Section 6

MONETARY SECTOR

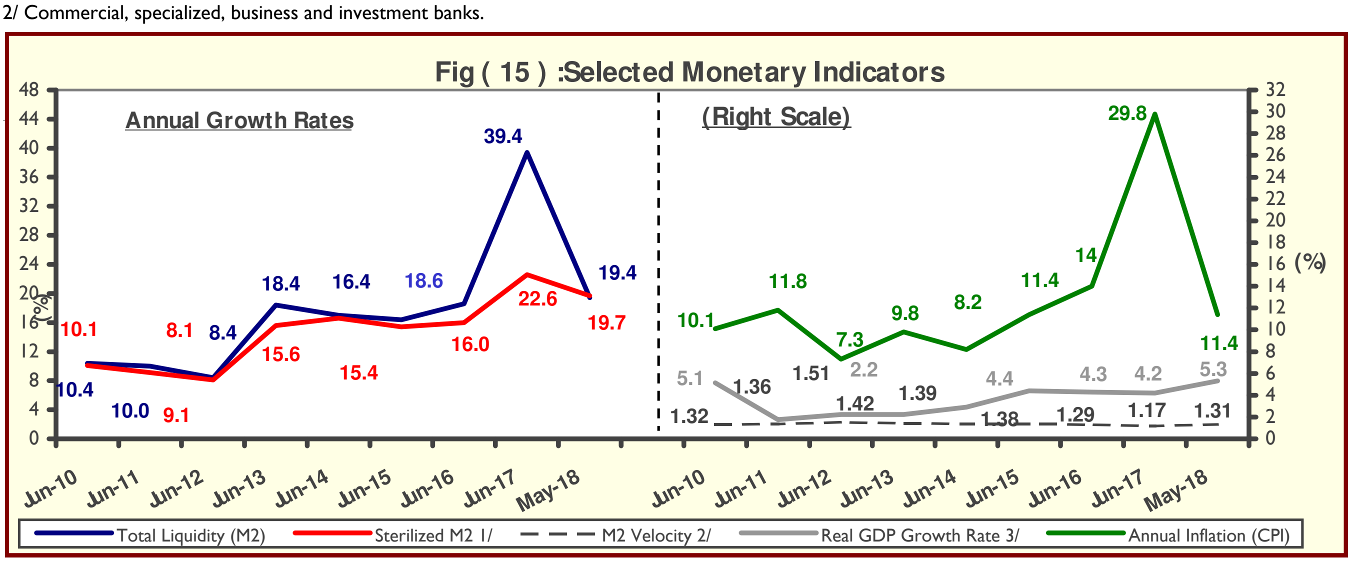
Table (24) : Developments in Main Monetary Aggregates
(May 2018)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change [1/]
Net Foreign Assets (LE terms)	**-18.0**	**-3.5**	**336.1**	**703.8**
CBE NFA	3.5	16.7	453.8	845.7
CBE NIR	0.8	1.2	35.1	156.2
Banks NFA 2/	-92.6	-89.7	-104.0	211.1
Net Foreign Assets (US dollar terms)	**-18.7**	**-4.4**	**341.9**	**-626.8**
CBE NFA	2.6	15.6	461.0	821.4
CBE NIR	0.0	0.2	36.9	71.7
Banks NFA 2/	-92.6	-89.8	-60.8	22.5
Net Domestic Assets	**2.9**	**3.9**	**11.5**	**15.5**
Net Claims on Government and GASC	3.6	3.5	9.2	9.3
Claims on Public Companies	0.3	1.3	6.6	31.3
Claims on Private Sector	1.6	4.7	9.1	19.4
Total Liquidity (M2)	**0.6**	**3.2**	**19.4**	**29.0**
Money (M1)	2.2	7.4	16.7	19.5
Quasi Money	0.2	2.0	20.2	32.5

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 FY17/18 has been revised recently to reach LE 4440.6 billion instead of 4286.5 billion. Meanwhile GDP projections for FY18/19 are estimated to reach LE 5250.9 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
(May 2018)

(LE Million)

	May-13	May-14	May-15	May-16	May-17	Feb-18	Mar-18	Apr-18	May-18
Net Foreign Assets 1/	**135,421**	**126,059**	**46,462**	**(82,792)**	**69,387**	**313,617**	**327,911**	**369,030**	**302,619**
	-(14.1)	-(6.9)	-(63.1)	-(278.2)	(183.8)	(468.9)	(824.8)	(4925.2)	(336.1)
Central bank (Net)	**42,839**	**41,709**	**21,265**	**(45,230)**	**53,540**	**253,947**	**255,098**	**286,490**	**296,481**
Foreign Assets	105,994	119,991	144,310	149,607	584,396	732,181	732,495	760,422	772,806
Foreign Liabilities	63,155	78,282	123,045	194,837	530,856	478,234	477,397	473,932	476,325
Banks (Net)	**92,582**	**84,350**	**25,197**	**(37,562)**	**15,847**	**59,670**	**72,813**	**82,540**	**6,138**
Foreign Assets	125,707	117,886	86,250	82,985	285,546	349,236	348,369	369,804	294,622
Foreign Liabilities	33,125	33,536	61,053	120,547	269,699	289,566	275,556	287,264	288,484
Net Domestic Assets of which:	**1,133,092**	**1,358,361**	**1,673,586**	**2,127,085**	**2,780,214**	**2,981,279**	**3,015,573**	**3,010,431**	**3,098,741**
	(24.5)	(19.9)	(23.2)	(27.1)	(30.7)	(9.9)	(8.1)	(7.8)	(11.5)
Net Claims on Government, and GASC 2/	**783,578**	**993,710**	**1,241,062**	**1,624,511**	**1,964,153**	**2,073,687**	**2,084,331**	**2,071,609**	**2,145,836**
National Currency	830,581	986,054	1,204,400	1,487,691	1,551,524	1,527,442	1,569,105	1,570,159	1,579,987
Foreign Currency	(47,003)	7,656	36,662	136,820	412,629	546,245	515,226	501,450	565,849
Claims on Public Business Sector	**43,765**	**46,353**	**63,610**	**87,134**	**150,560**	**158,528**	**162,402**	**160,035**	**160,555**
National Currency	34,412	36,464	43,064	59,282	97,511	106,252	109,080	114,436	115,648
Foreign Currency	9,353	9,889	20,546	27,852	53,049	52,276	53,322	45,599	44,907
Claims on Private Sector 2/	**492,823**	**526,614**	**617,909**	**703,909**	**978,257**	**1,018,594**	**1,030,278**	**1,050,310**	**1,066,929**
National Currency	373,167	400,333	456,274	535,447	672,724	733,718	745,577	765,035	775,181
Foreign Currency	119,656	126,281	161,635	168,462	305,533	284,876	284,701	285,275	291,748
Other Items (net) 1/ 2/	**(187,074)**	**(208,316)**	**(248,995)**	**(288,469)**	**(312,756)**	**(269,530)**	**(261,438)**	**(271,523)**	**(274,579)**
Total Liquidity (M2)	**1,268,513**	**1,484,420**	**1,720,048**	**2,044,293**	**2,849,601**	**3,294,896**	**3,343,484**	**3,379,461**	**3,401,360**
	(18.8)	(17.0)	(15.9)	(18.9)	(39.4)	(25.4)	(21.9)	(21.4)	(19.4)
Money (M1) 3/	**331,757**	**401,254**	**476,647**	**552,971**	**684,278**	**743,810**	**765,087**	**781,231**	**798,581**
	(25.4)	(20.9)	(18.8)	(16.0)	(23.7)	(17.3)	(21.2)	(19.4)	(16.7)
Currency in Circulation	231,575	267,732	287,834	329,591	404,614	410,336	416,528	419,712	435,852
Demand Deposits in Local Currency	100,182	133,522	188,813	223,380	279,664	333,474	348,559	361,519	362,729
Quasi Money	**936,756**	**1,083,166**	**1,243,401**	**1,491,322**	**2,165,323**	**2,551,086**	**2,578,397**	**2,598,230**	**2,602,779**
	(16.7)	(15.6)	(14.8)	(19.9)	(45.2)	(28.0)	(22.0)	(22.0)	(20.2)
Local Currency Time & Savings Deposits	711,100	846,870	983,420	1,172,250	1,479,420	1,861,239	1,884,700	1,900,612	1,886,378
Foreign Currency Demand Deposits	56,298	64,790	66,897	76,222	147,690	140,571	144,790	144,428	150,071
Foreign Currency Time and Savings Deposits	169,358	171,506	193,084	242,850	538,213	549,276	548,907	553,190	566,330

Source: Central Bank of Egypt.

( ) Percent change over previous year.

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)

(May 2018)

	May-13	May-14	May-15	May-16	May-17	Feb-18	Mar-18	Apr-18	May-18
Net Foreign Assets (In Million US$) [4/]	**19,447**	**17,802**	**6,109**	**(9,324)**	**3,852**	**17,809**	**18,656**	**20,931**	**17,021**
Central bank NFA	**6,152**	**5,890**	**2,796**	**(5,094)**	**2,972**	**14,421**	**14,514**	**16,249**	**16,676**
Net International Reserves	**28,516**	**28,858**	**22,286**	**12,619**	**33,323**	**44,966**	**45,818**	**47,811**	**43,813**
Central Bank (Gross)	**16,039**	**17,284**	**19,560**	**17,521**	**31,126**	**42,524**	**42,611**	**44,030**	**44,139**
Banks (net)	**13,295**	**11,912**	**3,313**	**(4,230)**	**880**	**3,388**	**4,143**	**4,682**	**345**
Foreign assets	18,052	16,648	11,340	9,346	15,852	19,832	19,820	20,975	16,571
Foreign Liabilities	4,757	4,736	8,027	13,576	14,973	16,443	15,678	16,293	16,226
In Percent of Beginning of Money Stocks [5/]									
Net Foreign Assets	-2.03%	0.22%	-4.79%	-7.61%	1.01%	14.8%	15.7%	18.0%	14.2%
Net Domestic Assets	17.94%	14.31%	18.21%	23.40%	60.39%	71.8%	73.7%	73.4%	78.4%
Money (M1)	5.23%	4.41%	4.36%	3.05%	10.49%	13.9%	15.1%	16.0%	17.0%
Quasi Money	10.7%	10.12%	9.06%	12.74%	50.91%	72.8%	74.3%	75.4%	75.7%
Dollarization (% of Total Liquidity) [6/]	0.18	0.16	0.15	0.16	0.24	20.9	20.7	20.6	21.1
M2 Multiplier [7/]	4.16	4.27	4.30	4.40	5.15	4.75	4.93	4.93	4.72
M2 Velocity [8/]	1.47	1.43	1.42	1.32	1.22	1.35	1.33	1.31	1.31
M2 (annual percentage change)	18.82	17.02	15.87	18.85	39.39	25.4	21.9	21.4	19.4
Credit to private sector (annual percentage change) [9/]	0.10	0.07	0.17	0.14	0.39	11.9	7.4	8.2	9.1
Exchange Rate [10/]	6.96	7.08	7.61	8.88	18.01	17.61	17.58	17.63	17.78

Source: Central Bank of Egypt.

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.

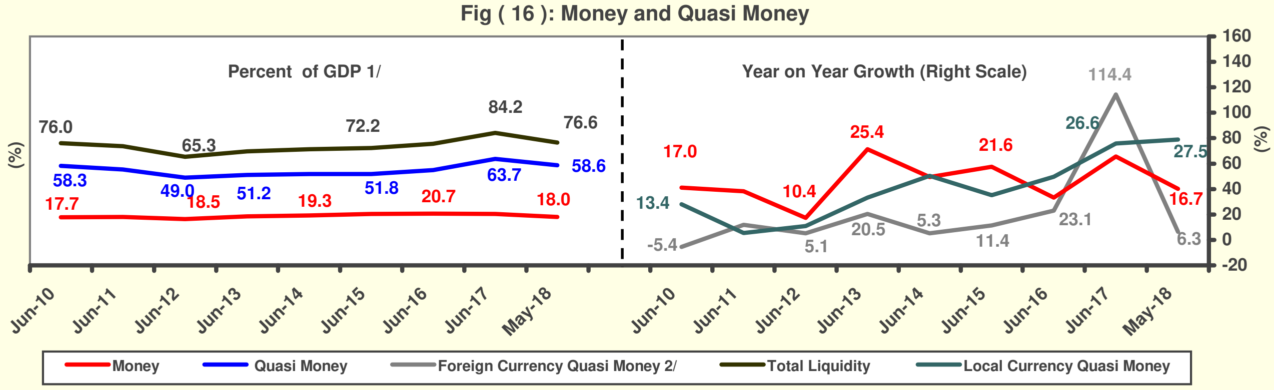
7/ M2 / Reserve Money.

8/ GDP estimate for FY17/18 has been revised recently to reach LE 4440.6 billion instead of 4286.5 billion. Meanwhile GDP projections for FY18/19 are estimated to reach LE 5250.9 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 FY17/18 has been revised recently to reach LE 4440.6 billion instead of 4286.5 billion. Meanwhile GDP projections for FY18/19 are estimated to reach LE 5250.9 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)

	May-13	May-14	May-15	May-16	May-17	Feb-18	Mar-18	Apr-18	May-18
Reserve Money	**304,620**	**347,865**	**400,058**	**464,664**	**553,812**	**693,802**	**677,738**	**685,858**	**720,205**
	(16.2)	(14.2)	(15.0)	(16.1)	(19.2)	(32.6)	(28.4)	(27.1)	(30.0)
Currency in Circulation	243,402	282,461	306,476	351,114	434,034	439,920	448,058	452,257	470,584
	(23.5)	(16.0)	(8.5)	(14.6)	(23.6)	(7.6)	(9.1)	(8.4)	(8.4)
Banks LE Deposits with CBE	61,218	65,404	93,582	113,550	119,778	253,882	229,680	233,601	249,621
	-(6.0)	(6.8)	(43.1)	(21.3)	(5.5)	(121.6)	(95.9)	(91.2)	(108.4)
Counter Assets:									
Net Foreign Assets	**42,839**	**41,709**	**21,265**	**-45,230**	**53,540**	**253,947**	**255,098**	**286,490**	**296,481**
	-(43.2)	-(2.6)	-(49.0)	-(312.7)	(218.4)	(999.3)	(4534.8)	(1851.4)	(453.8)
Net Domestic Assets	**261,781**	**306,156**	**378,793**	**509,894**	**500,272**	**439,855**	**422,640**	**399,368**	**423,724**
	(40.2)	(17.0)	(23.7)	(34.6)	-(1.9)	-(20.3)	-(19.1)	-(23.9)	-(15.3)
Net Claims on Government [2/]	296,911	382,536	505,590	611,158	681,576	676,345	636,881	616,308	657,821
	(69.0)	(28.8)	(32.2)	(20.9)	(11.5)	-(1.8)	-(13.1)	-(14.5)	-(3.5)
Claims	396,779	432,015	612,346	695,252	822,984	765,111	769,254	772,030	767,914
	(53.9)	(8.9)	(41.7)	(13.5)	(18.4)	-(4.2)	-(5.2)	-(5.5)	-(6.7)
Securities	178,831	240,331	290,330	461,830	714,383	682,714	682,620	682,858	683,730
Credit Facilities	217,948	191,684	322,016	233,422	108,601	82,397	86,634	89,172	84,184
Deposits [3/]	99,868	49,479	106,756	84,094	141,408	88,766	132,373	155,722	110,093
	(21.7)	-(50.5)	(115.8)	-(21.2)	(68.2)	-(18.8)	(67.0)	(60.7)	-(22.1)
Net Claims on Banks	-1,860	-9,132	-26,733	62,432	128,264	179,436	212,843	236,624	193,268
Net Balancing Items [4/]	-33,270	-67,248	-100,064	-163,696	-309,568	-415,926	-427,084	-453,564	-427,365
Memorandum Items									
Reserve Money Velocity [5/, 6/]	6.11	6.12	6.11	5.83	6.27	6.40	6.55	6.47	6.17

Source: Central Bank of Egypt.

( ) Percent change over same period in previous year.

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 FY17/18 has been revised recently to reach LE 4440.6 billion instead of 4286.5 billion. Meanwhile GDP projections for FY18/19 are estimated to reach LE 5250.9 billion as per the Ministry of Finance Calculations.

Table (27) : Deposits With Banks [1/]

(LE Million)

	May-13	May-14	May-15	May-16	May-17	Feb-18	Mar-18	Apr-18	May-18
Total Deposits	**1,169,613**	**1,403,339**	**1,699,465**	**2,079,282**	**2,973,489**	**3,446,413**	**3,484,955**	**3,525,444**	**3,536,295**
	(15.7)	(20.0)	(21.1)	(22.3)	(43.0)	(27.0)	(21.5)	(20.8)	(18.9)
In local currency	879,706	1,067,067	1,337,965	1,658,362	2,084,655	2,635,209	2,668,126	2,706,043	2,692,824
In foreign currency	289,907	336,272	361,500	420,920	888,834	811,204	816,829	819,401	843,471
Non Government Deposits [2/]	**1,045,752**	**1,225,376**	**1,448,226**	**1,728,423**	**2,462,330**	**2,902,906**	**2,945,810**	**2,979,798**	**2,985,045**
	(17.9)	(17.2)	(18.2)	(19.3)	(42.5)	(28.5)	(24.0)	(23.5)	(21.2)
In local currency	815,591	985,101	1,183,197	1,405,085	1,769,182	2,205,921	2,244,807	2,274,635	2,260,271
In foreign currency	230,161	240,275	265,029	323,338	693,148	696,985	701,003	705,163	724,774
Government Deposits	**123,861**	**177,963**	**251,239**	**350,859**	**511,159**	**543,507**	**539,145**	**545,646**	**551,250**
	(0.0)	(43.7)	(41.2)	(39.65)	(45.69)	(19.4)	(9.3)	(8.1)	(7.8)
In local currency	64,115	81,966	154,768	253,277	315,473	429,288	423,319	431,408	432,553
In foreign currency	59,746	95,997	96,471	97,582	195,686	114,219	115,826	114,238	118,697
Memorandum Items (In Percent):									
Dollarization in Total Deposits	24.8	24.0	21.3	20.2	29.9	23.5	23.4	23.2	23.9
Dollarization in Non-Government Deposits	22.0	19.6	18.3	18.7	28.2	24.0	23.8	23.7	24.3
Dollarization in Government Deposits	48.2	53.9	38.4	27.8	38.3	21.0	21.5	20.9	21.5

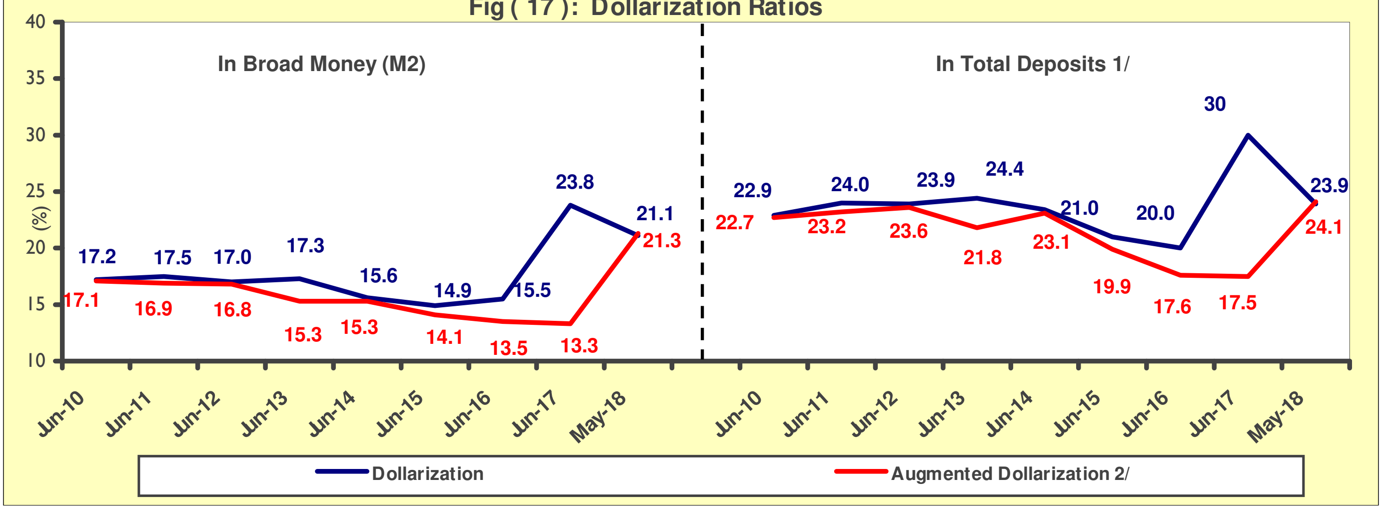
Source: Central bank of Egypt.

( ) Percent change over same period in previous year.

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)

	May-13	May-14	May-15	May-16	May-17	Feb-18	Mar-18	Apr-18	May-18
Total lending	**545,640**	**579,499**	**709,932**	**925,660**	**1,405,513**	**1,514,619**	**1,549,610**	**1,585,267**	**1,616,146**
	(8.6)	(6.2)	(22.5)	(30.4)	(51.8)	(19.8)	(15.3)	(16.1)	(15.0)
To Government [2/]	**35,475**	**39,117**	**62,990**	**172,047**	**335,829**	**400,087**	**420,532**	**437,642**	**452,427**
	(8.6)	(10.3)	(61.0)	(173.1)	(95.2)	(47.8)	(42.7)	(43.3)	(34.7)
In local currency	11,579	12,095	10,935	100,473	143,198	187,611	202,175	217,979	213,382
In foreign currency	23,896	27,022	52,055	71,574	192,631	212,476	218,357	219,663	239,045
To Non-Government	**510,165**	**540,382**	**646,942**	**753,613**	**1,069,684**	**1,114,532**	**1,129,078**	**1,147,625**	**1,163,719**
	(8.6)	(5.9)	(19.7)	(16.5)	(41.9)	(12.2)	(7.6)	(8.3)	(8.8)
In local currency	373,260	400,471	462,375	556,967	718,577	786,206	799,962	825,006	835,439
In foreign currency	136,905	139,911	184,567	196,646	351,107	328,326	329,116	322,619	328,280
Memorandum Items (In Percent):									
Credit to private sector [3/] / Total Credit	85.5	85.3	82.2	72.0	65.4	63.2	62.4	62.3	62.1
Non Government Loans/ Deposits [4/]	48.8	44.1	44.7	43.6	43.4	38.4	38.3	38.5	39.0
Government Loans / Deposits	28.6	22.0	25.1	49.0	65.7	73.6	78.0	80.2	82.1
Foreign currency denominated credit to total credit	29.5	28.8	33.3	29.0	38.7	35.7	35.3	34.2	35.1
Government foreign currency denominated credit to total government credit	67.4	69.1	82.6	41.6	57.4	53.1	51.9	50.2	52.8
Non - government foreign currency denominated credit to total non-government credit	26.8	25.9	28.5	26.1	32.8	29.5	29.1	28.1	28.2

Source: Central Bank of Egypt.

( ) Percent change over previous year

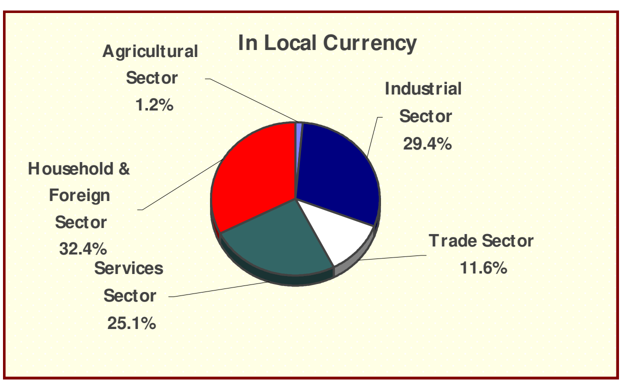
1/ Excludes credit provided by the Central Bank of Egypt.

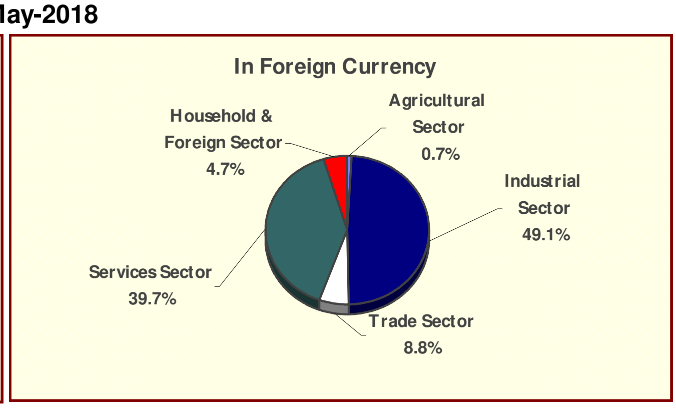
2/ Includes central government and economic authorities.

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 May-2018





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						
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
Feb-18	19.00	19.70	13.50	17.76	15.25	10.25
Mar-18	18.25	19.30	13.00	17.95	15.25	10.25
Apr-18	17.25	18.20	12.40	17.71	15.00	10.25
May-18	17.25	18.30	12.00	18.27	15.00	10.25
Jun-18	17.25	18.30	11.70	18.94	15.00	10.25

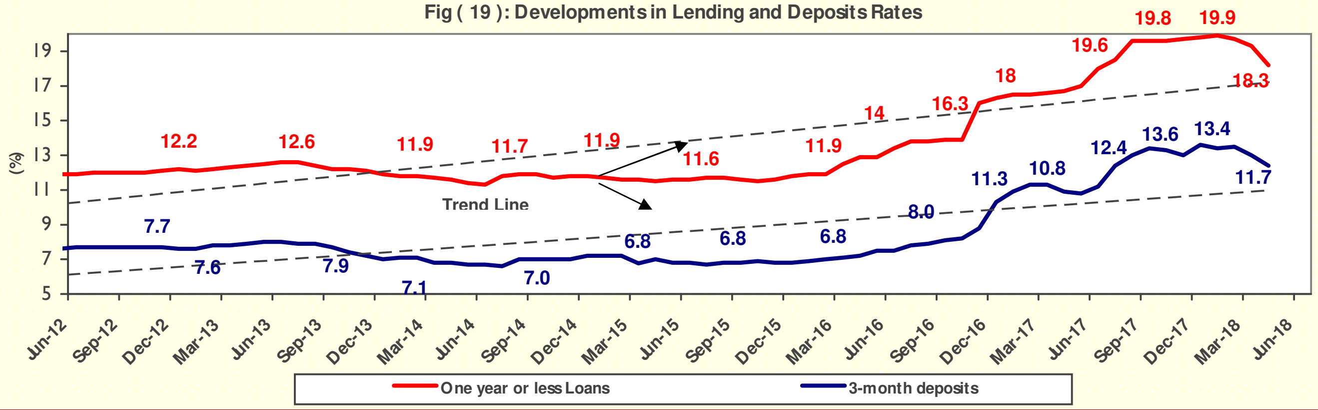
Source: Central Bank of Egypt.

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/]

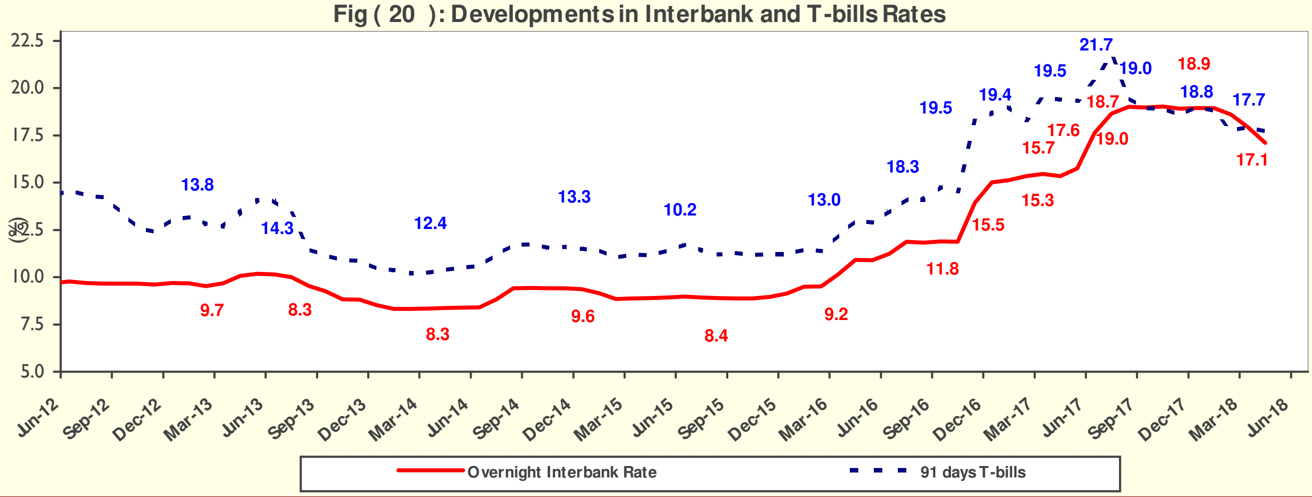
	Overnight	One Week	Month	More than One Month
Yearly Average				
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
2011	9.0	9.1	9.4	9.5
2012	9.4	9.8	10.1	10.2
2013	9.5	9.8	10.2	10.5
2014	8.8	9.1	--	--
2015	8.9	9.2	--	--
2016	11.5	11.6	--	12.6
Monthly Average				
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
Feb-18	18.60	18.85	--	19.25
Mar-18	17.92	18.11	18.28	18.20
Apr-18	17.10	17.23	17.20	--
May-18	16.96	17.20	--	17.31
Jun-18	17.09	17.25	17.30	16.85

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.