Section 6

MONETARY SECTOR

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

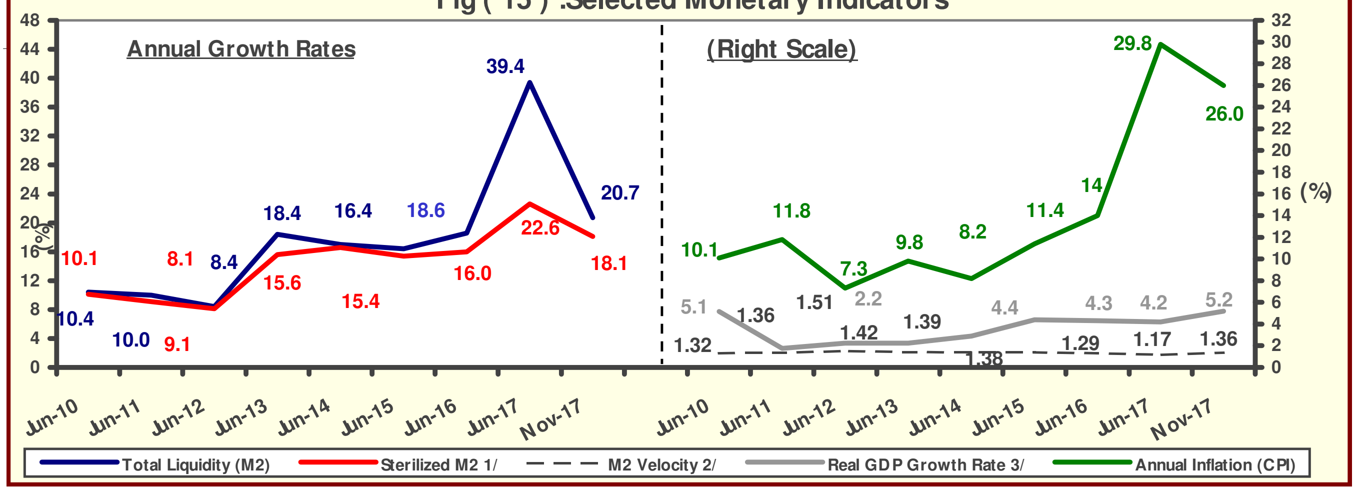
	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change 1/
Net Foreign Assets (LE terms)	**-1.7**	**6.3**	**197.1**	**17.4**
CBE NFA	18.5	37.8	-258.3	100.6
CBE NIR	0.2	1.0	77.3	260.7
Banks NFA 2/	-29.9	-30.8	-35.7	-198.8
Net Foreign Assets (US dollar terms)	**-1.9**	**6.9**	**-187.2**	**-72.6**
CBE NFA	18.4	38.5	-242.1	111.4
CBE NIR	0.1	1.6	59.3	79.4
Banks NFA 2/	-29.9	-30.4	-145.7	22.5
Net Domestic Assets	**1.9**	**4.4**	**5.8**	**30.8**
Net Claims on Government and GASC	2.9	6.3	5.4	21.5
Claims on Public Companies	2.9	3.4	24.6	65.3
Claims on Private Sector	0.2	2.0	6.2	35.8
Total Liquidity (M2)	**1.7**	**4.6**	**20.7**	**37.7**
Money (M1)	0.4	1.2	17.1	20.6
Quasi Money	2.1	5.6	21.9	44.0

Source: Central Bank of Egypt.

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

2/ Commercial, specialized, business and investment banks.

Fig (15) :Selected Monetary Indicators



Source: Central Bank of Egypt.

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

2/ GDP 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
(November 2017)

(LE Million)

	Nov-12	Nov-13	Nov-14	Nov-15	Nov-16	Aug-17	Sep-17	Oct-17	Nov-17*
Net Foreign Assets 1/	147,052	116,459	102,305	(9,935)	(191,386)	174,878	188,602	189,180	185,878
	-(29.0)	-(20.8)	-(12.2)	-(109.7)	-(1826.4)	(255.9)	(268.6)	(255.1)	(197.1)
Central bank (Net)	64,088	40,218	36,382	(9,274)	(82,343)	94,599	102,268	109,993	130,329
Foreign Assets	89,481	119,189	110,821	123,739	381,711	623,814	630,491	633,722	635,416
Foreign Liabilities	25,393	78,971	74,439	133,013	464,054	529,215	528,223	523,729	505,087
Banks (Net)	82,964	76,241	65,923	(661)	(109,043)	80,279	86,334	79,187	55,549
Foreign Assets	111,628	110,794	102,593	80,754	174,862	362,571	369,350	369,751	334,552
Foreign Liabilities	28,664	34,553	36,670	81,415	283,905	282,292	283,016	290,564	279,003
Net Domestic Assets of which:	1,000,445	1,243,675	1,470,645	1,886,763	2,792,557	2,829,008	2,861,771	2,898,872	2,954,751
	(21.3)	(24.3)	(18.2)	(28.3)	(48.0)	(25.0)	(24.7)	(24.9)	(5.8)
Net Claims on Government, and GASC 2/	652,702	896,153	1,090,777	1,443,503	1,988,037	1,970,644	2,000,955	2,036,286	2,095,581
National Currency	701,549	891,617	1,076,371	1,381,034	1,531,307	1,419,021	1,464,450	1,488,361	1,549,523
Foreign Currency	(48,847)	4,536	14,406	62,469	456,730	551,623	536,505	547,925	546,058
Claims on Public Business Sector	44,011	43,911	55,776	76,095	124,218	149,645	149,843	150,321	154,726
National Currency	35,563	35,232	42,238	53,322	68,414	100,094	100,373	100,865	102,131
Foreign Currency	8,448	8,679	13,538	22,773	55,804	49,551	49,470	49,456	52,595
Claims on Private Sector 2/	461,884	498,609	552,048	642,119	931,078	969,974	977,032	987,181	989,193
National Currency	356,655	378,114	418,303	482,236	586,756	681,094	688,562	697,013	700,003
Foreign Currency	105,229	120,495	133,745	159,883	344,322	288,880	288,470	290,168	289,190
Other Items (net) 1/ 2/	(158,152)	(194,998)	(227,956)	(274,954)	(250,776)	(261,255)	(266,059)	(274,916)	(284,749)
Total Liquidity (M2)	1,147,497	1,360,134	1,572,950	1,819,118	2,601,171	3,003,886	3,050,373	3,088,052	3,140,629
	(11.2)	(18.5)	(15.6)	(16.8)	(38.6)	(39.6)	(39.7)	(40.5)	(20.7)
Money (M1) 3/	287,886	369,561	434,117	515,069	621,455	718,759	738,456	724,799	727,439
	(11.4)	(28.4)	(17.5)	(18.6)	(20.7)	(21.0)	(21.6)	(18.2)	(17.1)
Currency in Circulation	202,783	254,057	275,224	303,779	378,950	425,620	416,114	408,915	409,786
Demand Deposits in Local Currency	85,103	115,504	158,893	211,290	242,505	293,139	322,342	315,884	317,653
Quasi Money	859,611	990,573	1,138,833	1,361,759	1,979,716	2,285,127	2,311,917	2,363,253	2,413,190
	(11.2)	(15.2)	(15.0)	(19.6)	(45.4)	(46.7)	(46.7)	(49.1)	(21.9)
Local Currency Time & Savings Deposits	666,137	778,722	903,002	1,086,608	1,327,102	1,620,679	1,646,690	1,697,893	1,741,316
Foreign Currency Demand Deposits	46,516	51,725	63,356	69,302	145,903	135,832	141,237	138,294	137,967
Foreign Currency Time and Savings Deposits	146,958	160,126	172,475	205,849	506,711	528,616	523,990	527,066	533,907

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)

(November 2017)

	Nov-12	Nov-13	Nov-14	Nov-15	Nov-16	Aug-17	Sep-17	Oct-17	Nov-17 *
Net Foreign Assets (In Million US$) 4/	24,147	16,917	14,318	(1,261)	(12,103)	9,877	10,716	10,756	10,556
Central bank NFA	10,524	5,842	5,092	(1,177)	(5,207)	5,343	5,811	6,254	7,402
Net International Reserves	28,317	28,388	24,736	15,620	17,243	39,766	40,730	40,533	39,242
Central Bank (Gross)	15,036	17,766	15,882	16,423	23,058	36,143	36,535	36,535	36,723
Banks (net)	13,623	11,075	9,226	(84)	(6,896)	4,534	4,906	4,502	3,155
Foreign assets	18,330	16,094	14,358	10,249	11,058	20,477	20,987	21,023	19,000
Foreign Liabilities	4,707	5,019	5,132	10,333	17,954	15,943	16,081	16,520	15,845
In Percent of Beginning of Money Stocks 5/									
Net Foreign Assets	-0.97%	-0.52%	-1.11%	-3.48%	-13.76%	7.0%	7.8%	7.8%	7.6%
Net Domestic Assets	5.82%	5.46%	4.83%	9.79%	61.09%	63.2%	65.0%	67.1%	70.3%
Money (M1)	1.22%	1.96%	1.55%	0.91%	6.93%	12.4%	13.6%	12.8%	12.9%
Quasi Money	3.6%	2.98%	2.16%	5.40%	40.40%	57.7%	59.2%	62.1%	65.0%
Dollarization (% of Total Liquidity) 6/	0.17	0.16	0.15	0.15	0.25	22.1	21.8	21.5	21.4
M2 Multiplier 7/	4.34	4.02	4.33	4.35	5.03	5.12	5.20	4.57	4.75
M2 Velocity 8/	1.62	1.57	1.55	1.44	1.33	1.43	1.41	1.39	1.36
M2 (annual percentage change)	11.22	18.53	15.65	19.32	38.59	39.6	39.7	40.5	20.7
Credit to private sector (annual percentage change) 9/	0.07	0.08	0.11	0.16	0.45	34.6	34.0	34.1	6.2
Exchange Rate 10/	6.09	6.88	7.15	7.88	15.81	17.71	17.60	17.59	17.61

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.

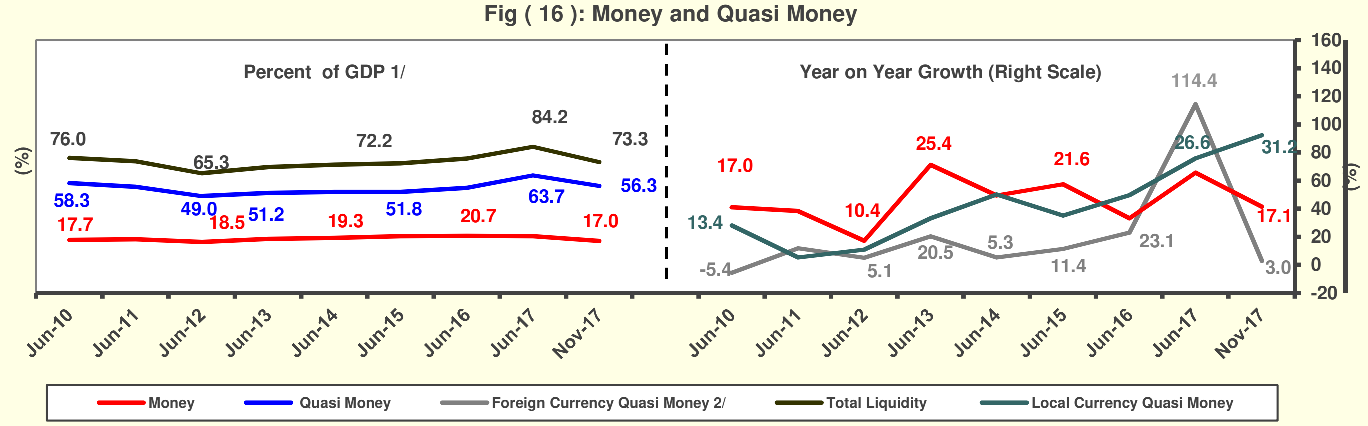
7/ M2 / Reserve Money.

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)

	Nov-12	Nov-13	Nov-14	Nov-15	Nov-16	Aug-17	Sep-17	Oct-17	Nov-17*
Reserve Money	264,302	337,980	363,202	431,665	517,107	586,899	586,624	675,069	660,972
	(2.3)	(27.9)	(7.5)	(18.8)	(19.8)	(17.7)	(15.4)	(33.0)	(27.8)
Currency in Circulation	213,228	266,787	291,458	322,474	404,459	461,358	449,981	439,364	439,294
	(12.0)	(25.1)	(9.2)	(10.6)	(25.4)	(19.4)	(14.3)	(10.9)	(8.6)
Banks LE Deposits with CBE	51,074	71,193	71,744	109,191	112,648	125,541	136,643	235,705	221,678
	-(25.0)	(39.4)	(0.8)	(52.2)	(3.2)	(12.1)	(19.4)	(111.5)	(96.8)
Counter Assets:									
Net Foreign Assets	64,088	40,218	36,382	-9,274	-82,343	94,599	102,268	109,993	130,329
	-(40.9)	-(37.2)	-(9.5)	-(125.5)	-(787.9)	(242.7)	(278.8)	(285.0)	(258.3)
Net Domestic Assets	200,214	297,762	326,820	440,939	599,450	492,300	484,356	565,076	530,643
	(33.4)	(48.7)	(9.8)	(34.9)	(35.9)	-(12.8)	-(14.3)	-(0.3)	-(11.5)
Net Claims on Government [2/]	202,521	364,399	438,165	626,452	665,411	737,368	719,296	726,261	706,401
	(28.2)	(79.9)	(20.2)	(43.0)	(6.2)	(13.1)	(7.7)	(4.6)	(6.2)
Claims	283,829	402,897	541,314	706,909	727,973	803,663	800,363	795,877	768,413
	(19.3)	(42.0)	(34.4)	(30.6)	(3.0)	(11.8)	(10.1)	(5.6)	(5.6)
Securities	178,831	240,331	300,330	241,830	462,583	712,782	712,735	712,720	682,983
Credit Facilities	104,998	162,566	240,984	465,079	265,390	90,881	87,628	83,157	85,430
Deposits [3/]	81,308	38,498	103,149	80,457	62,562	66,295	81,067	69,616	62,012
	(1.7)	-(52.7)	(167.9)	-(22.0)	-(22.2)	-(1.0)	(38.5)	(18.0)	-(0.9)
Net Claims on Banks	-1,655	-7,390	-14,130	-177	28,190	156,148	165,134	174,047	164,724
Net Balancing Items [4/]	19	-347	-97,215	-185,336	-94,151	-401,216	-400,074	-335,232	-340,482
Memorandum Items									
Reserve Money Velocity [5/, 6/]	7.04	6.30	6.73	6.27	6.71	7.30	7.31	6.35	6.49

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/]

(LE Million)

	Nov-12	Nov-13	Nov-14	Nov-15	Nov-16	Aug-17	Sep-17	Oct-17	Nov-17*
Total Deposits	1,069,321	1,262,220	1,523,333	1,880,860	2,714,391	3,124,387	3,176,295	3,218,465	3,273,298
	(9.1)	(18.0)	(20.7)	(23.5)	(44.3)	(43.8)	(44.2)	(44.7)	(20.6)
In local currency	817,736	972,910	1,190,198	1,516,287	1,856,117	2,344,274	2,394,756	2,438,279	2,482,910
In foreign currency	251,585	289,310	333,135	364,573	858,274	780,113	781,539	780,186	790,388
Non Government Deposits [2/]	952,239	1,115,028	1,308,395	1,587,950	2,239,668	2,594,985	2,651,484	2,697,614	2,747,814
	(10.7)	(17.1)	(17.3)	(21.4)	(41.0)	(43.9)	(45.1)	(46.8)	(22.7)
In local currency	754,583	899,261	1,068,900	1,307,614	1,579,303	1,923,164	1,978,791	2,024,992	2,068,775
In foreign currency	197,656	215,767	239,495	280,336	660,365	671,821	672,693	672,622	679,039
Government Deposits	117,082	147,192	214,938	292,910	474,723	529,402	524,811	520,851	525,484
	-(2.1)	(25.7)	(46.0)	(36.28)	(62.07)	(43.1)	(39.9)	(34.9)	(10.7)
In local currency	63,153	73,649	121,298	208,673	276,814	421,110	415,965	413,287	414,135
In foreign currency	53,929	73,543	93,640	84,237	197,909	108,292	108,846	107,564	111,349
Memorandum Items (In Percent):									
Dollarization in Total Deposits	23.5	22.9	21.9	19.4	31.6	25.0	24.6	24.2	24.1
Dollarization in Non-Government Deposits	20.8	19.4	18.3	17.7	29.5	25.9	25.4	24.9	24.7
Dollarization in Government Deposits	46.1	50.0	43.6	28.8	41.7	20.5	20.7	20.7	21.2

Source: Central bank of Egypt.

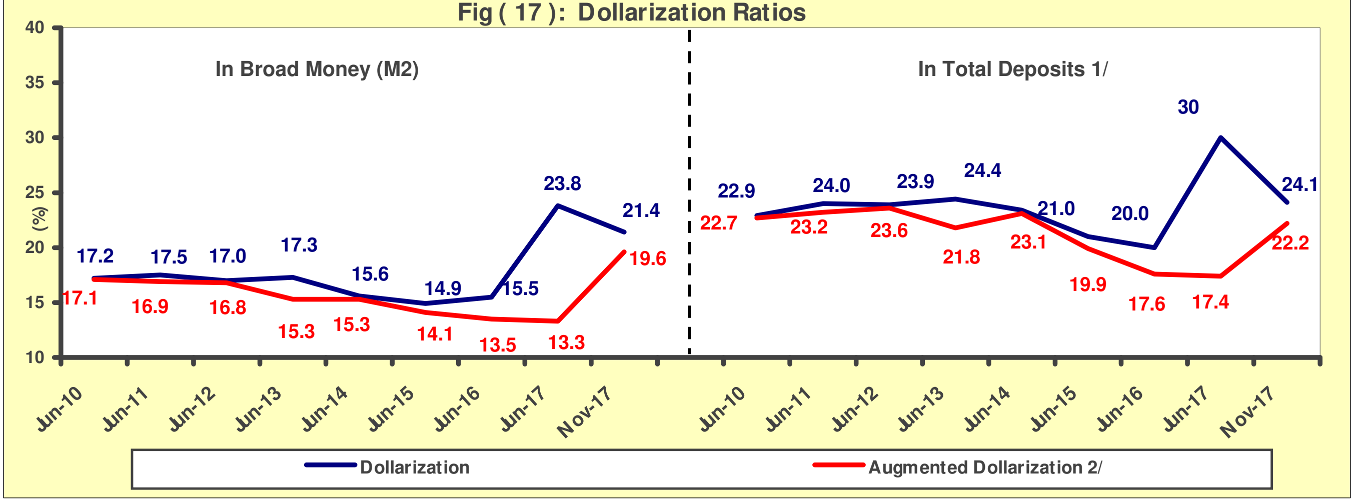
( ) Percent change over same period in previous year.

* Preliminary.

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

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

Fig (17): Dollarization Ratios



Source: Central Bank of Egypt.

1/ Excludes Deposits with CBE.

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

Table (28) : Credit Provided By Banks [1/]

(LE Million)

	Nov-12	Nov-13	Nov-14	Nov-15	Nov-16	Aug-17	Sep-17	Oct-17	Nov-17*
Total lending	511,598	550,210	618,293	784,836	1,295,407	1,410,331	1,423,040	1,433,139	1,441,200
	(5.2)	(7.5)	(12.4)	(26.9)	(65.1)	(47.4)	(46.7)	(46.1)	(11.3)
To Government [2/]	31,760	37,237	44,925	100,749	285,116	350,001	356,414	356,121	357,941
	-(13.8)	(17.2)	(20.6)	(124.3)	(183.0)	(92.3)	(91.3)	(88.0)	(25.5)
In local currency	12,306	10,396	11,618	40,687	106,540	143,984	150,248	150,889	151,753
In foreign currency	19,454	26,841	33,307	60,062	178,576	206,017	206,166	205,232	206,188
To Non-Government	479,838	512,973	573,368	684,087	1,010,291	1,060,330	1,066,626	1,077,018	1,083,259
	(6.8)	(6.9)	(11.8)	(19.3)	(47.7)	(36.9)	(36.1)	(36.0)	(7.2)
In local currency	357,892	378,608	423,500	499,480	615,132	730,302	737,541	746,339	750,847
In foreign currency	121,946	134,365	149,868	184,607	395,159	330,028	329,085	330,679	332,412
Memorandum Items (In Percent):									
Credit to private sector [3/] / Total Credit	85.2	85.3	83.8	77.5	68.4	64.6	64.5	64.7	64.5
Non Government Loans/ Deposits [4/]	50.4	46.0	43.8	43.1	45.1	40.9	40.2	39.9	39.4
Government Loans / Deposits	27.1	25.3	20.9	34.4	60.1	66.1	67.9	68.4	68.1
Foreign currency denominated credit to total credit	27.6	29.3	29.6	31.2	44.3	38.0	37.6	37.4	37.4
Government foreign currency denominated credit to total government credit	61.3	72.1	74.1	59.6	62.6	58.9	57.8	57.6	57.6
Non - government foreign currency denominated credit to total non-government credit	25.4	26.2	26.1	27.0	39.1	31.1	30.9	30.7	30.7

Source: Central Bank of Egypt.

( ) Percent change over previous year

* Preliminary.

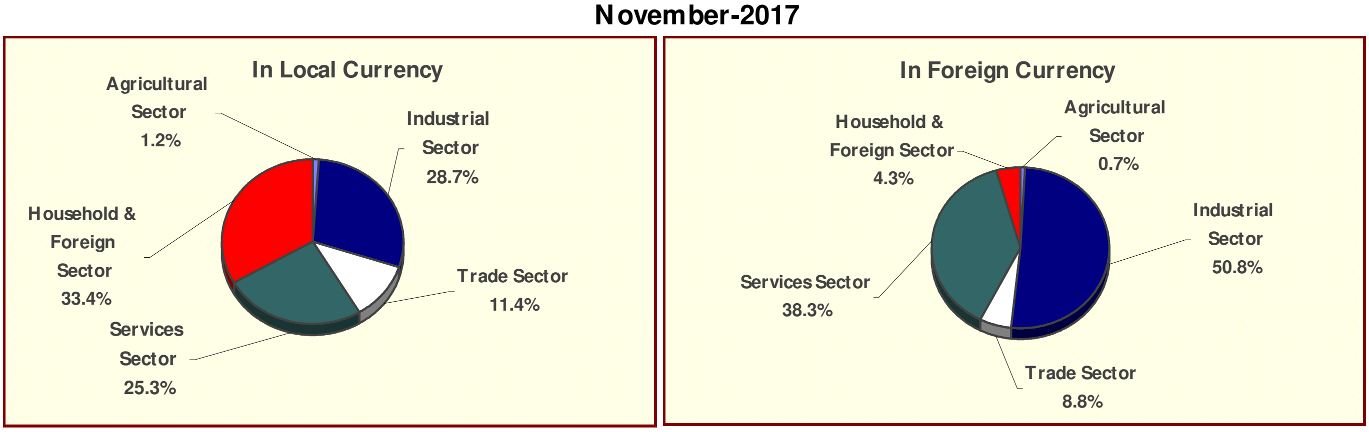
1/ Excludes credit provided by the Central Bank of Egypt.

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 November-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						
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
Dec-17	19.25	19.80	13.60	19.03	16.25	10.25

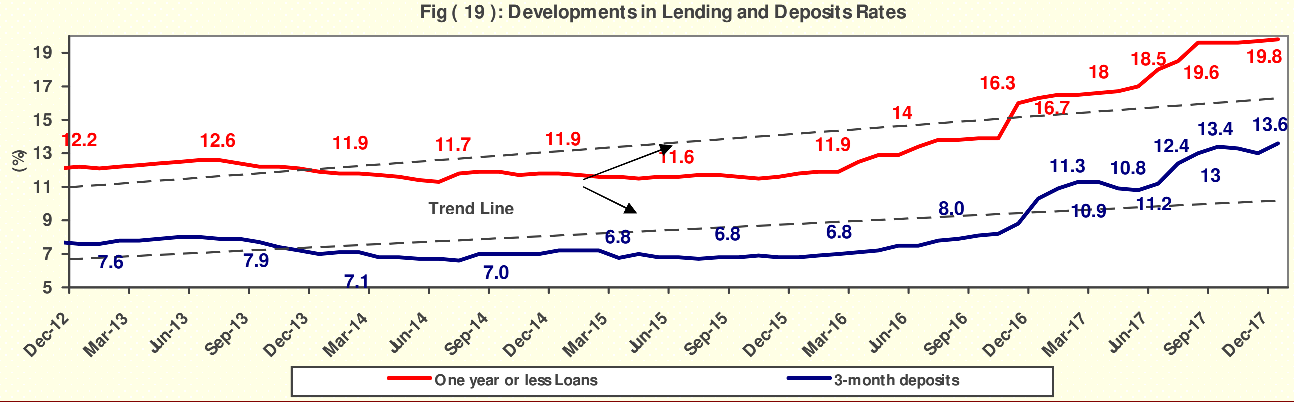
Source: Central Bank of Egypt.

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.

MONETARY SECTOR

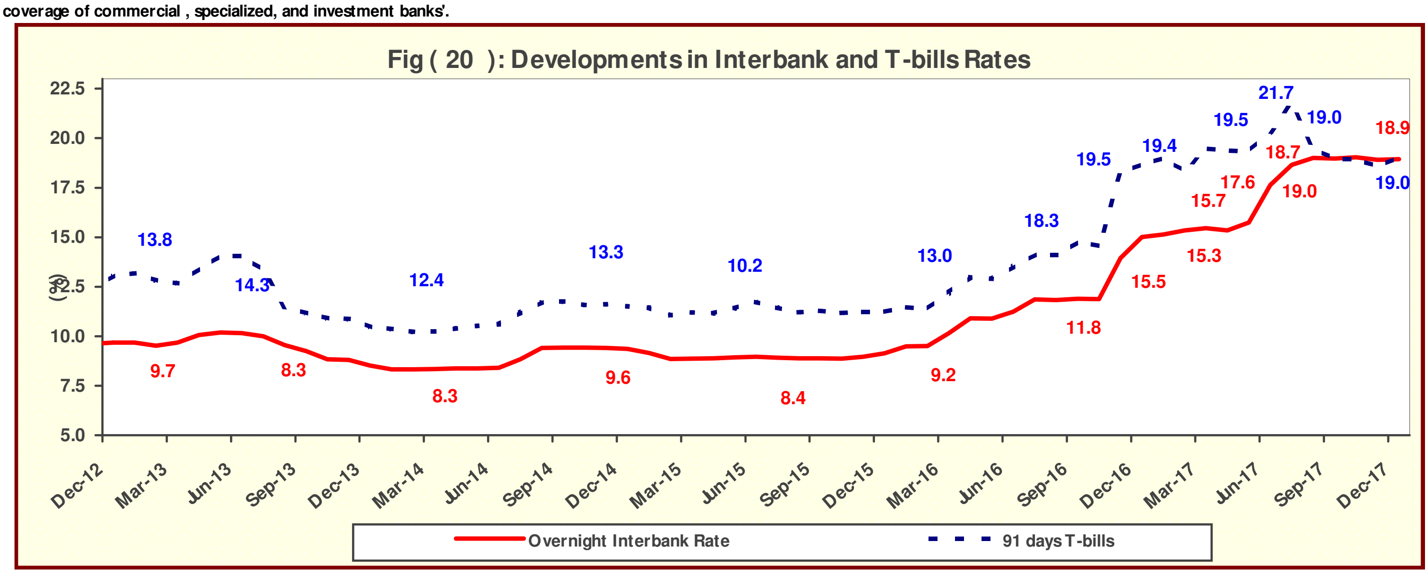
Table (30) : Average Interbank Rates [1/]

	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				
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	--	--
Dec-17	18.94	19.22	19.60	19.51

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.