

Section 6

MONETARY SECTOR

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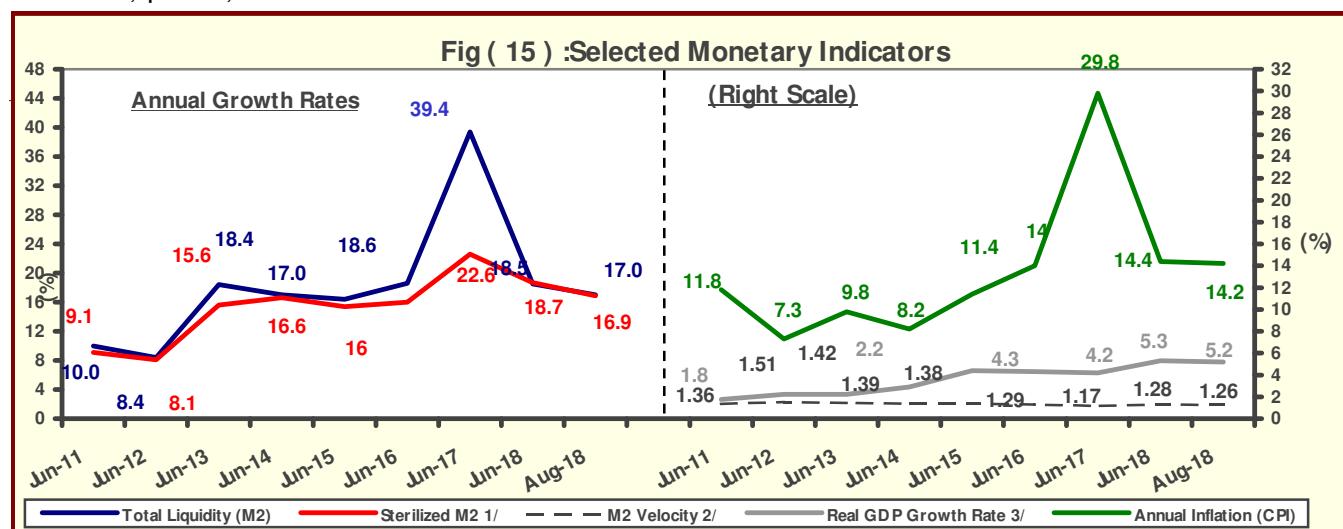
Table (24) : Developments in Main Monetary Aggregates
(August 2018)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-6.4	-12.8	51.0	695.3
CBE NFA	0.7	3.1	223.1	1504.4
CBE NIR	0.0	0.7	23.5	83.9
Banks N FA 2/	96.1	-777.9	81.1	119.3
Net Foreign Assets (US dollar terms)	-6.4	-13.0	49.9	-539.7
CBE NFA	0.8	2.8	220.8	1500.5
CBE NIR	0.0	0.4	22.6	52.3
Banks N FA 2/	96.2	-776.0	-151.5	22.5
Net Domestic Assets	2.1	4.9	14.9	11.9
Net Claims on Government and GASC	2.4	8.2	17.8	9.3
Claims on Public Companies	1.4	2.1	9.5	18.7
Claims on Private Sector	0.7	1.7	11.8	13.0
Total Liquidity (M2)	1.4	3.4	17.0	23.6
Money (M1)	2.9	5.0	16.6	18.2
Quasi Money	1.0	2.9	17.2	25.6

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
(August 2018)

	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	May-18	Jun-18	Jul-18	Aug-18	(LE Million)
Net Foreign Assets 1/	119,162	51,487	(87,389)	61,056	309,530	302,619	309,530	282,215	264,030	
	(-3.3)	(-56.8)	(-269.7)	(169.9)	(407.0)	(336.1)	(407.0)	(102.1)	(51.0)	
Central bank (Net)	37,395	25,278	(44,863)	3,690	301,493	296,481	301,493	303,436	305,640	
Foreign Assets	115,770	148,098	149,943	551,514	775,954	772,806	775,954	778,266	780,554	
Foreign Liabilities	78,375	122,820	194,806	547,824	474,461	476,325	474,461	474,830	474,914	
Banks (Net)	81,767	26,209	(42,526)	57,366	8,037	6,138	8,037	(21,221)	(41,610)	
Foreign Assets	115,838	86,214	81,532	339,126	299,817	294,622	299,817	274,474	242,299	
Foreign Liabilities	34,071	60,005	124,058	281,760	291,780	288,484	291,780	295,695	283,909	
Net Domestic Assets of which:	1,397,439	1,714,005	2,181,889	2,857,137	3,147,485	3,098,741	3,147,485	3,183,937	3,251,391	
	(19.1)	(22.7)	(27.3)	(30.9)	(10.2)	(11.5)	(10.2)	(13.7)	(14.9)	
Net Claims on Government, and GASC 2/	1,045,186	1,291,427	1,654,910	1,979,641	2,217,557	2,145,836	2,217,557	2,267,020	2,320,847	
National Currency	1,034,569	1,251,096	1,500,936	1,545,112	1,618,411	1,579,987	1,618,411	1,673,252	1,724,951	
Foreign Currency	10,617	40,331	153,974	434,529	599,146	565,849	599,146	593,768	595,896	
Claims on Public Business Sector	45,417	63,218	93,073	148,715	160,177	160,555	160,177	161,652	163,860	
National Currency	35,424	43,989	65,410	96,035	114,949	115,648	114,949	116,762	119,385	
Foreign Currency	9,993	19,229	27,663	52,680	45,228	44,907	45,228	44,890	44,475	
Claims on Private Sector 2/	534,538	623,566	712,132	982,914	1,082,556	1,066,929	1,082,556	1,077,024	1,084,792	
National Currency	407,230	461,561	543,158	680,046	792,036	775,181	792,036	790,930	801,639	
Foreign Currency	127,308	162,005	168,974	302,868	290,520	291,748	290,520	286,094	283,153	
Other Items (net) 1/ 2/	(227,702)	(264,206)	(278,226)	(254,133)	(312,805)	(274,579)	(312,805)	(321,759)	(318,108)	
Total Liquidity (M2)	1,516,601	1,765,492	2,094,500	2,918,193	3,457,015	3,401,360	3,457,015	3,466,152	3,515,421	
	(17.0)	(16.4)	(18.6)	(39.3)	(18.5)	(19.4)	(18.5)	(17.9)	(17.0)	
Money (M1) 3/	410,554	499,065	572,935	707,427	823,268	798,581	823,268	814,404	838,278	
	(19.3)	(21.6)	(14.8)	(23.5)	(16.4)	(16.7)	(16.4)	(16.6)	(16.6)	
Currency in Circulation	270,856	292,699	346,853	419,058	441,551	435,852	441,551	438,067	452,659	
Demand Deposits in Local Currency	139,698	206,366	226,082	288,369	381,717	362,729	381,717	376,337	385,619	
Quasi Money	1,106,047	1,266,427	1,521,565	2,210,766	2,633,747	2,602,779	2,633,747	2,651,748	2,677,143	
	(16.2)	(14.5)	(20.1)	(45.3)	(19.1)	(20.2)	(19.1)	(18.3)	(17.2)	
Local Currency Time & Savings Deposits	869,976	1,003,432	1,197,746	1,516,480	1,916,789	1,886,378	1,916,789	1,926,822	1,948,309	
Foreign Currency Demand Deposits	62,214	68,631	75,910	150,042	149,769	150,071	149,769	152,732	150,178	
Foreign Currency Time and Savings Deposits	173,857	194,364	247,909	544,244	567,189	566,330	567,189	572,194	578,656	

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 2018)

	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	May-18	Jun-18	Jul-18	Aug-18
Net Foreign Assets (In Million US\$)^{4/}	16,682	6,770	(9,842)	3,387	17,365	17,017	17,365	15,818	14,805
Central bank NFA	5,235	3,324	(5,053)	205	16,914	16,672	16,914	17,008	17,138
Net International Reserves	27,655	22,918	12,098	33,773	43,982	43,803	43,982	42,433	41,435
Central Bank (Gross)	16,687	20,082	17,546	31,305	44,258	44,139	44,258	44,315	44,315
Banks (net)	11,447	3,446	(4,790)	3,182	451	345	451	(1,189)	(2,333)
Foreign assets	16,217	11,336	9,183	18,811	16,820	16,568	16,820	15,384	13,586
Foreign Liabilities	4,770	7,890	13,972	15,629	16,369	16,222	16,369	16,574	15,920
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	-0.31%	-4.46%	-7.87%	7.09%	8.51%	8.3%	8.5%	-0.8%	-1.3%
Net Domestic Assets	17.33%	20.87%	26.50%	32.24%	9.95%	8.3%	9.9%	1.1%	3.0%
Money (M1)	5.13%	5.84%	4.18%	6.42%	3.97%	3.1%	4.0%	-0.3%	0.4%
Quasi Money	11.89%	10.57%	14.45%	32.91%	14.49%	13.4%	14.5%	0.5%	1.3%
Dollarization (% of Total Liquidity)^{6/}	0.16	0.15	0.15	0.24	0.21	21.1	20.7	20.9	20.7
M2 Multiplier^{7/}	4.16	3.63	4.38	5.05	4.81	4.72	4.81	4.71	4.96
M2 Velocity^{8/}	1.40	1.38	1.29	1.19	1.28	1.31	1.28	1.28	1.26
M2 (annual percentage change)	17.01	16.41	18.64	39.33	18.46	19.4	18.5	17.9	17.0
Credit to private sector (annual percentage change)^{9/}	0.07	0.17	0.14	0.38	0.10	9.1	10.1	10.6	11.8
Exchange Rate^{10/}	7.14	7.61	8.88	18.03	17.83	17.78	17.83	17.84	17.83

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.

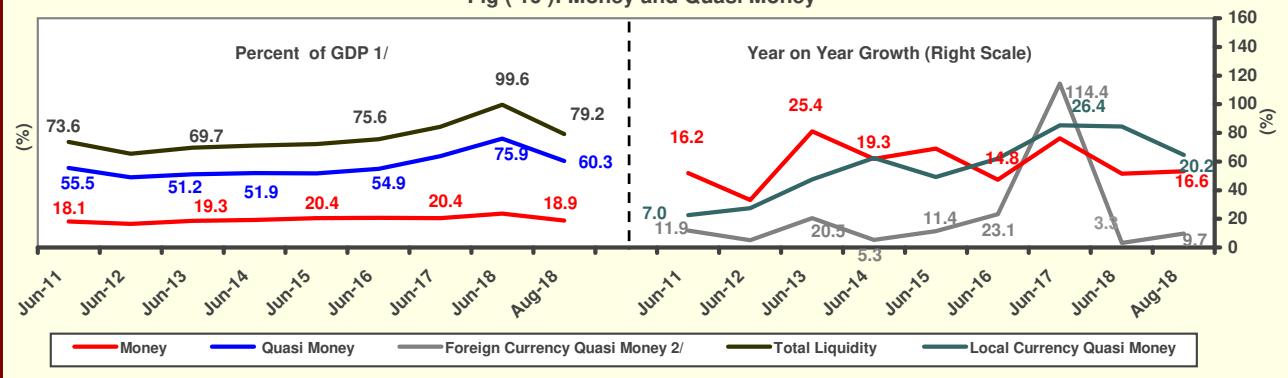
7/ M2 / Reserve Money.

8/ GDP estimate for 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)

	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	May-18	Jun-18	Jul-18	Aug-18
Reserve Money	364,473	485,876	478,076	577,582	719,003	720,205	719,003	735,428	708,343
	(14.6)	(33.3)	-(1.6)	(20.8)	(24.5)	(30.0)	(24.5)	(37.5)	(20.7)
Currency in Circulation	288,651	313,468	368,459	452,035	485,235	470,584	485,235	473,445	490,994
	(10.7)	(8.6)	(17.5)	(22.7)	(7.3)	(8.4)	(7.3)	(7.1)	(6.4)
Banks LE Deposits with CBE	75,822	172,408	109,617	125,547	233,768	249,621	233,768	261,983	217,349
	(32.8)	(127.4)	-(36.4)	(14.5)	(86.2)	(108.4)	(86.2)	(182.9)	(73.1)
<u>Counter Assets:</u>									
Net Foreign Assets	37,395	25,171	-44,863	3,690	301,493	296,481	301,493	303,436	305,640
	(-2.2)	(-32.7)	-(278.2)	(108.2)	(8070.5)	(453.8)	(8070.5)	(218.8)	(223.1)
Net Domestic Assets	327,078	460,598	522,939	573,892	417,510	423,724	417,510	431,992	402,703
	(16.9)	(40.8)	(13.5)	(9.7)	-(27.2)	(-15.3)	(-27.2)	(-1.7)	(-18.2)
Net Claims on Government ^{2/}	419,218	523,893	619,410	708,637	715,474	657,821	715,474	722,660	741,542
	(39.8)	(25.0)	(18.2)	(14.4)	(1.0)	(-3.5)	(1.0)	(2.0)	(0.6)
Claims	463,724	620,003	706,885	821,975	759,880	767,914	759,880	767,871	769,903
	(14.5)	(33.7)	(14.0)	(16.3)	(-7.6)	(-6.7)	(-7.6)	(-4.6)	(-4.2)
Securities	240,331	240,330	390,830	714,454	683,629	683,730	683,629	683,648	683,706
Credit Facilities	223,393	379,673	316,055	107,521	76,251	84,184	76,251	84,223	86,197
Deposits ^{3/}	44,506	96,110	87,475	113,338	44,406	110,093	44,406	45,211	28,361
	(-57.6)	(115.9)	(-9.0)	(29.6)	(-60.8)	(-22.1)	(-60.8)	(-53.4)	(-57.2)
Net Claims on Banks	-9,045	-26,334	59,621	157,141	201,438	193,268	201,438	194,968	181,129
Net Balancing Items ^{4/}	-83,095	-36,961	-156,092	-291,886	-499,402	-427,365	-499,402	-485,636	-519,968
<u>Memorandum Items</u>									
Reserve Money Velocity ^{5/ 6/}	5.84	5.03	5.66	6.01	6.18	6.17	6.18	6.04	6.27

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 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)

	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	May-18	Jun-18	Jul-18	Aug-18
Total Deposits	1,433,728	1,740,158	2,123,069	3,042,155	3,569,515	3,536,295	3,569,515	3,586,091	3,606,868
	(20.4)	(21.4)	(22.0)	(43.3)	(17.3)	(18.9)	(17.3)	(16.8)	(15.4)
In local currency	1,097,729	1,375,369	1,698,255	2,128,025	2,731,175	2,692,824	2,731,175	2,735,018	2,751,374
In foreign currency	335,999	364,789	424,814	914,130	838,340	843,471	838,340	851,073	855,494
Non Government Deposits ^{2/}	1,254,882	1,488,006	1,761,009	2,517,727	3,036,010	2,985,045	3,036,010	3,047,685	3,083,561
	(18.0)	(18.6)	(18.3)	(43.0)	(20.6)	(21.2)	(20.6)	(19.5)	(18.8)
In local currency	1,014,712	1,219,985	1,433,387	1,815,641	2,311,316	2,260,271	2,311,316	2,314,679	2,346,521
In foreign currency	240,170	268,021	327,622	702,086	724,694	724,774	724,694	733,006	737,040
Government Deposits	178,846	252,152	362,060	524,428	533,505	551,250	533,505	538,406	523,307
	(40.8)	(41.0)	(43.59)	(44.85)	(1.7)	(7.8)	(1.7)	(3.2)	-(1.2)
In local currency	83,017	155,384	264,868	312,384	419,859	432,553	419,859	420,339	404,853
In foreign currency	95,829	96,768	97,192	212,044	113,646	118,697	113,646	118,067	118,454
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	23.4	21.0	20.0	30.0	23.5	23.9	23.5	23.7	23.7
Dollarization in Non-Government Deposits	19.1	18.0	18.6	27.9	23.9	24.3	23.9	24.1	23.9
Dollarization in Government Deposits	53.6	38.4	26.8	40.4	21.3	21.5	21.3	21.9	22.6

Source: Central bank of Egypt.

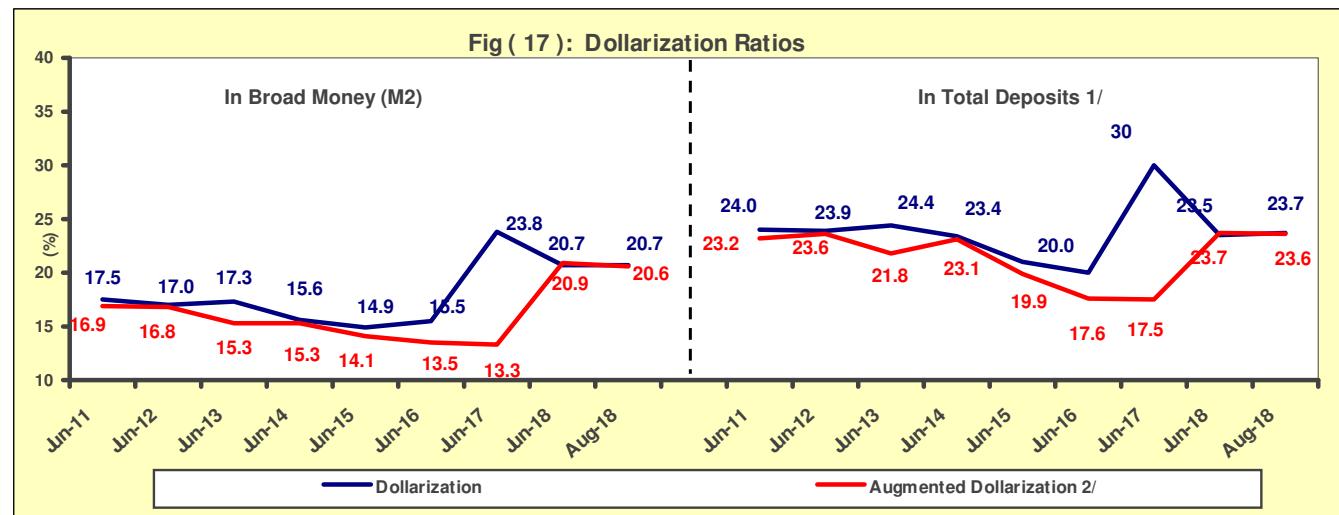
() Percent change over same period in previous year.

* 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)

	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	May-18	Jun-18	Jul-18	Aug-18
Total lending	587,852	717,999	942,727	1,426,457	1,629,664	1,616,146	1,629,664	1,631,626	1,632,459
	(7.1)	(22.1)	(31.3)	(51.3)	(14.2)	(15.0)	(14.2)	(15.4)	(15.8)
To Government ^{2/}	40,802	66,421	173,740	354,723	452,917	452,427	452,917	457,901	449,462
	(14.0)	(62.8)	(161.6)	(104.2)	(27.7)	(34.7)	(27.7)	(30.3)	(28.4)
In local currency	11,872	10,855	100,230	142,710	216,549	213,382	216,549	224,439	213,029
In foreign currency	28,930	55,566	73,510	212,013	236,368	239,045	236,368	233,462	236,433
To Non-Government	547,050	651,578	768,987	1,071,734	1,176,747	1,163,719	1,176,747	1,173,725	1,182,997
	(6.6)	(19.1)	(18.0)	(39.4)	(9.8)	(8.8)	(9.8)	(10.5)	(11.6)
In local currency	406,499	468,502	572,348	724,503	849,775	835,439	849,775	851,204	862,702
In foreign currency	140,551	183,076	196,639	347,231	326,972	328,280	326,972	322,521	320,295
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	85.4	82.0	71.7	64.7	62.4	62.1	62.4	62.1	62.5
Non Government Loans/ Deposits ^{4/}	43.6	43.8	43.7	42.6	38.8	39.0	38.8	38.5	38.4
Government Loans / Deposits	22.8	26.3	48.0	67.6	84.9	82.1	84.9	85.0	85.9
Foreign currency denominated credit to total credit	28.8	33.2	28.7	39.2	34.6	35.1	34.6	34.1	34.1
Government foreign currency denominated credit to total government credit	70.9	83.7	42.3	59.8	52.2	52.8	52.2	51.0	52.6
Non - government foreign currency denominated credit to total non-government credit	25.7	28.1	25.6	32.4	27.8	28.2	27.8	27.5	27.1

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-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
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	15.25	15.75	9.79	17.53	15.08	9.50
2017/2018	17.25	19.26	12.94	18.58	15.73	10.25
Monthly Average						
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	18.20	11.70	18.94	15.00	10.25
Jul-18	17.25	17.60	12.00	19.37	15.00	10.25
Aug-18	17.25	17.60	11.90	18.78	15.00	10.25
Sep-18	17.25	17.30	11.90	19.39	15.00	10.25

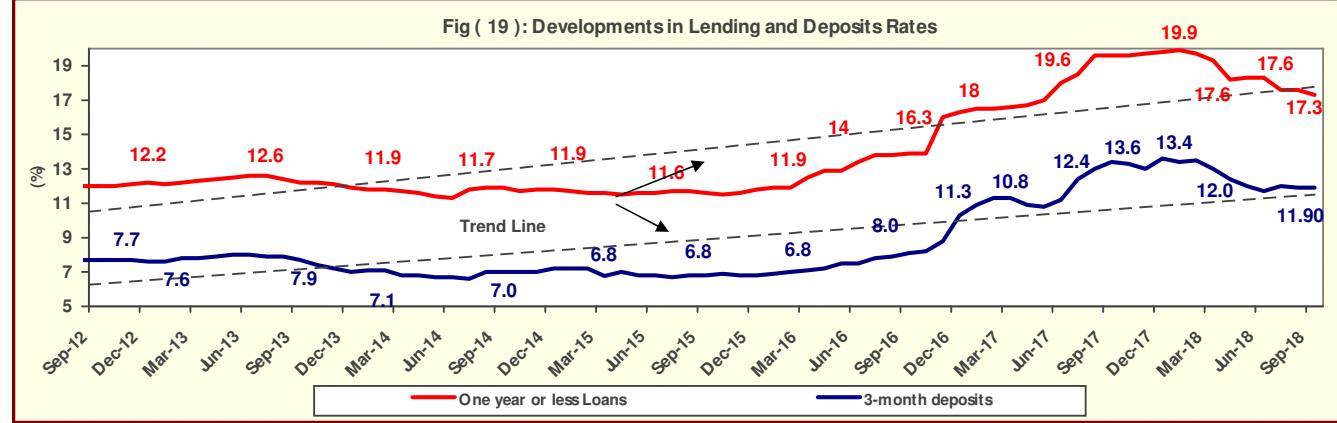
Source: Central Bank of Egypt.

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.

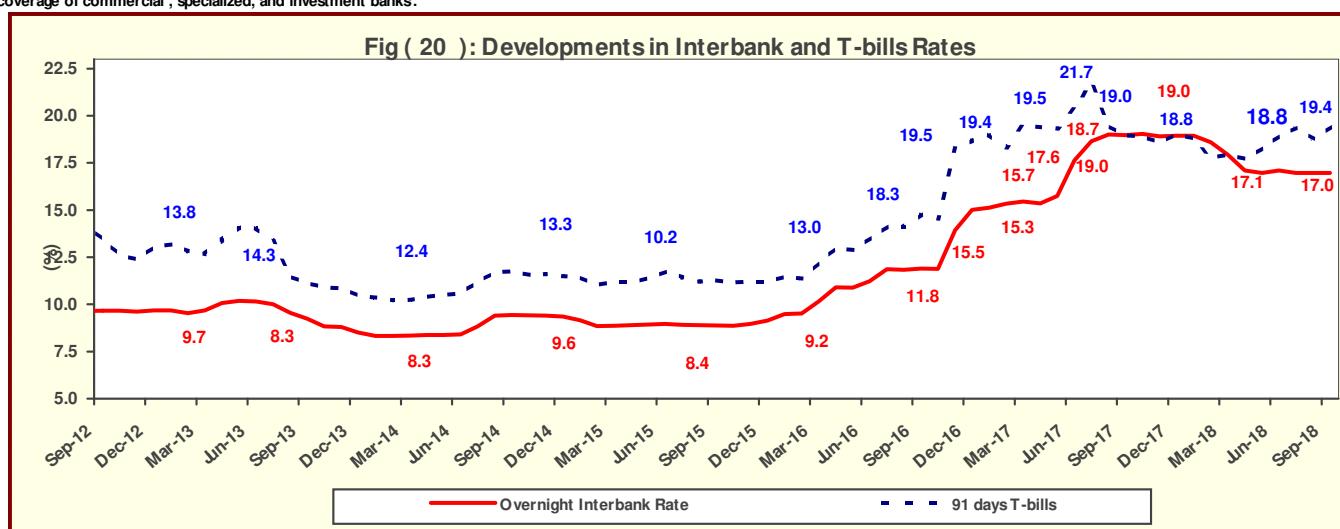
Table (30) : Average Interbank Rates^{1/}

	Overnight	One Week	Month	More than One Month
Yearly Average				
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	9.5	8.9
2016	11.5	11.6	--	12.6
2017	17.3	17.6	19.4	17.7
Monthly Average				
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
Jul-18	16.97	17.24	17.23	16.87
Aug-18	16.96	17.25	--	16.88
Sep-18	16.96	17.24	--	--

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.