

Section 6

MONETARY SECTOR

Table (24) Developments in Main Monetary Aggregates-----	45
Table (25) Monetary Survey-----	46 -47
Table (26) Central Bank Reserve Money-----	48
Table (27) Deposits With Banks-----	49
Table (28) Credit Provided By Banks-----	50
Table (29) Domestic Interest Rates-----	51
Table (30) Average Interbank Rates-----	52

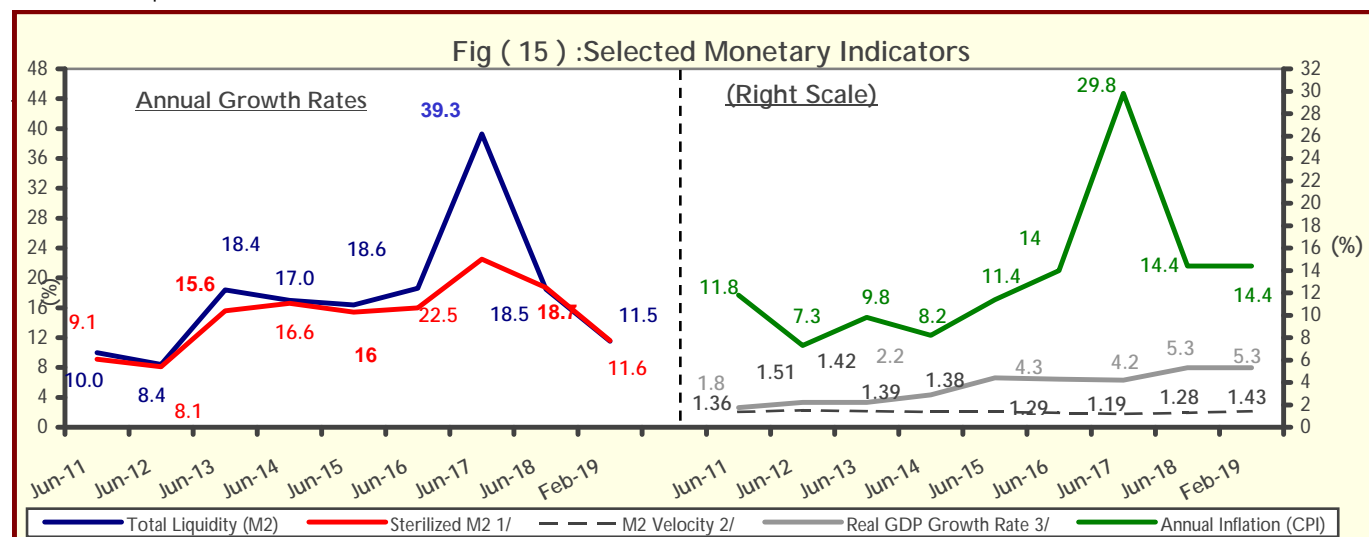
Table (24) : Developments in Main Monetary Aggregates
(February 2019)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	76.7	75.6	-19.2	544.8
CBE NFA	12.1	-7.4	0.6	1324.1
CBE NIR	1.8	-2.9	3.1	27.2
Banks NFA 2/	-97.6	-98.5	-112.4	-92.9
Net Foreign Assets (US dollar terms)	79.4	79.0	-18.8	-422.0
CBE NFA	13.9	-5.6	1.1	1335.9
CBE NIR	3.4	-1.0	3.6	27.2
Banks NFA 2/	-97.6	-98.4	-103.4	22.5
Net Domestic Assets	-2.2	-0.5	14.8	13.6
Net Claims on Government and GASC	-3.9	-2.4	15.7	14.1
Claims on Public Companies	0.5	-0.3	4.6	7.9
Claims on Private Sector	1.1	3.5	14.4	11.6
Total Liquidity (M2)	1.0	2.6	11.5	16.5
Money (M1)	1.0	1.6	13.0	15.6
Quasi Money	0.9	2.9	11.1	16.8

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 actuals for FY17/18 has been revised recently to reach LE 4437.4 billion instead of 4440.6 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
(February 2019)**

(LE Million)

	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	Nov-18	Dec-18	Jan-19	Feb-19
Net Foreign Assets 1/	119,162	51,487	(87,389)	61,056	309,530	144,312	127,476	143,475	253,484
	-(3.3)	-(56.8)	-(269.7)	(169.9)	(407.0)	-(22.4)	-(40.5)	-(41.1)	-(19.2)
Central bank (Net)	37,395	25,278	(44,863)	3,690	301,493	275,838	241,932	227,855	255,506
Foreign Assets	115,770	148,098	149,943	551,514	775,954	784,256	746,147	735,245	756,434
Foreign Liabilities	78,375	122,820	194,806	547,824	474,461	508,418	504,215	507,390	500,928
Banks (Net)	81,767	26,209	(42,526)	57,366	8,037	(131,526)	(114,456)	(84,380)	(2,022)
Foreign Assets	115,838	86,214	81,532	339,126	299,817	201,365	204,486	246,616	340,994
Foreign Liabilities	34,071	60,005	124,058	281,760	291,780	332,891	318,942	330,996	343,016
Net Domestic Assets of which:	1,397,439	1,714,005	2,181,889	2,857,137	3,147,485	3,437,271	3,501,205	3,496,618	3,421,216
	(19.1)	(22.7)	(27.3)	(30.9)	(10.2)	(16.3)	(17.2)	(16.1)	(14.8)
Net Claims on Government, and GASC 2/	1,045,186	1,291,427	1,654,910	1,979,641	2,217,557	2,457,228	2,508,563	2,495,875	2,399,283
National Currency	1,034,569	1,251,096	1,500,936	1,545,112	1,618,411	1,727,421	1,818,097	1,824,799	1,771,584
Foreign Currency	10,617	40,331	153,974	434,529	599,146	729,807	690,466	671,076	627,699
Claims on Public Business Sector	45,417	63,218	93,073	148,715	160,177	166,317	166,715	164,945	165,766
National Currency	35,424	43,989	65,410	96,035	114,949	123,420	124,222	124,429	126,079
Foreign Currency	9,993	19,229	27,663	52,680	45,228	42,897	42,493	40,516	39,687
Claims on Private Sector 2/	534,538	623,566	712,132	982,914	1,082,556	1,125,490	1,140,924	1,151,966	1,165,087
National Currency	407,230	461,561	543,158	680,046	792,036	847,432	866,409	883,178	902,830
Foreign Currency	127,308	162,005	168,974	302,868	290,520	278,058	274,515	268,788	262,257
Other Items (net) 1/ 2/	(227,702)	(264,206)	(278,226)	(254,133)	(312,805)	(311,764)	(314,997)	(316,168)	(308,920)
Total Liquidity (M2)	1,516,601	1,765,492	2,094,500	2,918,193	3,457,015	3,581,583	3,628,681	3,640,093	3,674,700
	(17.0)	(16.4)	(18.6)	(39.3)	(18.5)	(14.0)	(13.3)	(11.9)	(11.5)
Money (M1) 3/	410,554	499,065	572,935	707,427	823,268	827,624	836,045	832,444	840,540
	(19.3)	(21.6)	(14.8)	(23.5)	(16.4)	(13.8)	(13.4)	(11.7)	(13.0)
Currency in Circulation	270,856	292,699	346,853	419,058	441,551	440,189	441,935	443,936	444,330
Demand Deposits in Local Currency	139,698	206,366	226,082	288,369	381,717	387,435	394,110	388,508	396,210
Quasi Money	1,106,047	1,266,427	1,521,565	2,210,766	2,633,747	2,753,959	2,792,636	2,807,649	2,834,160
	(16.2)	(14.5)	(20.1)	(45.3)	(19.1)	(14.1)	(13.3)	(11.9)	(11.1)
Local Currency Time & Savings Deposits	869,976	1,003,432	1,197,746	1,516,480	1,916,789	2,018,831	2,049,094	2,066,289	2,086,397
Foreign Currency Demand Deposits	62,214	68,631	75,910	150,042	149,769	146,826	144,831	145,038	149,993
Foreign Currency Time and Savings Deposits	173,857	194,364	247,909	544,244	567,189	588,302	598,711	596,322	597,770

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)
(February 2019)

	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	Nov-18	Dec-18	Jan-19	Feb-19
Net Foreign Assets (In Million US\$) ^{4/}	16,682	6,770	(9,842)	3,387	17,365	8,080	7,136	8,058	14,460
Central bank NFA	5,235	3,324	(5,053)	205	16,914	15,444	13,542	12,797	14,575
Net International Reserves	27,655	22,918	12,098	33,773	43,982	36,545	35,359	36,555	43,035
Central Bank (Gross)	16,687	20,082	17,546	31,305	44,258	44,513	42,551	42,617	44,060
Banks (net)	11,447	3,446	(4,790)	3,182	451	(7,364)	(6,407)	(4,739)	(115)
Foreign assets	16,217	11,336	9,183	18,811	16,820	11,274	11,446	13,851	19,452
Foreign Liabilities	4,770	7,890	13,972	15,629	16,369	18,638	17,853	18,590	19,567
<i>In Percent of Beginning of Money Stocks ^{5/}</i>									
Net Foreign Assets	-0.31%	-4.46%	-7.87%	7.09%	8.51%	-4.8%	-5.3%	-4.8%	-1.6%
Net Domestic Assets	17.33%	20.87%	26.50%	32.24%	9.95%	8.4%	10.2%	10.1%	7.9%
Money (M1)	5.13%	5.84%	4.18%	6.42%	3.97%	0.1%	0.4%	0.3%	0.5%
Quasi Money	11.89%	10.57%	14.45%	32.91%	14.49%	3.5%	4.6%	5.0%	5.8%
Dollarization (% of Total Liquidity) ^{6/}	0.16	0.15	0.15	0.24	0.21	20.5	20.5	20.4	20.3
M2 Multiplier ^{7/}	4.16	3.63	4.38	5.05	4.81	5.31	5.94	5.51	5.53
M2 Velocity ^{8/}	1.40	1.38	1.29	1.19	1.28	1.47	1.45	1.44	1.43
M2 (annual percentage change)	17.01	16.41	18.64	39.33	18.46	14.0	13.3	11.9	11.5
Credit to private sector (annual percentage change) ^{9/}	0.07	0.17	0.14	0.38	0.10	13.8	14.3	14.2	14.4
Exchange Rate ^{10/}	7.14	7.61	8.88	18.03	17.83	17.86	17.87	17.81	17.53

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.

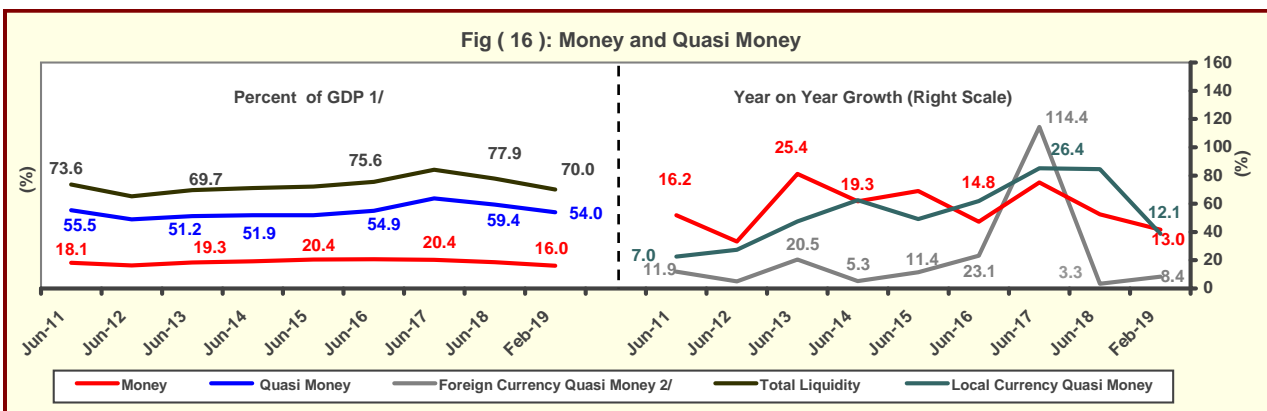
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity. It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

7/ M2 / Reserve Money.

8/ GDP actuals for FY17/18 has been revised recently to reach LE 4437.4 billion instead of 4440.6 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.



Source: Central Bank of Egypt.

1/ GDP actuals for FY17/18 has been revised recently to reach LE 4437.4 billion instead of 4440.6 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	Nov-18	Dec-18	Jan-19	Feb-19
Reserve Money	364,473	485,876	478,076	577,582	719,003	674,036	610,957	660,775	664,156
	(14.6)	(33.3)	-(1.6)	(20.8)	(24.5)	(2.0)	-(5.5)	-(2.7)	-(4.3)
Currency in Circulation	288,651	313,468	368,459	452,035	485,235	474,335	477,220	476,480	476,735
	(10.7)	(8.6)	(17.5)	(22.7)	(7.3)	(8.0)	(8.6)	(8.5)	(8.4)
Banks LE Deposits with CBE	75,822	172,408	109,617	125,547	233,768	199,701	133,737	184,295	187,421
	(32.8)	(127.4)	-(36.4)	(14.5)	(86.2)	-(9.9)	-(35.4)	-(23.1)	-(26.2)
<u>Counter Assets:</u>									
Net Foreign Assets	37,395	25,171	-44,863	3,690	301,493	275,838	241,932	227,855	255,506
	-(2.2)	-(32.7)	-(278.2)	(108.2)	(8070.5)	(111.6)	(53.7)	(27.4)	(0.6)
Net Domestic Assets	327,078	460,598	522,939	573,892	417,510	398,198	369,025	432,920	408,650
	(16.9)	(40.8)	(13.5)	(9.7)	-(27.2)	-(25.0)	-(24.5)	-(13.4)	-(7.1)
Net Claims on Government ^{2/}	419,218	523,893	619,410	708,637	715,474	817,154	743,224	721,804	705,499
	(39.8)	(25.0)	(18.2)	(14.4)	(1.0)	(15.7)	(11.4)	(4.0)	(4.3)
Claims	463,724	620,003	706,885	821,975	759,880	872,183	800,428	781,618	775,635
	(14.5)	(33.7)	(14.0)	(16.3)	-(7.6)	(13.5)	(4.6)	(2.3)	(1.4)
Securities	240,331	240,330	390,830	714,454	683,629	733,864	709,551	708,037	707,519
Credit Facilities	223,393	379,673	316,055	107,521	76,251	138,319	90,877	73,581	68,116
Deposits ^{3/}	44,506	96,110	87,475	113,338	44,406	55,029	57,204	59,814	70,136
	-(57.6)	(115.9)	-(9.0)	(29.6)	-(60.8)	-(11.3)	-(41.4)	-(15.2)	-(21.0)
Net Claims on Banks	-9,045	-26,334	59,621	157,141	201,438	182,073	144,306	139,926	175,357
Net Balancing Items ^{4/}	-83,095	-36,961	-156,092	-291,886	-499,402	-601,029	-518,505	-428,810	-472,206
<u>Memorandum Items</u>									
Reserve Money Velocity ^{5/, 6/}	5.84	5.03	5.66	6.01	6.18	7.79	8.59	7.95	7.91

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 actuals for FY17/18 has been revised recently to reach LE 4437.4 billion instead of 4440.6 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	Nov-18	Dec-18	Jan-19	Feb-19
Total Deposits	1,433,728 (20.4)	1,740,158 (21.4)	2,123,069 (22.0)	3,042,155 (43.3)	3,569,515 (17.3)	3,761,331 (14.9)	3,818,461 (14.7)	3,837,247 (13.0)	3,879,021 (12.6)
In local currency	1,097,729	1,375,369	1,698,255	2,128,025	2,731,175	2,906,196	2,951,544	2,963,952	3,001,904
In foreign currency	335,999	364,789	424,814	914,130	838,340	855,135	866,917	873,295	877,117
Non Government Deposits ^{2/}	1,254,882 (18.0)	1,488,006 (18.6)	1,761,009 (18.3)	2,517,727 (43.0)	3,036,010 (20.6)	3,159,061 (15.0)	3,204,755 (13.9)	3,213,028 (12.1)	3,247,880 (11.9)
In local currency	1,014,712	1,219,985	1,433,387	1,815,641	2,311,316	2,415,966	2,453,065	2,464,063	2,492,149
In foreign currency	240,170	268,021	327,622	702,086	724,694	743,095	751,690	748,965	755,731
Government Deposits	178,846 (40.8)	252,152 (41.0)	362,060 (43.59)	524,428 (44.85)	533,505 (1.7)	602,270 (14.6)	613,706 (18.9)	624,219 (17.9)	631,141 (16.1)
In local currency	83,017	155,384	264,868	312,384	419,859	490,230	498,479	499,889	509,755
In foreign currency	95,829	96,768	97,192	212,044	113,646	112,040	115,227	124,330	121,386
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	23.4	21.0	20.0	30.0	23.5	22.7	22.7	22.8	22.6
Dollarization in Non-Government Deposits	19.1	18.0	18.6	27.9	23.9	23.5	23.5	23.3	23.3
Dollarization in Government Deposits	53.6	38.4	26.8	40.4	21.3	18.6	18.8	19.9	19.2

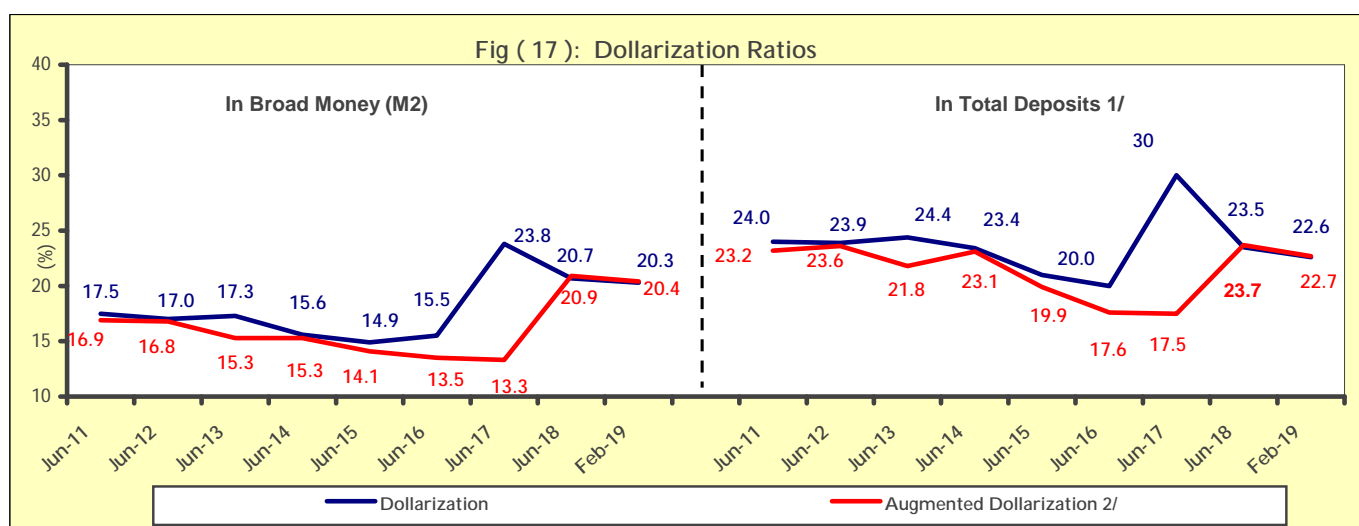
Source: Central bank of Egypt.

() 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.



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	Nov-18	Dec-18	Jan-19	Feb-19
Total lending	587,852	717,999	942,727	1,426,457	1,629,664	1,770,716	1,814,575	1,819,628	1,836,364
	(7.1)	(22.1)	(31.3)	(51.3)	(14.2)	(22.9)	(24.0)	(22.4)	(21.2)
To Government ^{2/}	40,802	66,421	173,740	354,723	452,917	542,750	570,514	567,392	568,409
	(14.0)	(62.8)	(161.6)	(104.2)	(27.7)	(51.6)	(52.6)	(47.2)	(42.1)
In local currency	11,872	10,855	100,230	142,710	216,549	212,540	227,460	226,793	227,648
In foreign currency	28,930	55,566	73,510	212,013	236,368	330,210	343,054	340,599	340,761
To Non-Government	547,050	651,578	768,987	1,071,734	1,176,747	1,227,966	1,244,061	1,252,236	1,267,955
	(6.6)	(19.1)	(18.0)	(39.4)	(9.8)	(13.4)	(14.2)	(13.7)	(13.8)
In local currency	406,499	468,502	572,348	724,503	849,775	913,504	932,971	948,660	970,103
In foreign currency	140,551	183,076	196,639	347,231	326,972	314,462	311,090	303,576	297,852
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	85.4	82.0	71.7	64.7	62.4	60.0	59.4	59.8	60.1
Non Government Loans/ Deposits ^{4/}	43.6	43.8	43.7	42.6	38.8	38.9	38.8	39.0	39.0
Government Loans / Deposits	22.8	26.3	48.0	67.6	84.9	90.1	93.0	90.9	90.1
Foreign currency denominated credit to total credit	28.8	33.2	28.7	39.2	34.6	36.4	36.0	35.4	34.8
Government foreign currency denominated credit to total government credit	70.9	83.7	42.3	59.8	52.2	60.8	60.1	60.0	59.9
Non - government foreign currency denominated credit to total non-government credit	25.7	28.1	25.6	32.4	27.8	25.6	25.0	24.2	23.5

Source: Central Bank of Egypt.

() Percent change over previous year

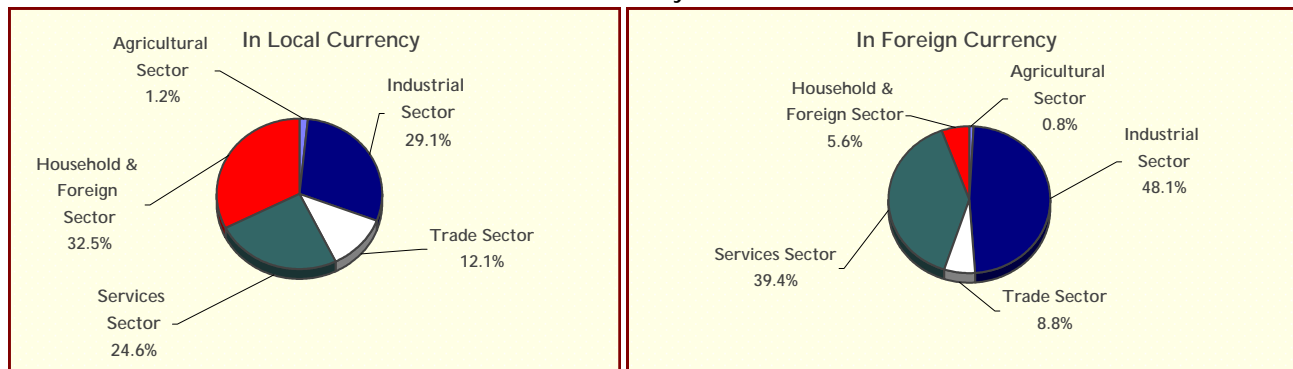
* Preliminary.

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
February-2019

Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

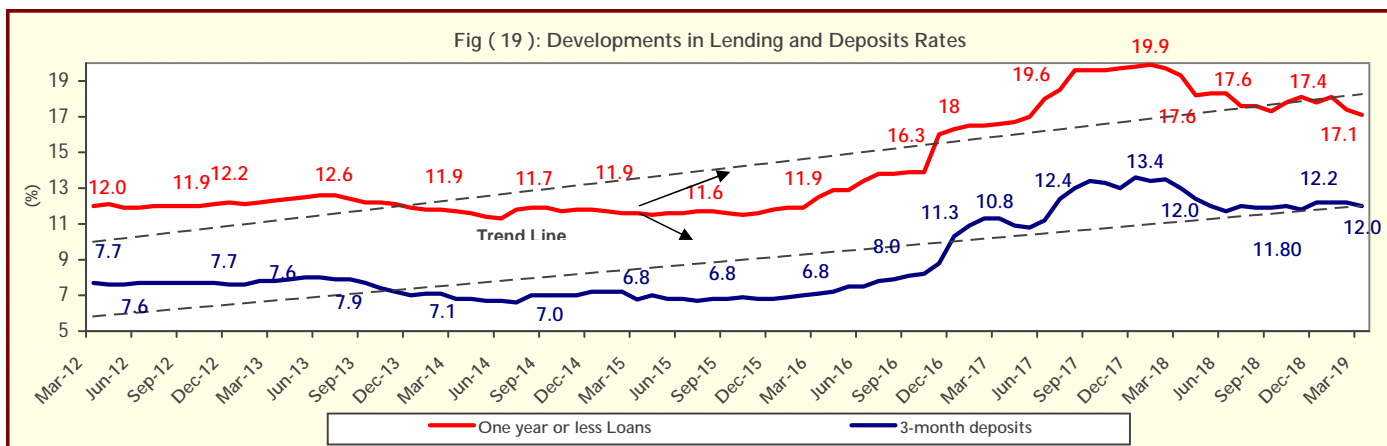
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/3/}	Post Office Saving Deposits ^{1/}
Yearly Average						
2012/2013	10.25	12.20	7.77	13.35	11.92	9.00
2013/2014	8.75	11.92	7.19	10.88	10.48	8.63
2014/2015	9.25	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
2017/2018	17.25	19.20	12.89	18.85	15.77	10.25
Monthly Average						
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
Oct-18	17.25	17.80	12.00	19.77	15.00	10.25
Nov-18	17.25	18.10	11.80	19.46	15.00	10.25
Dec-18	17.25	17.80	12.20	19.68	15.00	10.25
Jan-19	17.25	18.10	12.20	18.84	15.00	10.25
Feb-19	16.75	17.40	12.20	17.86	15.00	10.25
Mar-19	16.25	17.10	12.00	17.53	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.



Source: Central Bank of Egypt.

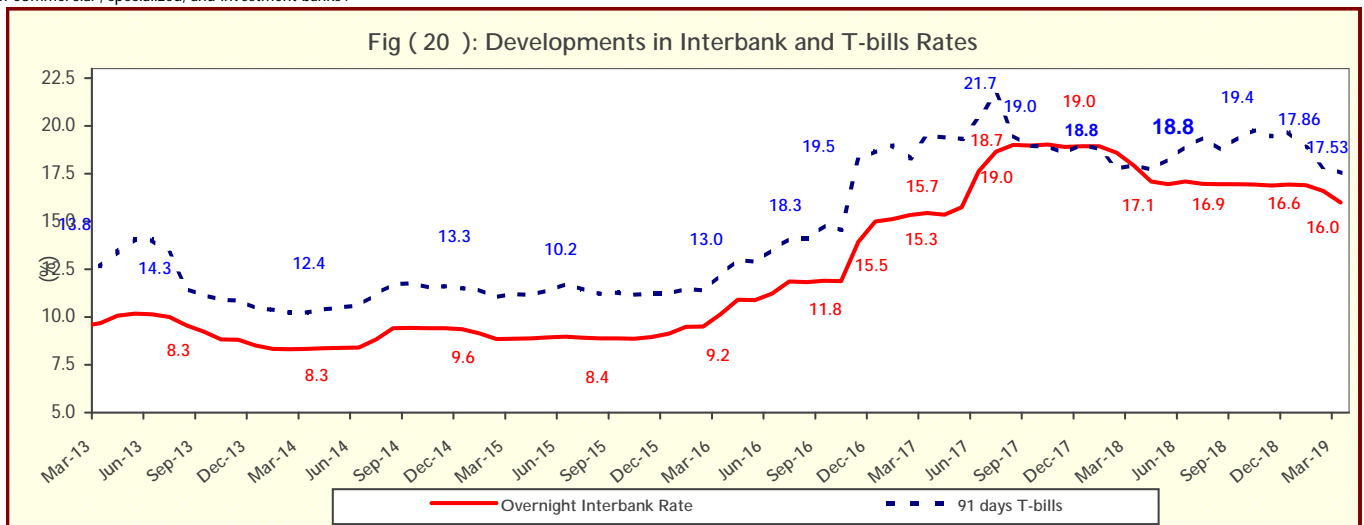
Table (30) : Average Interbank Rates ^{1/}

	Overnight	One Week	Month	More than One Month
Yearly Average				
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
2018	17.4	17.6	17.4	17.5
Monthly Average				
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	--	--
Oct-18	16.93	17.24	--	16.86
Nov-18	16.88	17.22	17.00	16.80
Dec-18	16.93	17.24	17.25	16.76
Jan-19	16.90	17.22	17.13	16.76
Feb-19	16.60	17.06	--	--
Mar-19	15.99	16.22	--	--

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.