1	67.4	66.1	67.9	68.4
Foreign currency denominated credit to total credit	27.8	29.4	29.5	33.1	29.2	38.7	38.0	37.6	37.4
Government foreign currency denominated credit to total government credit	59.7	72.2	72.6	60.2	46.0	59.3	58.9	57.8	57.6
denominated credit to total non-government credit	25.6	26.2	26.2	29.0	25.2	31.9	31.1	30.9	30.7

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

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

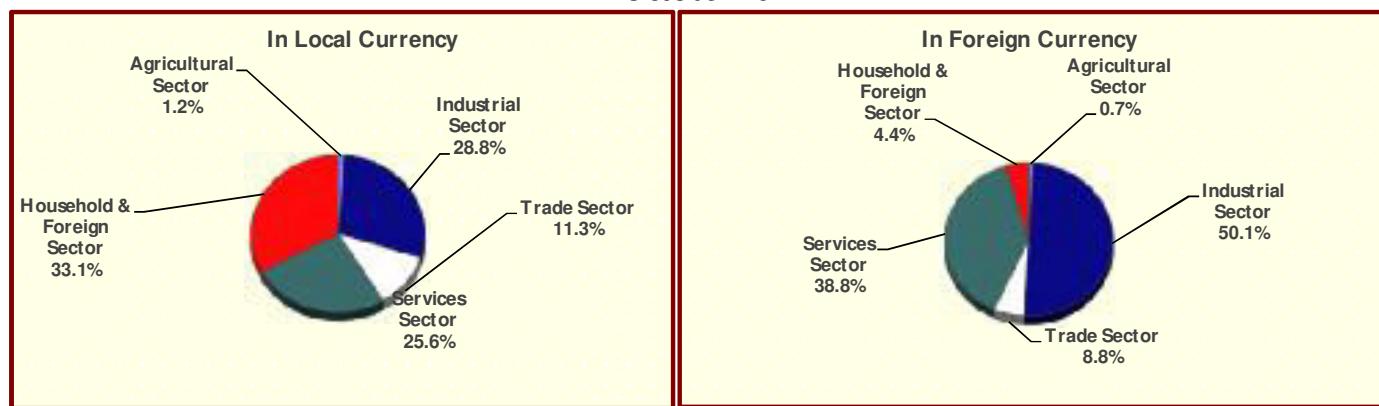
2/ Includes central government and economic authorities.

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

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

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

October-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						
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
Oct-17	19.25	19.60	13.30	18.92	16.25	10.25
Nov-17	19.25	19.70	13.00	18.58	16.25	10.25

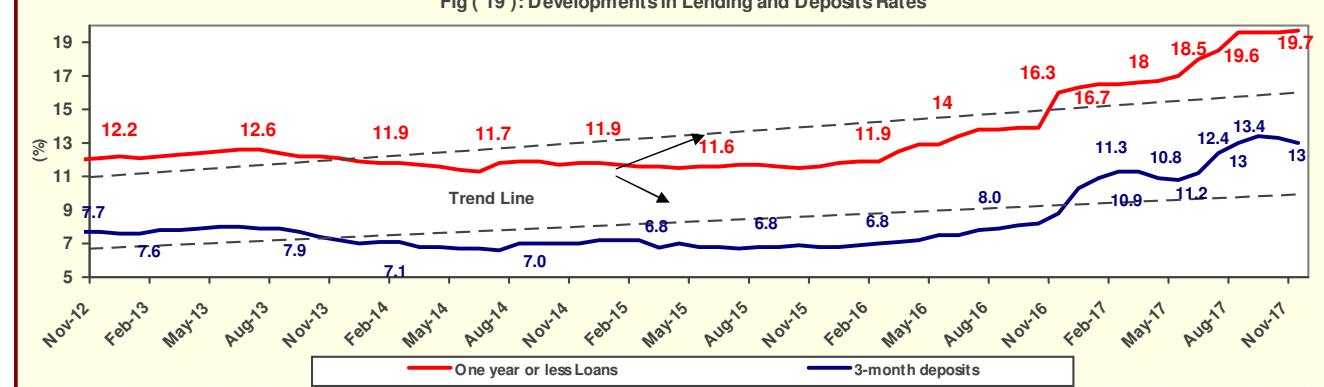
Source: Central Bank of Egypt.

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.

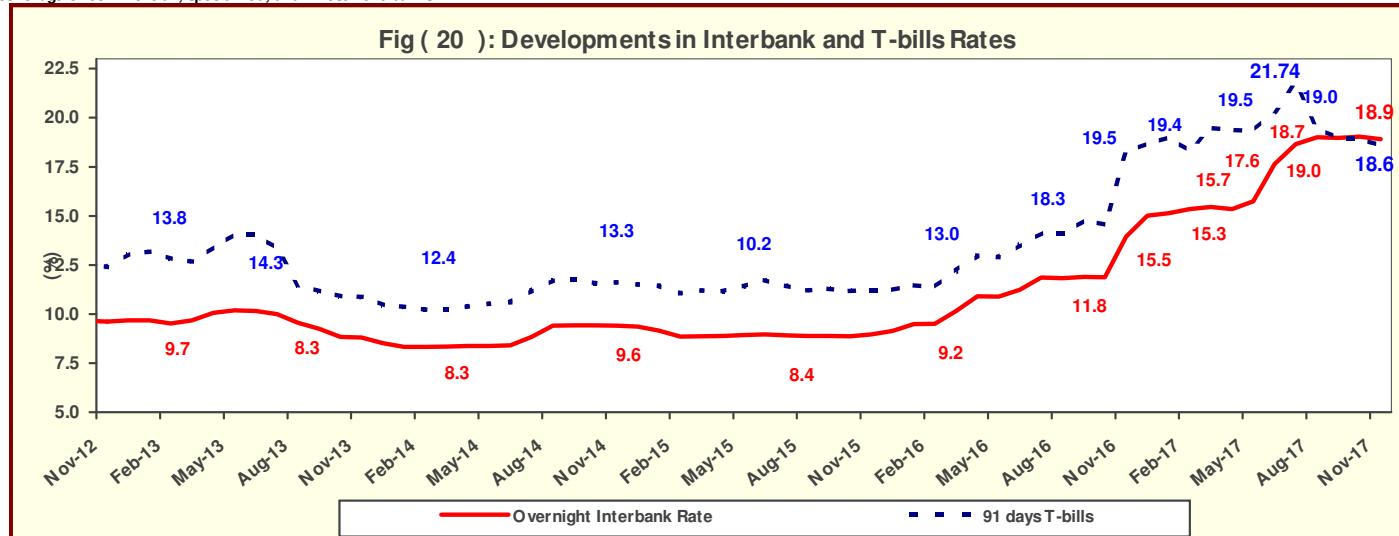
Table (30) : Average Interbank Rates ^{1/}

	Overnight	One Week	Month	More than One Month
<u>Yearly Average</u>				
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
<u>Monthly Average</u>				
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	--	--
Oct-17	19.03	19.32	18.75	19.00
Nov-17	18.91	19.20	--	--

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'.



Source: Central Bank of Egypt.