

Section 6

MONETARY SECTOR

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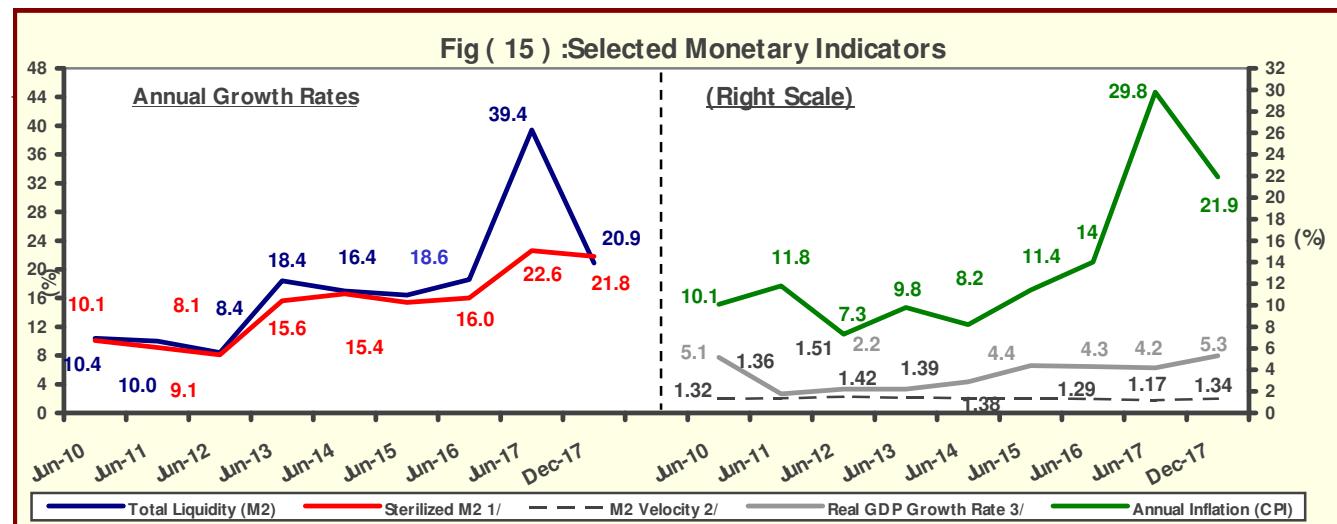
Table (24) : Developments in Main Monetary Aggregates
(December 2017)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	15.2	13.5	208.8	121.7
CBE NFA	20.8	53.9	-295.3	166.1
CBE NIR	1.6	2.1	47.6	244.1
Banks NFA 2/	2.2	-34.3	-2.9	76.3
Net Foreign Assets (US dollar terms)	14.4	12.7	-212.4	-122.6
CBE NFA	19.9	52.7	-301.8	149.2
CBE NIR	0.8	1.3	52.6	79.9
Banks NFA 2/	1.4	-34.8	-150.5	22.5
Net Domestic Assets	1.1	4.4	5.0	27.2
Net Claims on Government and GASC	1.5	6.3	4.1	18.6
Claims on Public Companies	0.3	3.6	22.2	61.7
Claims on Private Sector	0.9	2.1	6.9	32.8
Total Liquidity (M2)	2.0	5.0	20.9	36.2
Money (M1)	1.4	-0.1	17.9	20.4
Quasi Money	2.2	6.6	21.9	42.0

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
(December 2017)

(LE Million)

	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Sep-17	Oct-17	Nov-17	Dec-17
Net Foreign Assets 1/	133,369	117,609	84,362	(17,207)	(196,830)	188,602	189,180	185,878	214,138
	-(29.9)	-(11.8)	-(28.3)	-(120.4)	-(1043.9)	(268.6)	(255.1)	(197.1)	(208.8)
Central bank (Net)	49,051	38,448	32,419	(13,633)	(80,599)	102,268	109,993	130,329	157,381
Foreign Assets	90,051	114,764	107,035	123,768	468,932	630,491	633,722	635,416	642,960
Foreign Liabilities	41,000	76,316	74,616	137,401	549,531	528,223	523,729	505,087	485,579
Banks (Net)	84,318	79,161	51,943	(3,574)	(116,231)	86,334	79,187	55,549	56,757
Foreign Assets	115,033	113,596	93,620	76,281	168,557	369,350	369,751	334,552	344,781
Foreign Liabilities	30,715	34,435	41,677	79,855	284,788	283,016	290,564	279,003	288,024
Net Domestic Assets of which:	1,033,791	1,270,079	1,522,143	1,922,671	2,845,425	2,861,771	2,898,872	2,954,751	2,988,519
	(21.8)	(22.9)	(19.8)	(26.3)	(48.0)	(24.7)	(24.9)	(5.8)	(5.0)
Net Claims on Government, and GASC 2/	678,428	922,542	1,126,838	1,478,748	2,042,782	2,000,955	2,036,286	2,095,581	2,126,193
National Currency	724,074	910,786	1,106,967	1,418,603	1,579,649	1,464,450	1,488,361	1,549,523	1,603,706
Foreign Currency	(45,646)	11,756	19,871	60,145	463,133	536,505	547,925	546,058	522,487
Claims on Public Business Sector	43,914	43,665	58,557	76,981	127,011	149,843	150,321	154,726	155,166
National Currency	35,050	34,719	42,444	53,678	70,965	100,373	100,865	102,131	101,179
Foreign Currency	8,864	8,946	16,113	23,303	56,046	49,470	49,456	52,595	53,987
Claims on Private Sector 2/	465,687	495,593	554,356	651,253	933,665	977,032	987,181	989,193	998,000
National Currency	358,833	374,983	418,504	494,210	597,657	688,562	697,013	700,003	714,064
Foreign Currency	106,854	120,610	135,852	157,043	336,008	288,470	290,168	289,190	283,936
Other Items (net) 1/ 2/	(154,238)	(191,721)	(217,608)	(284,311)	(258,033)	(266,059)	(274,916)	(284,749)	(290,840)
Total Liquidity (M2)	1,167,160	1,387,688	1,606,505	1,905,464	2,648,595	3,050,373	3,088,052	3,140,629	3,202,657
	(12.3)	(18.9)	(15.8)	(18.6)	(39.0)	(39.7)	(40.5)	(20.7)	(20.9)
Money (M1) 3/	288,139	373,624	445,733	520,592	625,670	738,456	724,799	727,439	737,469
	(12.7)	(29.7)	(19.3)	(16.8)	(20.2)	(21.6)	(18.2)	(17.1)	(17.9)
Currency in Circulation	205,020	251,050	277,159	305,061	381,444	416,114	408,915	409,786	407,802
Demand Deposits in Local Currency	83,119	122,574	168,574	215,531	244,226	322,342	315,884	317,653	329,667
Quasi Money	879,021	1,014,064	1,160,772	1,384,872	2,022,925	2,311,917	2,363,253	2,413,190	2,465,188
	(12.2)	(15.4)	(14.5)	(19.3)	(46.1)	(46.7)	(49.1)	(21.9)	(21.9)
Local Currency Time & Savings Deposits	673,098	796,896	928,318	1,108,338	1,366,390	1,646,690	1,697,893	1,741,316	1,786,179
Foreign Currency Demand Deposits	50,784	57,295	60,775	68,950	136,410	141,237	138,294	137,967	135,790
Foreign Currency Time and Savings Deposits	155,139	159,873	171,679	207,584	520,125	523,990	527,066	533,907	543,219

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)
(December 2017)

	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Sep-17	Oct-17	Nov-17	Dec-17 [*]
Net Foreign Assets (In Million US\$)^{4/}	21,695	17,048	11,807	(2,204)	(10,738)	10,716	10,756	10,556	12,072
Central bank NFA	7,979	5,573	4,537	(1,746)	(4,397)	5,811	6,254	7,402	8,873
Net International Reserves	28,365	28,111	22,250	15,394	19,242	40,730	40,533	39,242	39,447
Central Bank (Gross)	15,015	17,032	15,333	16,445	24,265	36,535	36,535	36,723	37,020
Banks (net)	13,716	11,475	7,270	(458)	(6,341)	4,906	4,502	3,155	3,200
Foreign assets	18,712	16,467	13,103	9,770	9,196	20,987	21,023	19,000	19,437
Foreign Liabilities	4,996	4,992	5,833	10,228	15,537	16,081	16,520	15,845	16,238
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	-2.22%	-0.43%	-2.29%	-3.89%	-14.07%	7.8%	7.8%	7.6%	9.2%
Net Domestic Assets	8.86%	7.50%	8.22%	11.82%	64.09%	65.0%	67.1%	70.3%	72.2%
Money (M1)	1.25%	2.28%	2.32%	1.22%	7.17%	13.6%	12.8%	12.9%	13.5%
Quasi Money	5.4%	4.79%	3.61%	6.71%	42.85%	59.2%	62.1%	65.0%	67.9%
Dollarization (% of Total Liquidity)^{6/}	0.18	0.16	0.14	0.15	0.25	21.8	21.5	21.4	21.2
M2 Multiplier^{7/}	4.42	4.13	4.43	4.53	5.31	5.20	4.57	4.75	4.95
M2 Velocity^{8/}	1.59	1.53	1.52	1.42	1.31	1.41	1.39	1.36	1.34
M2 (annual percentage change)	12.35	18.89	15.77	18.61	39.00	39.7	40.5	20.7	20.9
Credit to private sector (annual percentage change)^{9/}	0.08	0.06	0.12	0.17	0.43	34.0	34.1	6.2	6.9
Exchange Rate^{10/}	6.15	6.90	7.14	7.81	18.33	17.60	17.59	17.61	17.74

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.

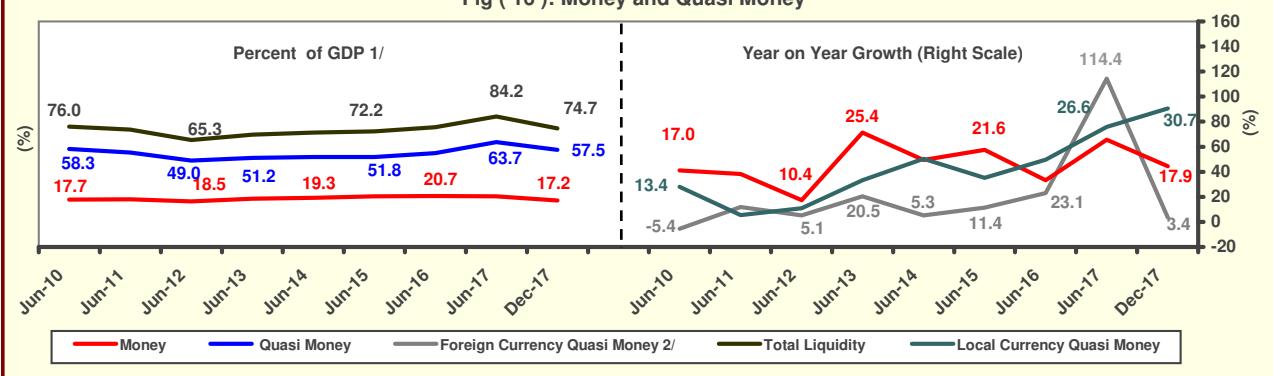
7/ M2 / Reserve Money.

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)

	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Sep-17	Oct-17	Nov-17	Dec-17*
Reserve Money	264,297	336,368	362,922	420,638	498,448	586,624	675,069	660,972	646,353
	(2.7)	(27.3)	(7.9)	(15.9)	(18.5)	(15.4)	(33.0)	(27.8)	(29.7)
Currency in Circulation	216,301	264,882	292,739	323,373	404,914	449,981	439,364	439,294	439,366
	(15.5)	(22.5)	(10.5)	(10.5)	(25.2)	(14.3)	(10.9)	(8.6)	(8.5)
Banks LE Deposits with CBE	47,996	71,486	70,183	97,265	93,534	136,643	235,705	221,678	206,987
	-(31.5)	(48.9)	-(1.8)	(38.6)	-(3.8)	(19.4)	(111.5)	(96.8)	(121.3)
Counter Assets:									
Net Foreign Assets	49,051	38,448	32,419	-13,633	-80,599	102,268	109,993	130,329	157,381
	-(49.3)	-(21.6)	-(15.7)	-(142.1)	-(491.2)	(278.8)	(285.0)	(258.3)	(295.3)
Net Domestic Assets	215,246	297,920	330,503	434,271	579,047	484,356	565,076	530,643	488,972
	(34.1)	(38.4)	(10.9)	(31.4)	(33.3)	-(14.3)	-(0.3)	-(11.5)	-(15.6)
Net Claims on Government ^{2/}	214,194	379,703	456,063	633,098	731,398	719,296	726,261	706,401	667,425
	(39.8)	(77.3)	(20.1)	(38.8)	(15.5)	(7.7)	(4.6)	(6.2)	-(8.7)
Claims	297,832	419,044	557,849	711,253	802,366	800,363	795,877	768,413	765,090
	(27.4)	(40.7)	(33.1)	(27.5)	(12.8)	(10.1)	(5.6)	(5.6)	-(4.6)
Securities	178,831	240,331	300,330	241,830	717,592	712,735	712,720	682,983	683,341
Credit Facilities	119,001	178,713	257,519	469,423	84,774	87,628	83,157	85,430	81,749
Deposits ^{3/}	83,638	39,341	101,786	78,155	70,968	81,067	69,616	62,012	97,665
	(3.8)	-(53.0)	(158.7)	-(23.2)	-(9.2)	(38.5)	(18.0)	-(0.9)	(37.6)
Net Claims on Banks	-848	-2,544	-13,483	-16,977	37,703	165,134	174,047	164,724	168,617
Net Balancing Items ^{4/}	49	-200	-112,077	-181,850	-190,054	-400,074	-335,232	-340,482	-347,070
Memorandum Items									
Reserve Money Velocity ^{5/, 6/}	7.04	6.33	6.73	6.44	6.96	7.31	6.35	6.49	6.63

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)									
	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Sep-17	Oct-17	Nov-17*	Dec-17*	
Total Deposits	1,090,874	1,316,008	1,559,764	1,914,552	2,761,073	3,176,295	3,218,465	3,273,298	3,329,323	
	(10.3)	(20.6)	(18.5)	(22.7)	(44.2)	(44.2)	(44.7)	(20.6)	(20.6)	
In local currency	824,898	1,003,305	1,232,416	1,547,357	1,900,422	2,394,756	2,438,279	2,482,910	2,531,879	
In foreign currency	265,976	312,703	327,348	367,195	860,651	781,539	780,186	790,388	797,444	
Non Government Deposits ^{2/}	969,640	1,145,306	1,340,409	1,615,135	2,285,128	2,651,484	2,697,614	2,747,814	2,813,132	
	(11.6)	(18.1)	(17.0)	(20.5)	(41.5)	(45.1)	(46.8)	(22.7)	(23.1)	
In local currency	759,673	924,313	1,104,266	1,333,575	1,620,892	1,978,791	2,024,992	2,068,775	2,126,682	
In foreign currency	209,967	220,993	236,143	281,560	664,236	672,693	672,622	679,039	686,450	
Government Deposits	121,234	170,702	219,355	299,417	475,945	524,811	520,851	525,484	516,191	
	(0.6)	(40.8)	(28.5)	(36.50)	(58.96)	(39.9)	(34.9)	(10.7)	(8.5)	
In local currency	65,225	78,992	128,150	213,782	279,530	415,965	413,287	414,135	405,197	
In foreign currency	56,009	91,710	91,205	85,635	196,415	108,846	107,564	111,349	110,994	
Memorandum Items										
(In Percent):										
Dollarization in Total Deposits	24.4	23.8	21.0	19.2	31.2	24.6	24.2	24.1	24.0	
Dollarization in Non-Government Deposits	21.7	19.3	17.6	17.4	29.1	25.4	24.9	24.7	24.4	
Dollarization in Government Deposits	46.2	53.7	41.6	28.6	41.3	20.7	20.7	21.2	21.5	

Source: Central bank of Egypt.

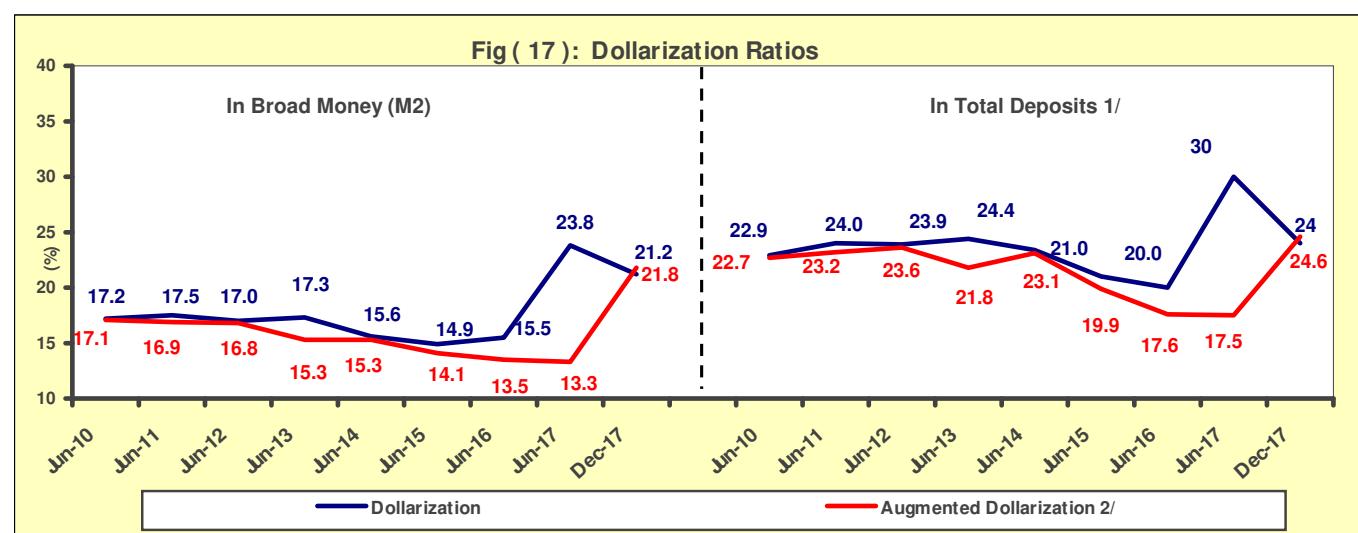
() Percent change over same period in previous year.

* 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 Jun-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)

	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Sep-17	Oct-17	Nov-17	Dec-17*
Total lending	516,842	550,303	629,221	791,499	1,300,243	1,423,040	1,433,139	1,441,200	1,463,380
	(5.5)	(6.5)	(14.3)	(25.8)	(64.3)	(46.7)	(46.1)	(11.3)	(12.5)
To Government ^{2/}	35,141	41,555	47,398	100,718	296,606	356,414	356,121	357,941	373,831
	-(5.6)	(18.3)	(14.1)	(112.5)	(194.5)	(91.3)	(88.0)	(25.5)	(26.0)
In local currency	12,579	12,093	11,579	40,429	116,274	150,248	150,889	151,753	167,594
In foreign currency	22,562	29,462	35,819	60,289	180,332	206,166	205,232	206,188	206,237
To Non-Government	481,701	508,748	581,823	690,781	1,003,637	1,066,626	1,077,018	1,083,259	1,089,549
	(6.5)	(5.6)	(14.4)	(18.7)	(45.3)	(36.1)	(36.0)	(7.2)	(8.6)
In local currency	358,181	374,051	423,744	509,597	617,015	737,541	746,339	750,847	760,384
In foreign currency	123,520	134,697	158,079	181,184	386,622	329,085	330,679	332,412	329,165
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	84.8	84.6	83.2	77.6	67.4	64.5	64.7	64.5	63.9
Non Government Loans/ Deposits ^{4/}	49.7	44.4	43.4	42.8	43.9	40.2	39.9	39.4	38.7
Government Loans / Deposits	29.0	24.3	21.6	33.6	62.3	67.9	68.4	68.1	72.4
Foreign currency denominated credit to total credit	28.3	29.8	30.8	30.5	43.6	37.6	37.4	37.4	36.6
Government foreign currency denominated credit to total government credit	64.2	70.9	75.6	59.9	60.8	57.8	57.6	57.6	55.2
Non - government foreign currency denominated credit to total non-government credit	25.6	26.5	27.2	26.2	38.5	30.9	30.7	30.7	30.2

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

December-2017



Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

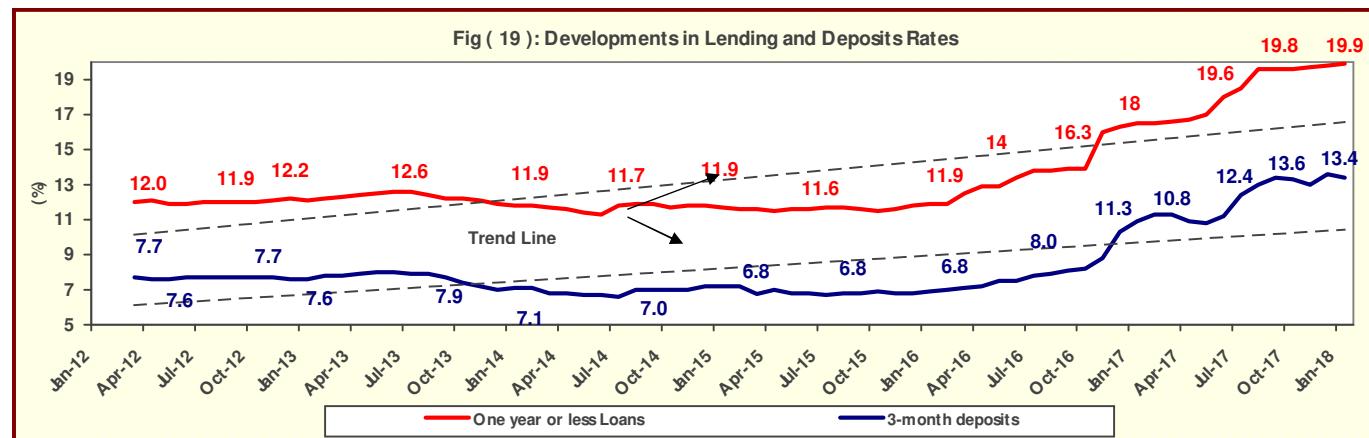
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/ 3/}	Post Office Saving Deposits ^{1/}
Yearly Average						
2006/2007	9.00	12.64	6.01	8.65	10.00	9.50
2007/2008	10.00	12.22	6.09	6.97	10.00	9.50
2008/2009	9.00	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						
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
Jan-18	19.25	19.90	13.40	18.80	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.



Source: Central Bank of Egypt.

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

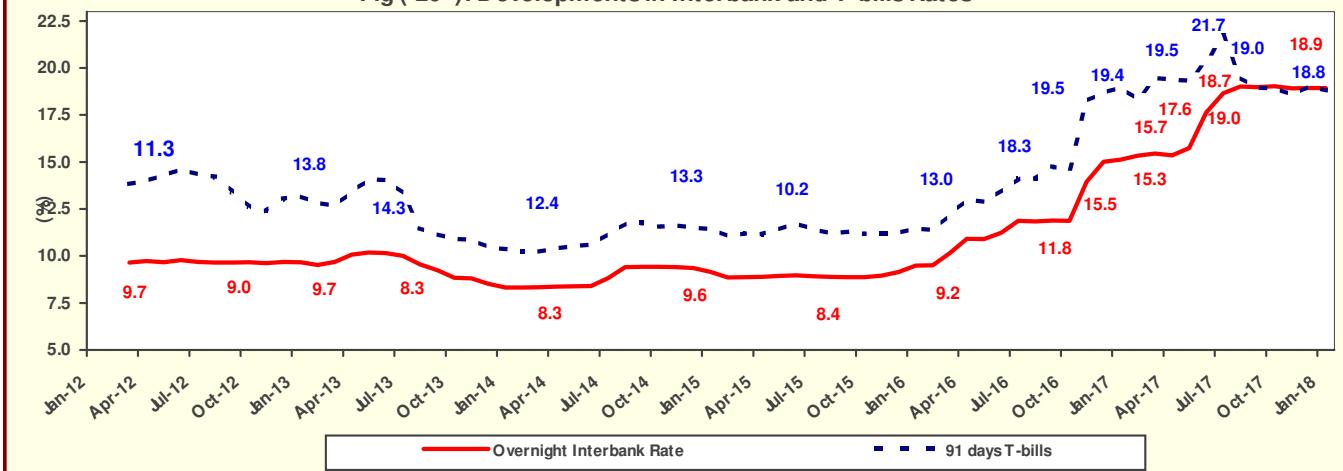
	Overnight	One Week	Month	More than One Month
Yearly Average				
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
2011	9.0	9.1	9.4	9.5
2012	9.4	9.8	10.1	10.2
2013	9.5	9.8	10.2	10.5
2014	8.8	9.1	--	--
2015	8.9	9.2	--	--
2016	11.5	11.6	--	12.6
Monthly Average				
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
Jan-18	18.94	19.22	--	19.34

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.