

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

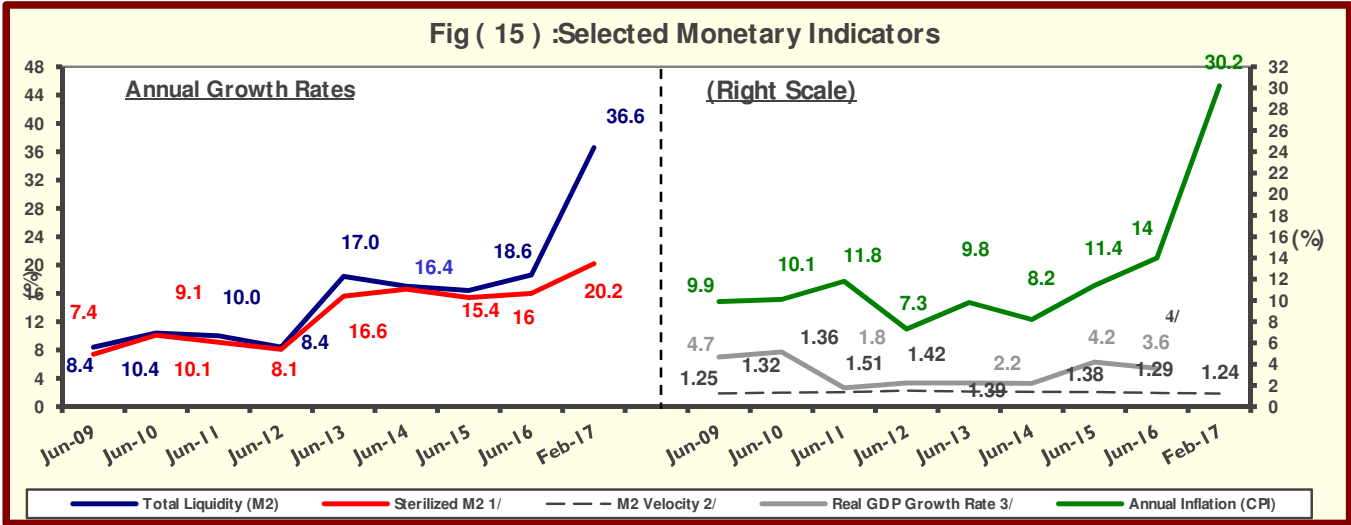
**Table (24) : Developments in Main Monetary Aggregates
(February 2017)**

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	30.7	55.6	-85.2	-664.9
CBEN FA	-23.6	-65.7	24.2	-528.0
CBEN IR	-7.6	23.8	249.8	87.3
Banks N FA 2/	-33.8	-47.9	-71.6	-1900.6
Net Foreign Assets (US dollar terms)	-24.5	-58.7	-15.0	-241.4
CBEN FA	-16.8	-68.1	-43.0	-399.4
CBEN IR	0.68	15.1	60.5	15.7
Banks N FA 2/	-27.9	-51.6	12.5	598.8
Net Domestic Assets	-4.0	-2.9	37.8	32.5
Net Claims on Government and GASC	-6.3	-2.7	26.9	30.8
Claims on Public Companies	-7.3	14.0	79.2	48.6
Claims on Private Sector	-5.0	-2.3	37.9	24.1
Total Liquidity (M2)	-2.8	1.0	36.6	25.1
Money (M1)	1.9	2.0	21.3	17.6
Quasi Money	-4.1	0.7	42.3	27.9

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/The Ministry of Planning, Monitoring and Administrative Reform has revised the time series of GDP starting FY11/12 until FY14/15 in accordance with FY12/13 economic census that enhanced comprehensiveness and improved estimates for informal sector activity. It is also worthy to note that GDP for FY15/16 have recorded LE 2708.3 billion according to recent announcement by MoP. GDP estimates for FY16/17 have been revised recently to reach LE 3407.7 billion compared to a previous estimate of LE 3246.5 billion in light of the higher deflator and inflation compared to what was estimated earlier.

3/ Real Growth of GDP at market prices.

4/ Reflects Real GDP growth for July-March FY15/16.

Table (25) : Monetary Survey
Assets and Liabilities of The Banking Sector
(February 2017)

(LE Million)

	* Feb-12	Feb-13	Feb-14	Feb-15	Feb-16	Nov-16	Dec-16	Jan-17	Feb-17 *
Net Foreign Assets 1/	177,927	133,126	126,847	70,355	(45,899)	(191,386)	(196,830)	(122,708)	(85,011)
	-(35.2)	-(25.2)	-(4.7)	-(44.5)	-(165.2)	-(1826.4)	-(1043.9)	-(348.2)	-(85.2)
Central bank (Net)	82,411	41,558	40,475	35,294	(22,732)	(82,343)	(80,599)	(36,970)	(28,239)
Foreign Assets	92,741	85,304	117,011	113,445	124,436	381,711	468,932	505,884	438,663
Foreign Liabilities	10,330	43,746	76,536	78,151	147,168	464,054	549,531	542,854	466,902
Banks (Net)	95,516	91,568	86,372	35,061	(23,167)	(109,043)	(116,231)	(85,738)	(56,772)
Foreign Assets	123,722	122,433	120,454	87,805	72,976	174,862	168,557	203,718	188,377
Foreign Liabilities	28,206	30,865	34,082	52,744	96,143	283,905	284,788	289,456	245,149
Net Domestic Assets of which:	872,201	1,078,191	1,290,777	1,567,023	1,968,584	2,792,557	2,845,425	2,824,342	2,712,204
	(23.2)	(23.6)	(19.7)	(21.4)	(25.6)	(48.0)	(48.0)	(45.8)	(37.8)
Net Claims on Government, and GASC 2/	539,371	717,808	937,043	1,163,632	1,524,160	1,988,037	2,042,782	2,064,234	1,933,727
National Currency	602,406	771,686	925,374	1,141,102	1,467,092	1,531,307	1,579,649	1,579,598	1,537,669
Foreign Currency	(63,035)	(53,878)	11,669	22,530	57,068	456,730	463,133	484,636	396,058
Claims on Public Business Sector	40,350	44,319	43,522	58,902	79,005	124,218	127,011	152,701	141,572
National Currency	31,627	35,107	34,680	42,137	54,852	68,414	70,965	94,551	94,018
Foreign Currency	8,723	9,212	8,842	16,765	24,153	55,804	56,046	58,150	47,554
Claims on Private Sector 2/	437,918	478,167	504,547	576,319	659,814	931,078	933,665	957,577	909,908
National Currency	334,405	363,684	383,297	427,118	502,107	586,756	597,657	611,943	630,155
Foreign Currency	103,513	114,483	121,250	149,201	157,707	344,322	336,008	345,634	279,753
Other Items (net) 1/ 2/	(145,438)	(162,103)	(194,335)	(231,830)	(294,395)	(250,776)	(258,033)	(350,170)	(273,003)
Total Liquidity (M2)	1,050,128	1,211,317	1,417,624	1,637,378	1,922,685	2,601,171	2,648,595	2,701,634	2,627,193
	(6.9)	(15.3)	(17.0)	(15.5)	(17.4)	(38.6)	(39.0)	(41.5)	(36.6)
Money (M1) 3/	258,736	308,786	378,314	450,816	522,455	621,455	625,670	622,405	633,993
	(8.1)	(19.3)	(22.5)	(19.2)	(15.9)	(20.7)	(20.2)	(20.2)	(21.3)
Currency in Circulation	179,176	218,585	255,111	278,661	305,726	378,950	381,444	378,765	384,140
Demand Deposits in Local Currency	79,560	90,201	123,203	172,155	216,729	242,505	244,226	243,640	249,853
Quasi Money	791,392	902,531	1,039,310	1,186,562	1,400,230	1,979,716	2,022,925	2,079,229	1,993,200
	(6.5)	(14.0)	(15.2)	(14.2)	(18.0)	(45.4)	(46.1)	(49.4)	(42.3)
Local Currency Time & Savings Deposits	604,981	683,998	814,422	943,417	1,124,883	1,327,102	1,366,390	1,382,469	1,409,602
Foreign Currency Demand Deposits	44,869	53,436	61,067	63,547	66,976	145,903	136,410	150,385	123,856
Foreign Currency Time and Savings Deposits	141,542	165,097	163,821	179,598	208,371	506,711	520,125	546,375	459,742

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 2017)

	Feb-12	Feb-13	Feb-14	Feb-15	Feb-16	Nov-16	Dec-16	Jan-17	Feb-17 *
Net Foreign Assets (In Million US\$)^{4/}	29,543	19,829	18,235	9,258	(5,879)	(12,103)	(10,738)	(6,620)	(4,997)
Central bank NFA	13,684	6,190	5,819	4,644	(2,912)	(5,207)	(4,397)	(1,994)	(1,660)
Net International Reserves	31,258	26,344	29,238	19,541	12,971	17,243	19,242	22,665	22,447
Central Bank (Gross)	15,718	13,508	17,307	15,456	16,534	23,058	24,265	26,363	26,542
Banks (net)	15,860	13,639	12,417	4,614	(2,967)	(6,896)	(6,341)	(4,625)	(3,337)
Foreign assets	20,543	18,236	17,316	11,554	9,347	11,058	9,196	10,990	11,072
Foreign Liabilities	4,683	4,597	4,900	6,940	12,314	17,954	15,537	15,615	14,409
<i>In Percent of Beginning of Money Stocks^{5/}</i>									
Net Foreign Assets	-7.49%	-2.2%	0.3%	-3.22%	-5.52%	-13.8%	-14.1%	-9.9%	-7.7%
Net Domestic Assets	11.5%	12.9%	9.1%	11.2%	14.4%	61.1%	64.1%	62.9%	56.5%
Money (M1)	1.0%	3.1%	2.6%	2.7%	1.3%	6.9%	7.2%	7.0%	7.6%
Quasi Money	3.0%	7.6%	6.7%	5.3%	7.6%	40.4%	42.8%	46.0%	41.2%
Dollarization (% of Total Liquidity)^{6/}	0.18	0.18	0.16	0.15	0.14	25.1	24.8	25.8	22.2
M2 Multiplier^{7/}	4.15	4.39	4.33	4.49	4.69	5.03	5.31	5.19	5.02
M2 Velocity^{8/}	1.59	1.54	1.50	1.49	1.41	1.25	1.23	1.20	1.24
M2 (annual percentage change)	6.88	15.35	17.03	15.50	17.42	38.6	39.0	41.5	36.6
Credit to private sector (annual percentage change)^{9/}	0.05	0.1	0.1	0.14	0.1	45.0	43.4	46.0	37.9
Exchange Rate^{10/}	6.02	6.71	6.96	7.60	7.81	15.81	18.33	18.54	17.01

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.

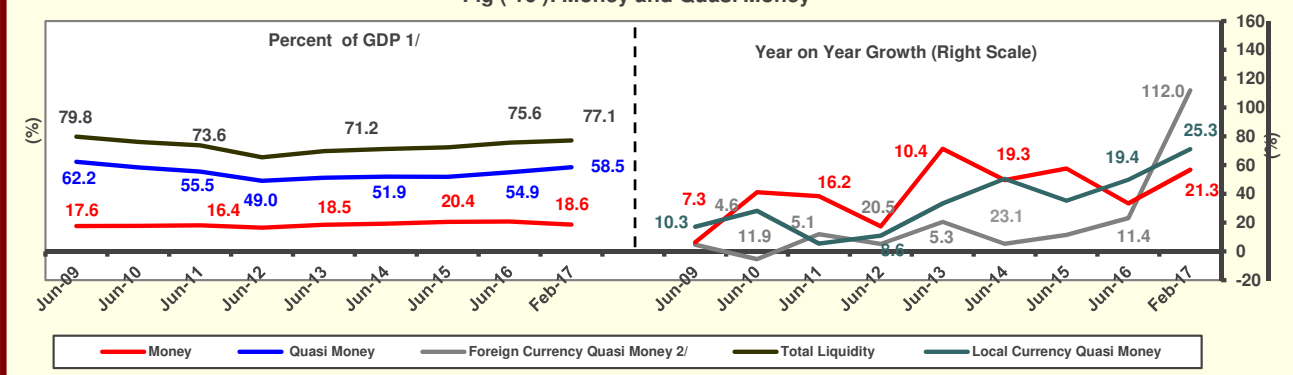
7/ M2 / Reserve Money.

8/ The Ministry of Planning, Monitoring and Administrative Reform has revised the time series of GDP starting FY11/12 until FY14/15 in accordance with FY12/13 economic census that enhanced comprehensiveness and improved estimates for informal sector activity. It is also worthy to note that GDP for FY15/16 have recorded LE 2708.3 billion according to recent announcement by MoP. GDP estimates for FY16/17 have been revised recently to reach LE 3407.7 billion compared to a previous estimate of LE 3246.5 billion in light of the higher deflator and inflation compared to what was estimated earlier.

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/ The Ministry of Planning, Monitoring and Administrative Reform has revised the time series of GDP starting FY11/12 until FY14/15 in accordance with FY12/13 economic census that enhanced comprehensiveness and improved estimates for informal sector activity. It is also worthy to note that GDP for FY15/16 have recorded LE 2708.3 billion according to recent announcement by MoP. GDP estimates for FY16/17 have been revised recently to reach LE 3407.7 billion compared to a previous estimate of LE 3246.5 billion in light of the higher deflator and inflation compared to what was estimated earlier.

2/ Foreign currency demand, and time and savings deposits.

Table (26) : Central Bank Reserve Money ^{1/}

(LE Million)

	Feb-12	Feb-13	Feb-14	Feb-15	Feb-16	Nov-16	Dec-16	Jan-17	Feb-17 [*]
Reserve Money	252,926	275,706	327,171	364,271	410,150	517,107	498,448	520,192	523,337
	(2.4)	(9.0)	(18.7)	(11.3)	(12.6)	(19.8)	(18.5)	(24.2)	(27.6)
Currency in Circulation	189,413	229,457	267,726	293,428	323,832	404,459	404,914	402,175	408,773
	(7.0)	(21.1)	(16.7)	(9.6)	(10.4)	(25.4)	(25.2)	(23.8)	(26.2)
Banks LE Deposits with CBI	63,513	46,249	59,445	70,843	86,318	112,648	93,534	118,017	114,564
	-(9.2)	-(27.2)	(28.5)	(19.2)	(21.8)	(3.2)	-(3.8)	(25.7)	(32.7)
Counter Assets:									
Net Foreign Assets	82,411	41,558	40,475	35,294	-22,732	-82,343	-80,599	-36,970	-28,239
	-(55.4)	-(49.6)	-(2.6)	-(12.8)	-(164.4)	-(787.9)	-(491.2)	-(180.0)	-(24.2)
Net Domestic Assets	170,515	234,148	286,696	328,977	432,882	599,450	579,047	557,162	551,576
	(174.0)	(37.3)	(22.4)	(14.7)	(31.6)	(35.9)	(33.3)	(28.9)	(27.4)
Net Claims on Government	177,316	256,832	375,350	471,960	662,216	665,411	731,398	750,149	689,032
	(66.4)	(44.8)	(46.1)	(25.7)	(40.3)	(6.2)	(15.5)	(17.4)	(4.0)
Claims	256,735	351,706	422,171	578,307	746,791	727,973	802,366	818,877	798,381
	(36.6)	(37.0)	(20.0)	(37.0)	(29.1)	(3.0)	(12.8)	(13.4)	(6.9)
Securities	129,097	178,831	240,331	300,330	241,830	462,583	717,592	717,317	705,324
Credit Facilities	127,638	172,875	181,840	277,977	504,961	265,390	84,774	101,560	93,057
Deposits^{3/}	79,419	94,874	46,821	106,347	84,575	62,562	70,968	68,728	109,349
	-(2.5)	(19.5)	-(50.6)	(127.1)	-(20.5)	-(22.2)	-(9.2)	-(17.5)	(29.3)
Net Claims on Banks	-1,685	-1,338	361	-26,735	-18,594	28,190	37,703	61,898	77,814
Net Balancing Items^{4/}	-5,116	-21,346	-89,015	-116,248	-210,740	-94,151	-190,054	-254,885	-215,270
Memorandum Items									
Reserve Money Velocity^{5/, 6/}	6.62	6.75	6.51	6.71	6.60	6.28	6.51	6.24	6.20

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/ The Ministry of Planning, Monitoring and Administrative Reform has revised the time series of GDP starting FY11/12 until FY14/15 in accordance with FY12/13 economic census that enhanced comprehensiveness and improved estimates for informal sector activity. It is also worthy to note that GDP for FY15/16 have recorded LE 2708.3 billion according to recent announcement by MoP. GDP estimates for FY16/17 have been revised recently to reach LE 3407.7 billion compared to a previous estimate of LE 3246.5 billion in light of the higher deflator and inflation compared to what was estimated earlier.

Table (27) : Deposits With Banks^{1/}

(LE Million)

	Feb-12	Feb-13	Feb-14	Feb-15	Feb-16	Nov-16	Dec-16	Jan-17	Feb-17 *
Total Deposits	999,354	1,128,608	1,341,979	1,615,696	1,934,458	2,714,391	2,761,073	2,828,286	2,714,576
	(5.9)	(12.9)	(18.9)	(20.4)	(19.7)	(44.3)	(44.2)	(47.0)	(40.3)
In local currency	757,012	849,475	1,022,583	1,272,084	1,568,815	1,856,117	1,900,422	1,927,552	1,961,008
In foreign currency	242,342	279,133	319,396	343,612	365,643	858,274	860,651	900,734	753,568
Non Government Deposits^{2/}	877,462	1,000,543	1,171,575	1,373,303	1,631,375	2,239,668	2,285,128	2,340,296	2,259,368
	(6.1)	(14.0)	(17.1)	(17.2)	(18.8)	(41.0)	(41.5)	(44.6)	(38.5)
In local currency	687,531	777,687	942,806	1,125,335	1,351,554	1,579,303	1,620,892	1,635,893	1,669,448
In foreign currency	189,931	222,856	228,769	247,968	279,821	660,365	664,236	704,403	589,920
Government Deposits	121,892	128,065	170,404	242,393	303,083	474,723	475,945	487,990	455,208
	(4.5)	(5.1)	(33.1)	(42.2)	(25.04)	(62.1)	(59.0)	(59.7)	(50.2)
In local currency	69,481	71,788	79,777	146,749	217,261	276,814	279,530	291,659	291,560
In foreign currency	52,411	56,277	90,627	95,644	85,822	197,909	196,415	196,331	163,648
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	24.2	24.7	23.8	21.3	18.9	31.6	31.2	31.8	27.8
Dollarization in Non-Government Deposits	21.6	22.3	19.5	18.1	17.2	29.5	29.1	30.1	26.1
Dollarization in Government Deposits	43.0	43.9	53.2	39.5	28.3	41.7	41.3	40.2	36.0

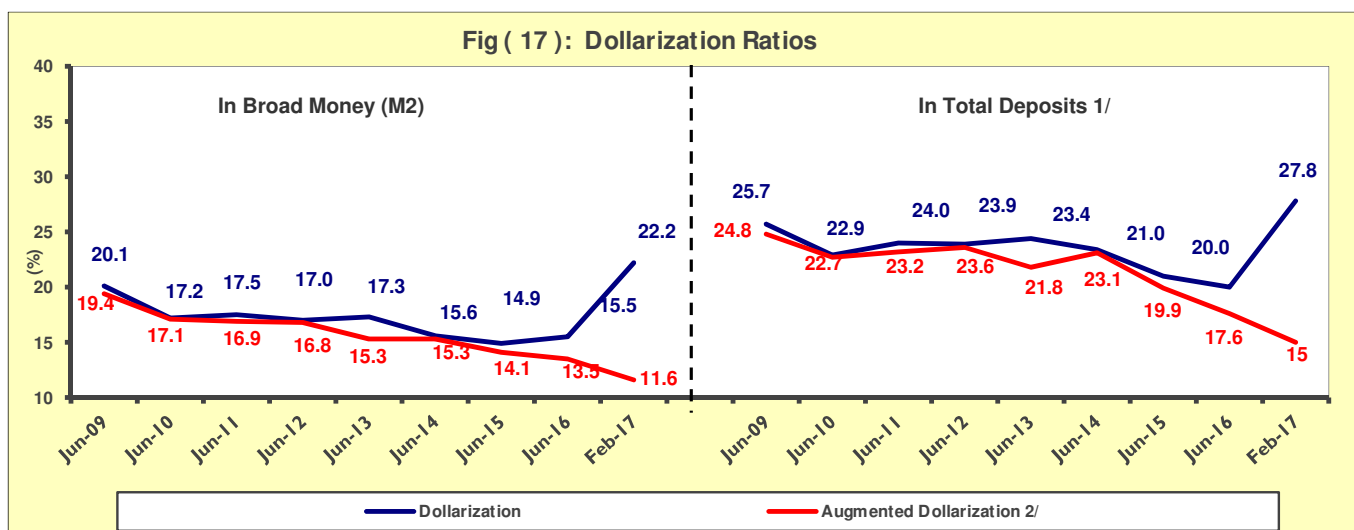
Source: Central bank of Egypt.

() 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)

	Feb-12	Feb-13	Feb-14	Feb-15	Feb-16	Nov-16	Dec-16	Jan-17	Feb-17 [*]
Total lending	495,125	530,492	556,014	656,043	804,378	1,295,407	1,300,243	1,352,605	1,263,969
	(5.5)	(7.1)	(4.8)	(18.0)	(22.6)	(65.1)	(64.3)	(69.6)	(57.1)
To Government ^{2/}	36,303	34,559	39,874	51,979	102,289	285,116	296,606	299,571	270,611
	-(6.5)	-(4.8)	(15.4)	(30.4)	(96.8)	(183.0)	(194.5)	(196.1)	(164.6)
In local currency	16,115	11,995	11,839	11,178	40,888	106,540	116,274	114,211	114,625
In foreign currency	20,188	22,564	28,035	40,801	61,401	178,576	180,332	185,360	155,986
To Non-Government	458,822	495,933	516,140	604,064	702,089	1,010,291	1,003,637	1,053,034	993,358
	(6.5)	(8.1)	(4.1)	(17.0)	(16.2)	(47.7)	(45.3)	(51.2)	(41.5)
In local currency	335,156	363,388	381,217	431,559	519,722	615,132	617,015	654,892	672,745
In foreign currency	123,666	132,545	134,923	172,505	182,367	395,159	386,622	398,142	320,613
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	84.6	85.2	85.0	83.1	77.5	68.4	67.4	66.6	67.4
Non Government Loans/ Deposits ^{4/}	52.3	49.6	44.1	44.0	43.0	45.1	43.9	45.0	44.0
Government Loans / Deposits	29.8	27.0	23.4	21.4	33.7	60.1	62.3	61.4	59.4
Foreign currency denominated credit to total credit	29.1	29.2	29.3	32.5	30.3	44.3	43.6	43.1	37.7
Government foreign currency denominated credit to total government credit	55.6	65.3	70.3	78.5	60.0	62.6	60.8	61.9	57.6
denominated credit to total non-government credit	27.0	26.7	26.1	28.6	26.0	39.1	38.5	37.8	32.3

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

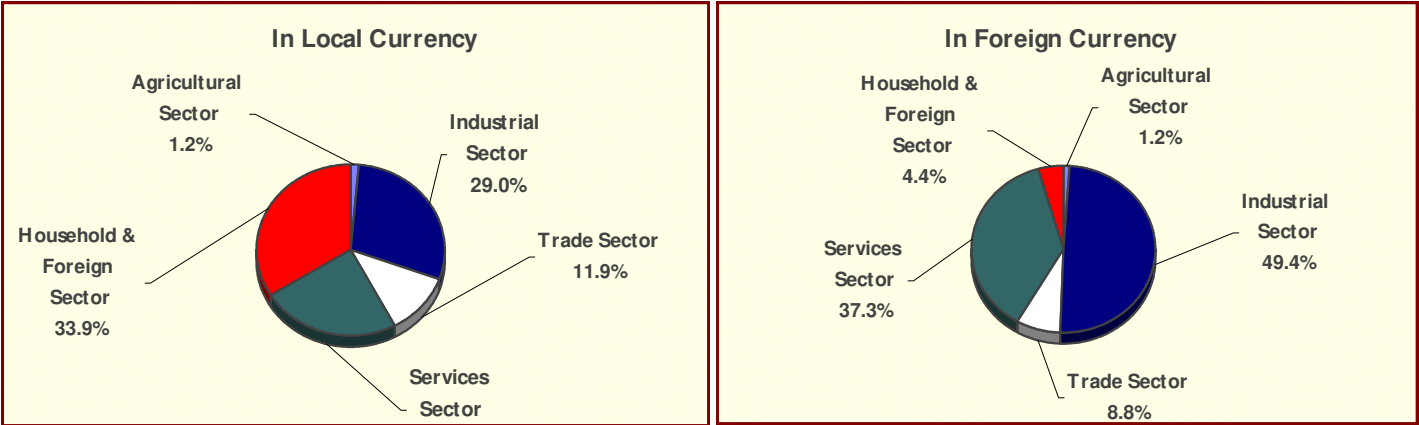
1/ Excludes credit provided by the Central Bank of Egypt.

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-2017



Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

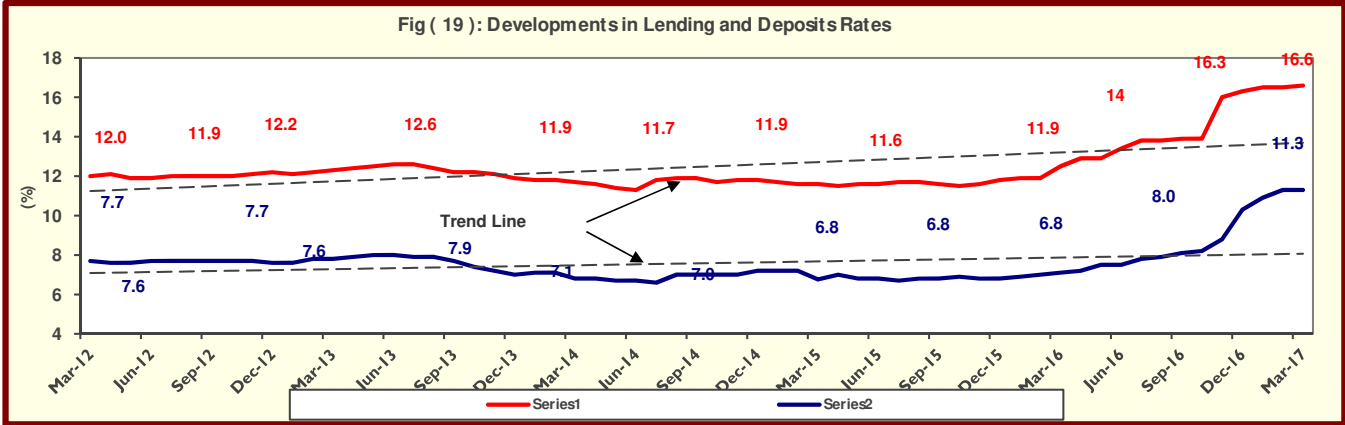
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/ 3/}	Post Office Saving Deposits ^{1/}
Yearly Average						
2005/2006	9.00	12.71	6.53	8.82	9.50	9.50
2006/2007	9.00	12.64	6.01	8.65	10.00	9.50
2007/2008	10.00	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
Monthly Average						
Mar-16	11.25	12.50	7.10	12.21	12.75	8.00
Apr-16	11.25	12.90	7.20	13.00	12.75	8.00
May-16	11.25	12.90	7.50	12.90	12.75	8.00
Jun-16	12.25	13.40	7.50	13.51	12.75	8.00
Jul-16	12.25	13.80	7.80	14.12	12.75	8.00
Aug-16	12.25	13.80	7.90	14.10	12.75	8.00
Sep-16	12.25	13.90	8.10	14.77	12.75	8.00
Oct-16	12.25	13.90	8.20	14.55	12.75	8.00
Nov-16	15.25	16.00	8.80	18.25	16.25	10.25
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

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.

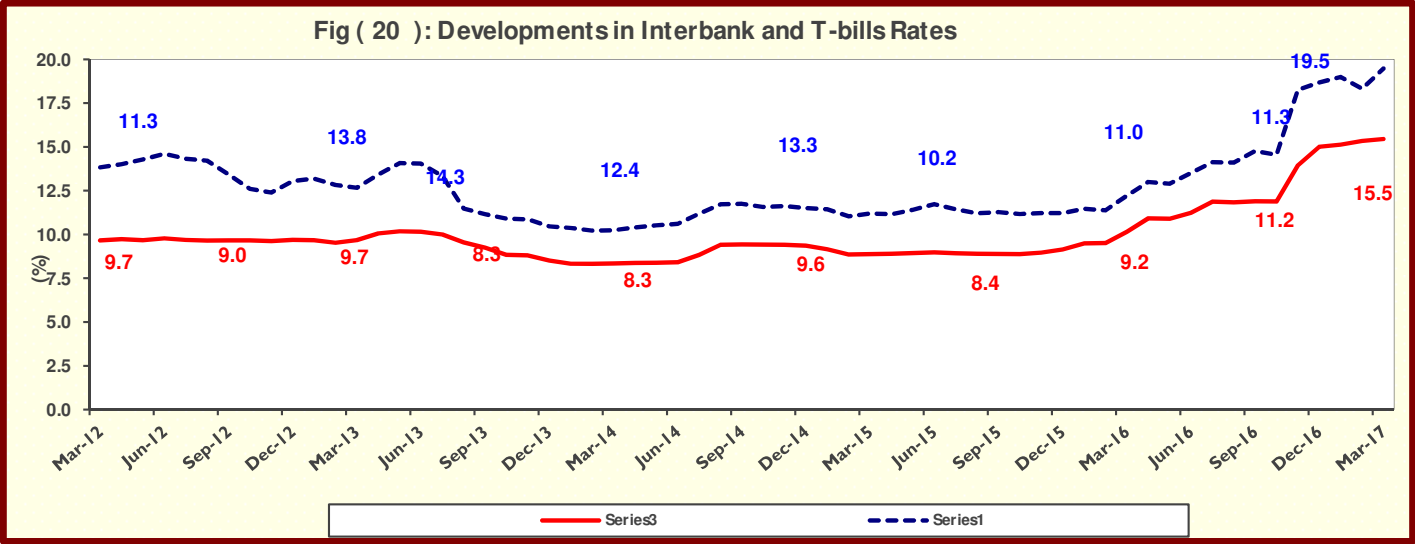
Table (30) : Average Interbank Rates ^{1/}

	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				
Mar-16	10.15	10.16	--	--
Apr-16	10.91	11.14	--	--
May-16	10.89	11.15	--	--
Jun-16	11.23	11.30	--	11.97
Jul-16	11.87	12.01	--	11.85
Aug-16	11.83	11.95	--	12.33
Sep-16	11.89	11.94	--	--
Oct-16	11.88	11.95	--	12.05
Nov-16	13.94	13.48	--	14.85
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

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.