

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

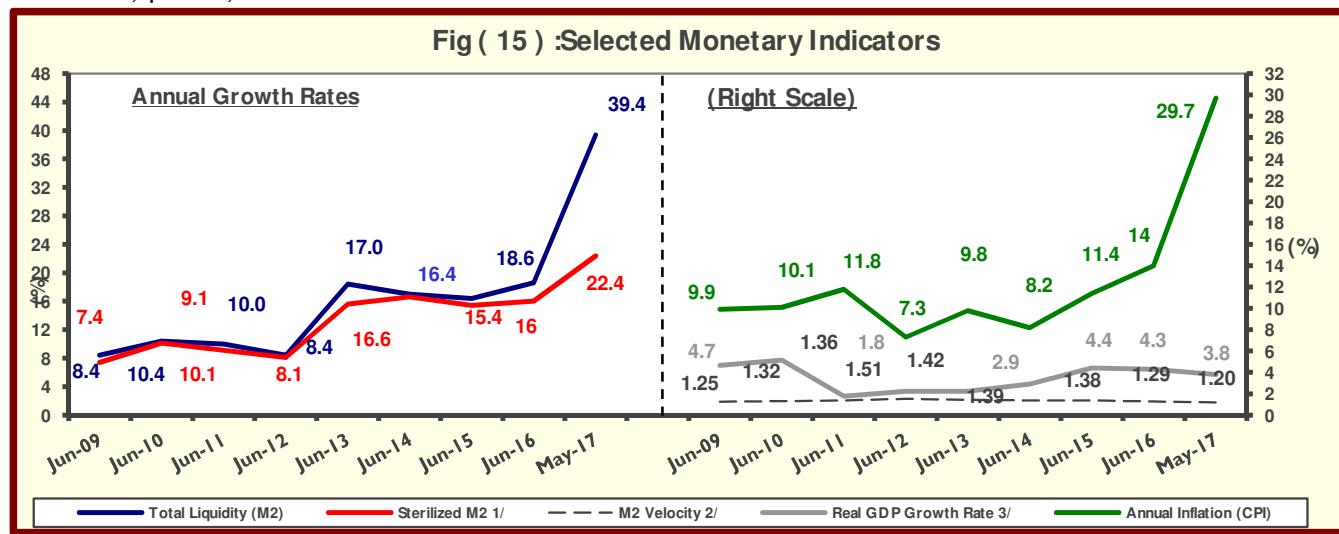
Table (24) : Developments in Main Monetary Aggregates
(May 2017)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	1007.3	181.6	183.8	-580.3
CBE NFA	264.7	-289.6	-218.4	-425.4
CBE NIR	8.66	25.0	260.4	148.8
Banks NFA 2/	-171.0	-127.9	-201.7	-1839.1
Net Foreign Assets (US dollar terms)	-1007.4	-176.6	-141.3	-231.4
CBE NFA	264.7	-277.9	-158.4	-309.2
CBE NIR	8.68	17.3	77.6	35.4
Banks NFA 2/	-171.0	-126.2	-120.8	-171.1
Net Domestic Assets	-0.4	2.5	30.7	34.2
Net Claims on Government and GASC	-1.5	1.6	20.9	29.5
Claims on Public Companies	1.46	6.3	72.8	58.8
Claims on Private Sector	0.8	7.5	39.0	30.3
Total Liquidity (M2)	2.3	8.5	39.4	30.2
Money (M1)	4.6	7.9	23.7	19.0
Quasi Money	1.64	8.6	45.2	34.4

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.

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

	May-12	May-13	May-14	May-15	May-16	Feb-17	Mar-17	Apr-17	* May-17
Net Foreign Assets 1/	157,609	135,421	126,059	46,462	(82,792)	(85,011)	(45,241)	(7,648)	69,387
	-(37.9)	-(14.1)	-(6.9)	-(63.1)	-(278.2)	-(85.2)	(28.8)	(89.9)	(183.8)
Central bank (Net)	75,449	42,839	41,709	21,265	(45,230)	(28,239)	5,504	14,681	53,540
Foreign Assets	91,672	105,994	119,991	144,310	149,607	438,663	529,479	530,107	584,396
Foreign Liabilities	16,223	63,155	78,282	123,045	194,837	466,902	523,975	515,426	530,856
Banks (Net)	82,160	92,582	84,350	25,197	(37,562)	(56,772)	(50,745)	(22,329)	15,847
Foreign Assets	114,941	125,707	117,886	86,250	82,985	188,377	223,807	253,789	285,546
Foreign Liabilities	32,781	33,125	33,536	61,053	120,547	245,149	274,552	276,118	269,699
Net Domestic Assets of which:	909,972	1,133,092	1,358,361	1,673,586	2,127,085	2,712,204	2,789,059	2,792,219	2,780,214
	(22.8)	(24.5)	(19.9)	(23.2)	(27.1)	(37.8)	(36.0)	(34.1)	(30.7)
Net Claims on Government, and GASC 2/	564,769	783,578	993,710	1,241,062	1,624,511	1,933,727	1,993,479	1,994,898	1,964,153
National Currency	625,854	830,581	986,054	1,204,400	1,487,691	1,537,669	1,530,350	1,547,576	1,551,524
Foreign Currency	(61,085)	(47,003)	7,656	36,662	136,820	396,058	463,129	447,322	412,629
Claims on Public Business Sector	42,025	43,765	46,353	63,610	87,134	141,572	149,823	148,395	150,560
National Currency	33,136	34,412	36,464	43,064	59,282	94,018	95,187	94,684	97,511
Foreign Currency	8,889	9,353	9,889	20,546	27,852	47,554	54,636	53,711	53,049
Claims on Private Sector 2/	447,948	492,823	526,614	617,909	703,909	909,908	959,359	970,559	978,257
National Currency	344,338	373,167	400,333	456,274	535,447	630,155	645,058	662,088	672,724
Foreign Currency	103,610	119,656	126,281	161,635	168,462	279,753	314,301	308,471	305,533
Other Items (net) 1/ 2/	(144,770)	(187,074)	(208,316)	(248,995)	(288,469)	(273,003)	(313,602)	(321,633)	(312,756)
Total Liquidity (M2)	1,067,581	1,268,513	1,484,420	1,720,048	2,044,293	2,627,193	2,743,818	2,784,571	2,849,601
	(7.4)	(18.8)	(17.0)	(15.9)	(18.9)	(36.6)	(38.0)	(38.8)	(39.4)
Money (M1) 3/	264,626	331,757	401,254	476,647	552,971	633,993	631,016	654,166	684,278
	(8.4)	(25.4)	(20.9)	(18.8)	(16.0)	(21.3)	(19.1)	(21.1)	(23.7)
Currency in Circulation	187,396	231,575	267,732	287,834	329,591	384,140	385,107	387,505	404,614
Demand Deposits in Local Currency	77,230	100,182	133,522	188,813	223,380	249,853	245,909	266,661	279,664
Quasi Money	802,955	936,756	1,083,166	1,243,401	1,491,322	1,993,200	2,112,802	2,130,405	2,165,323
	(7.0)	(16.7)	(15.6)	(14.8)	(19.9)	(42.3)	(44.9)	(45.3)	(45.2)
Local Currency Time & Savings Deposits	617,905	711,100	846,870	983,420	1,172,250	1,409,602	1,439,140	1,449,491	1,479,420
Foreign Currency Demand Deposits	46,053	56,298	64,790	66,897	76,222	123,856	143,555	147,346	147,690
Foreign Currency Time and Savings Deposits	138,997	169,358	171,506	193,084	242,850	459,742	530,107	533,568	538,213

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)

(May 2017)

	May-12	May-13	May-14	May-15	May-16	Feb-17	Mar-17	Apr-17	May-17
Net Foreign Assets (In Million US\$)^{4/}	26,146	19,447	17,802	6,109	(9,324)	(5,031)	(2,566)	(425)	3,852
Central bank NFA	12,516	6,152	5,890	2,796	(5,094)	(1,671)	312	815	2,972
Net International Reserves	28,837	28,516	28,858	22,286	12,619	22,601	27,156	28,186	33,323
Central Bank (Gross)	15,515	16,039	17,284	19,560	17,521	26,542	28,526	28,641	31,126
Banks (net)	13,630	13,295	11,912	3,313	(4,230)	(3,360)	(2,879)	(1,239)	880
Foreign assets	19,068	18,052	16,648	11,340	9,346	11,149	12,695	14,088	15,852
Foreign Liabilities	5,438	4,757	4,736	8,027	13,576	14,508	15,574	15,327	14,973
<i>In Percent of Beginning of Money Stocks</i> ^{5/}									
Net Foreign Assets	-9.50%	-2.0%	0.2%	-4.79%	-7.61%	-7.7%	-5.5%	-3.3%	1.0%
Net Domestic Assets	15.3%	17.9%	14.3%	18.2%	23.4%	56.5%	60.9%	61.1%	60.4%
Money (M1)	1.6%	5.2%	4.4%	4.4%	3.1%	7.6%	7.5%	8.8%	10.5%
Quasi Money	4.2%	10.7%	10.1%	9.1%	12.7%	41.2%	47.9%	48.9%	50.9%
Dollarization (% of Total Liquidity) ^{6/}	0.17	0.18	0.16	0.15	0.16	22.2	24.6	24.5	24.1
M2 Multiplier ^{7/}	4.07	4.16	4.27	4.30	4.40	5.02	5.20	5.16	5.15
M2 Velocity ^{8/}	1.57	1.47	1.43	1.42	1.32	1.30	1.24	1.22	1.20
M2 (annual percentage change)	7.36	18.82	17.02	15.87	18.85	36.6	38.0	38.8	39.4
Credit to private sector (annual percentage change) ^{9/}	0.07	0.1	0.1	0.17	0.1	37.9	39.9	39.6	39.0
Exchange Rate ^{10/}	6.03	6.96	7.08	7.61	8.88	16.90	17.63	18.02	18.01

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.

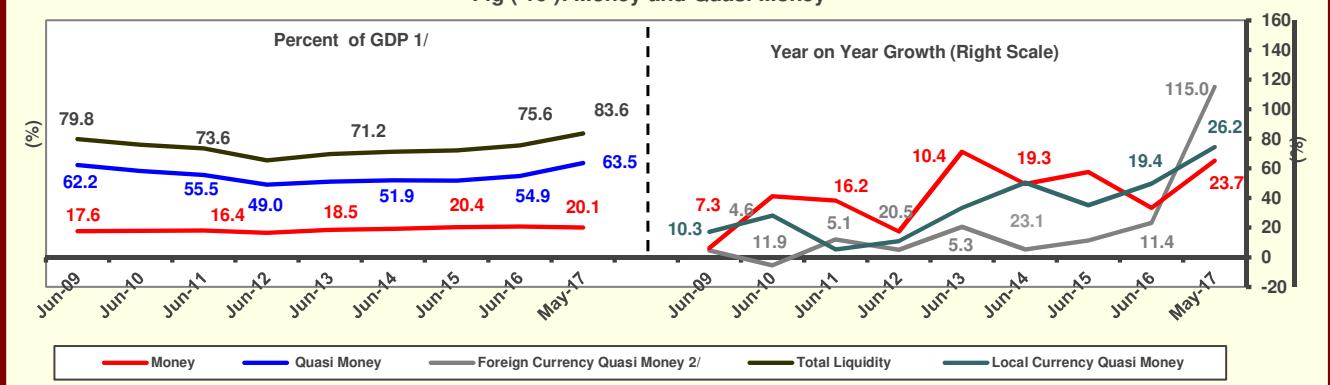
7/ M2 / Reserve Money.

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)

	May-12	May-13	May-14	May-15	May-16	Feb-17	Mar-17	Apr-17	May-17*
Reserve Money	262,213	304,620	347,865	400,058	464,664	523,337	527,751	539,590	553,812
	(6.1)	(16.2)	(14.2)	(15.0)	(16.1)	(27.6)	(22.6)	(22.0)	(19.2)
Currency in Circulation	197,071	243,402	282,461	306,476	351,114	408,773	410,514	417,399	434,034
	(10.3)	(23.5)	(16.0)	(8.5)	(14.6)	(26.2)	(24.1)	(22.3)	(23.6)
Banks LE Deposits with CBE	65,142	61,218	65,404	93,582	113,550	114,564	117,237	122,191	119,778
	(-4.9)	-(6.0)	(6.8)	(43.1)	(21.3)	(32.7)	(17.8)	(21.1)	(5.5)
Counter Assets:									
Net Foreign Assets	75,449	42,839	41,709	21,265	-45,230	-28,239	5,504	14,681	53,540
	(-49.7)	-(43.2)	-(2.6)	-(49.0)	-(312.7)	-(24.2)	(113.6)	(140.1)	(218.4)
Net Domestic Assets	186,764	261,781	306,156	378,793	509,894	551,576	522,247	524,909	500,272
	(92.6)	(40.2)	(17.0)	(23.7)	(34.6)	(27.4)	(10.9)	(9.6)	-(1.9)
Net Claims on Government ^{2/}	175,688	296,911	382,536	505,590	611,158	689,032	732,473	720,437	681,576
	(49.9)	(69.0)	(28.8)	(32.2)	(20.9)	(4.0)	(13.8)	(12.1)	(11.5)
Claims	257,741	396,779	432,015	612,346	695,252	798,381	811,742	817,345	822,984
	(27.9)	(53.9)	(8.9)	(41.7)	(13.5)	(6.9)	(11.3)	(11.8)	(18.4)
Securities	129,097	178,831	240,331	290,330	461,830	705,324	714,630	714,452	714,383
Credit Facilities	128,644	217,948	191,684	322,016	233,422	93,057	97,112	102,893	108,601
Deposits ^{3/}	82,053	99,868	49,479	106,756	84,094	109,349	79,269	96,908	141,408
	(-2.7)	(21.7)	-(50.5)	(115.8)	-(21.2)	(29.3)	-(7.7)	(9.8)	(68.2)
Net Claims on Banks	-1,767	-1,860	-9,132	-26,733	62,432	77,814	73,769	80,820	128,264
Net Balancing Items ^{4/}	12,843	-33,270	-67,248	-100,064	-163,696	-215,270	-283,995	-276,348	-309,568
Memorandum Items									
Reserve Money Velocity ^{5/ 6/}	6.39	6.11	6.12	6.11	5.83	6.51	6.46	6.32	6.15

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)			
	May-12	May-13	May-14	May-15	May-16	Feb-17	Mar-17	Apr-17	May-17
Total Deposits	1,011,174	1,169,613	1,403,339	1,699,465	2,079,282	2,714,576	2,869,000	2,918,204	2,973,489
	(6.2)	(15.7)	(20.0)	(21.1)	(22.3)	(40.3)	(43.0)	(44.9)	(43.0)
In local currency	768,418	879,706	1,067,067	1,337,965	1,658,362	1,961,008	1,994,258	2,035,159	2,084,655
In foreign currency	242,756	289,907	336,272	361,500	420,920	753,568	874,742	883,045	888,834
Non Government Deposits ^{2/}	887,341	1,045,752	1,225,376	1,448,226	1,728,423	2,259,368	2,375,766	2,413,534	2,462,330
	(6.5)	(17.9)	(17.2)	(18.2)	(19.3)	(38.5)	(40.4)	(42.2)	(42.5)
In local currency	698,633	815,591	985,101	1,183,197	1,405,085	1,669,448	1,694,636	1,725,317	1,769,182
In foreign currency	188,708	230,161	240,275	265,029	323,338	589,920	681,130	688,217	693,148
Government Deposits	123,833	123,861	177,963	251,239	350,859	455,208	493,234	504,670	511,159
	(4.6)	(0.0)	(43.7)	(41.2)	(39.65)	(50.2)	(56.7)	(59.6)	(45.7)
In local currency	69,785	64,115	81,966	154,768	253,277	291,560	299,622	309,842	315,473
In foreign currency	54,048	59,746	95,997	96,471	97,582	163,648	193,612	194,828	195,686
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	24.0	24.8	24.0	21.3	20.2	27.8	30.5	30.3	29.9
Dollarization in Non-Government Deposits	21.3	22.0	19.6	18.3	18.7	26.1	28.7	28.5	28.2
Dollarization in Government Deposits	43.6	48.2	53.9	38.4	27.8	36.0	39.3	38.6	38.3

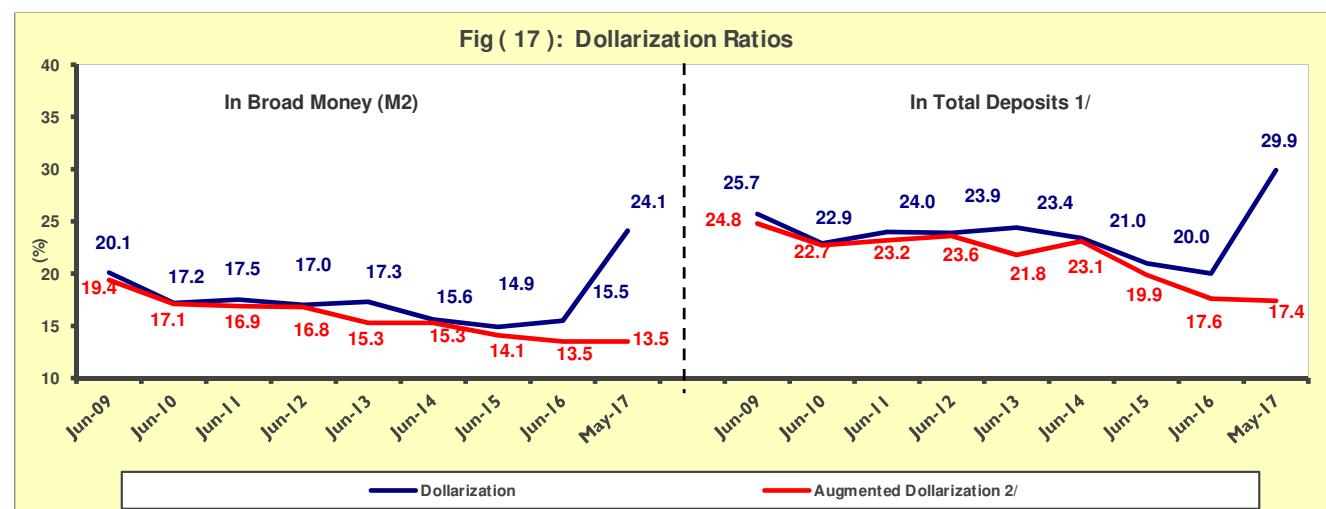
Source: Central bank of Egypt.

() 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)

	May-12	May-13	May-14	May-15	May-16	Feb-17	Mar-17	Apr-17	* May-17
Total lending	502,274	545,640	579,499	709,932	925,660	1,263,969	1,343,624	1,365,331	1,405,513
	(6.7)	(8.6)	(6.2)	(22.5)	(30.4)	(57.1)	(57.6)	(57.8)	(51.8)
To Government ^{2/}	32,660	35,475	39,117	62,990	172,047	270,611	294,645	305,315	335,829
	-(19.1)	(8.6)	(10.3)	(61.0)	(173.1)	(164.6)	(142.9)	(150.3)	(95.2)
In local currency	15,562	11,579	12,095	10,935	100,473	114,625	114,763	126,688	143,198
In foreign currency	17,098	23,896	27,022	52,055	71,574	155,986	179,882	178,627	192,631
To Non-Government	469,614	510,165	540,382	646,942	753,613	993,358	1,048,979	1,060,016	1,069,684
	(9.1)	(8.6)	(5.9)	(19.7)	(16.5)	(41.5)	(43.5)	(42.6)	(41.9)
In local currency	346,445	373,260	400,471	462,375	556,967	672,745	688,338	705,286	718,577
In foreign currency	123,169	136,905	139,911	184,567	196,646	320,613	360,641	354,730	351,107
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	85.2	85.5	85.3	82.2	72.0	67.4	66.9	66.8	65.4
Non Government Loans/ Deposits ^{4/}	52.9	48.8	44.1	44.7	43.6	44.0	44.2	43.9	43.4
Government Loans / Deposits	26.4	28.6	22.0	25.1	49.0	59.4	59.7	60.5	65.7
Foreign currency denominated credit to total credit	27.9	29.5	28.8	33.3	29.0	37.7	40.2	39.1	38.7
Government foreign currency denominated credit to total government credit	52.4	67.4	69.1	82.6	41.6	57.6	61.1	58.5	57.4
Non - government foreign currency denominated credit to total non-government credit	26.2	26.8	25.9	28.5	26.1	32.3	34.4	33.5	32.8

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

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

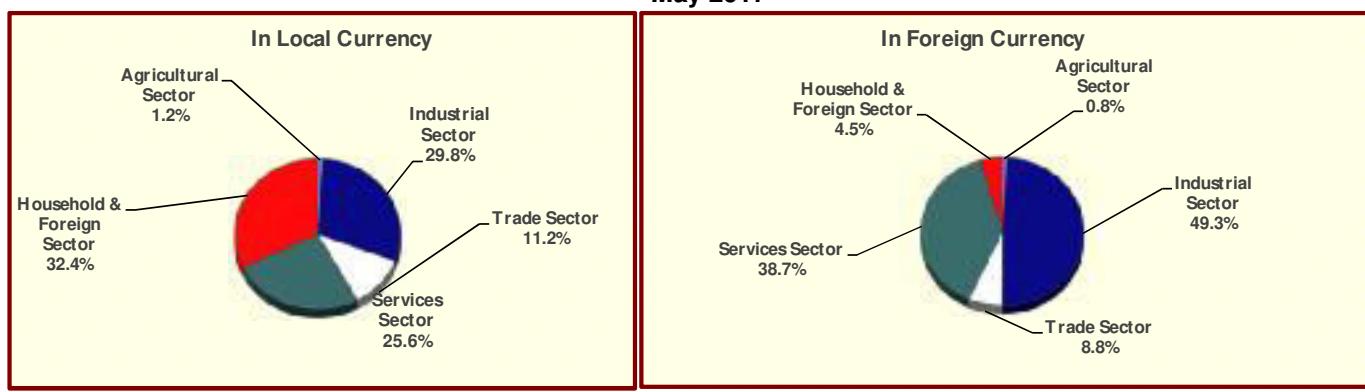
2/ Includes central government and economic authorities.

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

May-2017



Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

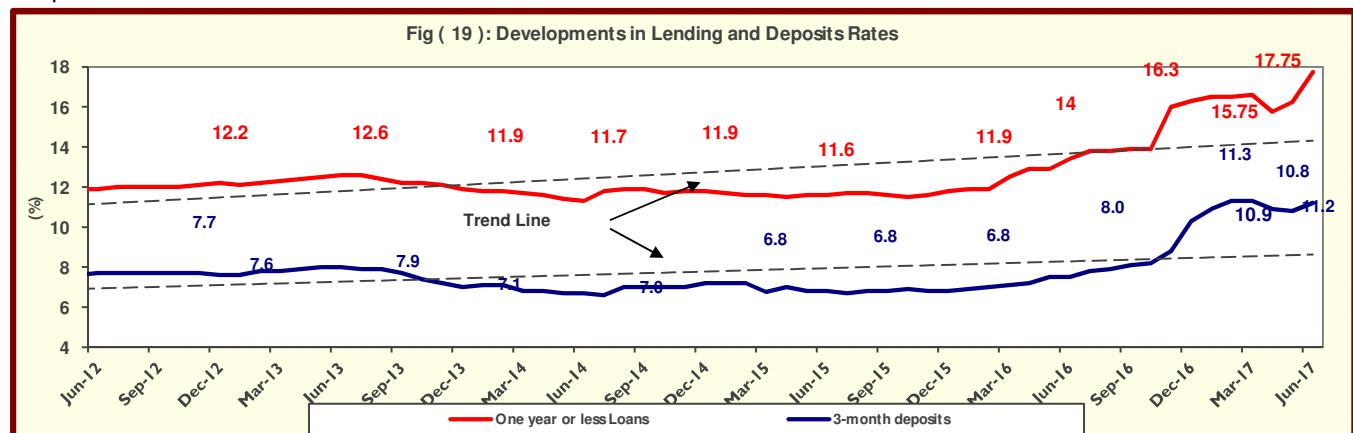
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/3/}	Post Office Saving Deposits ^{1/}
Yearly Average						
2005/2006	9.00	12.71	6.53	8.82	9.50	9.50
2006/2007	9.00	12.64	6.01	8.65	10.00	9.50
2007/2008	10.00	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						
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
Apr-17	15.25	15.75	10.90	19.40	16.25	10.25
May-17	15.75	16.25	10.80	19.33	16.25	10.25
Jun-17	17.25	17.75	11.20	20.35	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/}

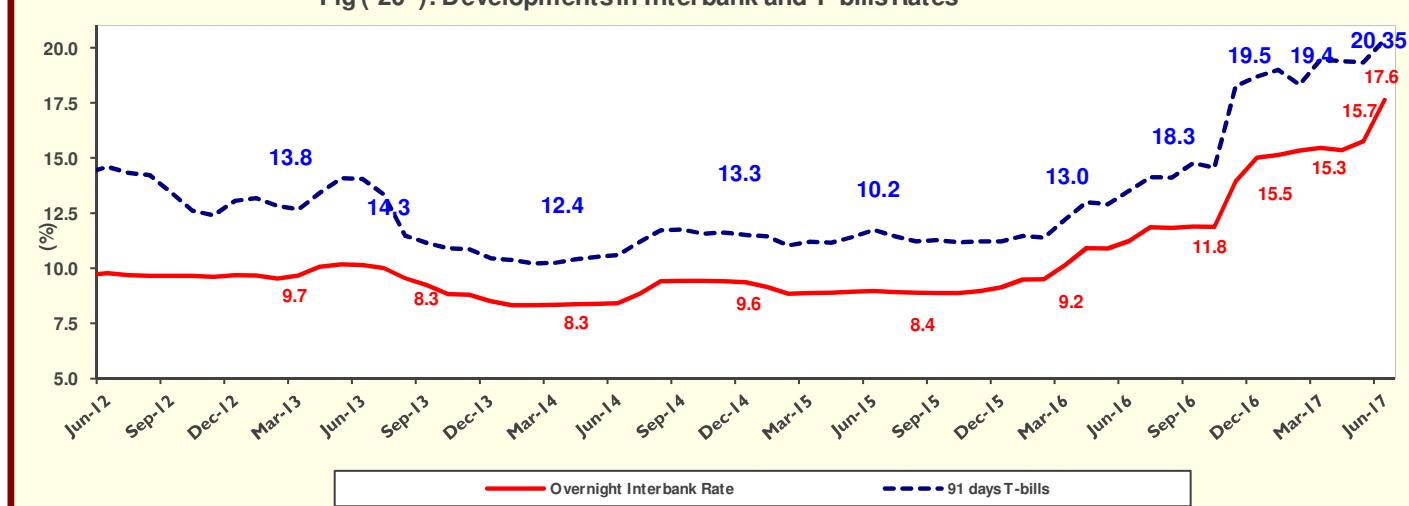
	Overnight	One Week	Month	More than One Month
Yearly Average				
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
2011	9.0	9.1	9.4	9.5
2012	9.4	9.8	10.1	10.2
2013	9.5	9.8	10.2	10.5
2014	8.8	9.1	--	--
2015	8.9	9.2	--	--
2016	11.5	11.6	--	12.6
Monthly Average				
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
Apr-17	15.35	15.76	--	--
May-17	15.75	15.77	--	17.00
Jun-17	17.63	17.85	--	--

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.