

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

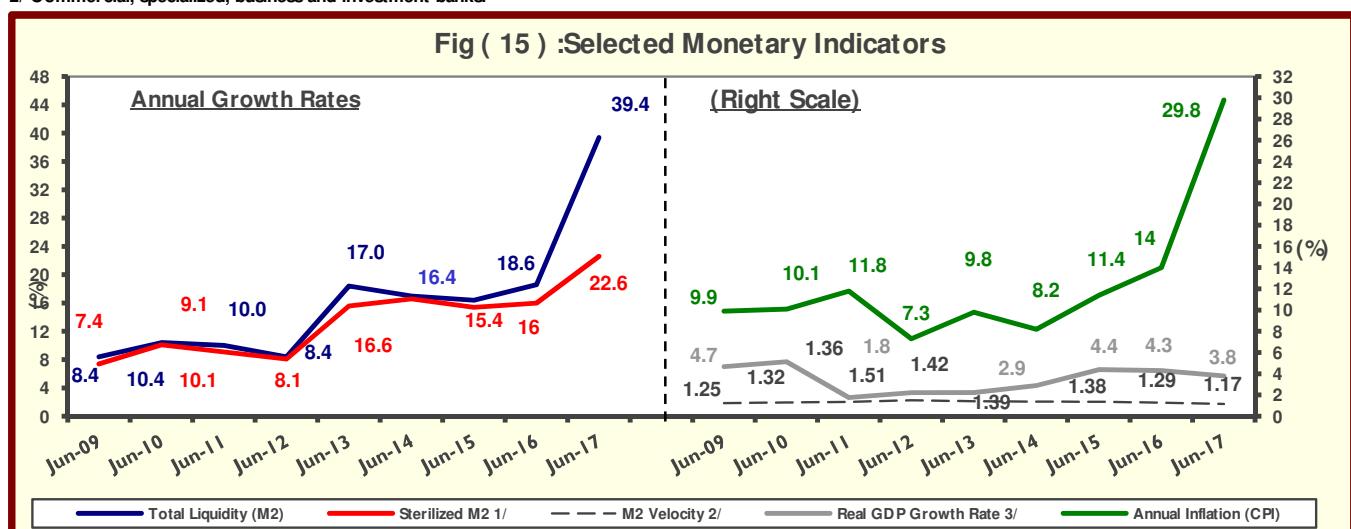
Table (24) : Developments in Main Monetary Aggregates
(June 2017)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-6.2	243.9	174.5	-543.3
CBE N FA	-93.1	-33.0	-108.2	-393.3
CBE N IR	0.66	12.2	262.3	170.5
Banks N FA 2/	287.7	-221.1	256.8	-1796.9
Net Foreign Assets (US dollar terms)	-6.2	-240.7	-136.7	-231.4
CBE N FA	-93.1	-34.5	-104.0	-279.5
CBE N IR	0.58	9.7	78.4	43.0
Banks N FA 2/	287.3	-218.4	-171.1	-171.1
Net Domestic Assets	2.7	2.4	30.9	34.5
Net Claims on Government and GASC	1.0	-0.5	19.9	28.9
Claims on Public Companies	-1.23	-0.7	59.8	59.9
Claims on Private Sector	0.4	2.4	37.9	32.3
Total Liquidity (M2)	2.5	6.4	39.4	31.9
Money (M1)	3.7	12.4	23.8	19.8
Quasi Money	2.11	4.6	45.3	36.5

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 FY16/17 has been revised recently to reach LE 3478 billion instead of 3407.7 billion. Meanwhile GDP projections for FY17/18 is estimated to reach LE 4286.5 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
(June 2017)

	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Mar-17	Apr-17	May-17	Jun-17 [*]
Net Foreign Assets 1/	157,624	123,198	119,162	51,487	(87,389)	(45,241)	(7,648)	69,387	65,117
	-(37.8)	-(21.8)	-(3.3)	-(56.8)	-(269.7)	(28.8)	(89.9)	(183.8)	(174.5)
Central bank (Net)	76,059	38,235	37,395	25,278	(44,863)	5,504	14,681	53,540	3,685
Foreign Assets	92,169	101,685	115,770	148,098	149,943	529,479	530,107	584,396	551,509
Foreign Liabilities	16,110	63,450	78,375	122,820	194,806	523,975	515,426	530,856	547,824
Banks (Net)	81,565	84,963	81,767	26,209	(42,526)	(50,745)	(22,329)	15,847	61,432
Foreign Assets	114,796	118,354	115,838	86,214	81,532	223,807	253,789	285,546	338,850
Foreign Liabilities	33,231	33,391	34,071	60,005	124,058	274,552	276,118	269,699	277,418
Net Domestic Assets of which:	936,784	1,172,888	1,397,439	1,714,005	2,181,889	2,789,059	2,792,219	2,780,214	2,855,127
	(23.9)	(25.2)	(19.1)	(22.7)	(27.3)	(36.0)	(34.1)	(30.7)	(30.9)
Net Claims on Government, and GASC 2/	578,654	802,539	1,045,186	1,291,427	1,654,910	1,993,479	1,994,898	1,964,153	1,983,768
National Currency	638,492	851,425	1,034,569	1,251,096	1,500,936	1,530,350	1,547,576	1,551,524	1,547,999
Foreign Currency	(59,838)	(48,886)	10,617	40,331	153,974	463,129	447,322	412,629	435,769
Claims on Public Business Sector	40,620	42,866	45,417	63,218	93,073	149,823	148,395	150,560	148,715
National Currency	31,784	33,873	35,424	43,989	65,410	95,187	94,684	97,511	96,035
Foreign Currency	8,836	8,993	9,993	19,229	27,663	54,636	53,711	53,049	52,680
Claims on Private Sector 2/	453,292	497,735	534,538	623,566	712,132	959,359	970,559	978,257	982,007
National Currency	348,849	376,211	407,230	461,561	543,158	645,058	662,088	672,724	679,464
Foreign Currency	104,443	121,524	127,308	162,005	168,974	314,301	308,471	305,533	302,543
Other Items (net) 1/ 2/	(135,782)	(170,252)	(227,702)	(264,206)	(278,226)	(313,602)	(321,633)	(312,756)	(259,363)
Total Liquidity (M2)	1,094,408	1,296,086	1,516,601	1,765,492	2,094,500	2,743,818	2,784,571	2,849,601	2,920,244
	(8.4)	(18.4)	(17.0)	(16.4)	(18.6)	(38.0)	(38.8)	(39.4)	(39.4)
Money (M1) 3/	274,510	344,100	410,554	499,065	572,935	631,016	654,166	684,278	709,295
	(10.4)	(25.4)	(19.3)	(21.6)	(14.8)	(19.1)	(21.1)	(23.7)	(23.8)
Currency in Circulation	194,027	241,011	270,856	292,699	346,853	385,107	387,505	404,614	419,058
Demand Deposits in Local Currency	80,483	103,089	139,698	206,366	226,082	245,909	266,661	279,664	290,237
Quasi Money	819,898	951,986	1,106,047	1,266,427	1,521,565	2,112,802	2,130,405	2,165,323	2,210,949
	(7.8)	(16.1)	(16.2)	(14.5)	(20.1)	(44.9)	(45.3)	(45.2)	(45.3)
Local Currency Time & Savings Deposits	633,858	727,778	869,976	1,003,432	1,197,746	1,439,140	1,449,491	1,479,420	1,516,666
Foreign Currency Demand Deposits	44,965	55,152	62,214	68,631	75,910	143,555	147,346	147,690	150,042
Foreign Currency Time and Savings Deposits	141,075	169,056	173,857	194,364	247,909	530,107	533,568	538,213	544,241

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)

(June 2017)

	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Mar-17	Apr-17	May-17	Jun-17*
Net Foreign Assets (In Million US\$)^{4/}	26,126	17,623	16,682	6,770	(9,842)	(2,566)	(425)	3,852	3,612
Central bank NFA	12,607	5,469	5,235	3,324	(5,053)	312	815	2,972	204
Net International Reserves	28,796	26,700	27,655	22,918	12,098	27,156	28,186	33,323	33,998
Central Bank (Gross)	15,534	14,936	16,687	20,082	17,546	28,526	28,641	31,126	31,305
Banks (net)	13,519	12,154	11,447	3,446	(4,790)	(2,879)	(1,239)	880	3,407
Foreign assets	19,027	16,930	16,217	11,336	9,183	12,695	14,088	15,852	18,795
Foreign Liabilities	5,508	4,777	4,770	7,890	13,972	15,574	15,327	14,973	15,388
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	-9.50%	-3.1%	-0.3%	-4.46%	-7.87%	-5.5%	-3.3%	1.0%	0.8%
Net Domestic Assets	17.9%	21.6%	17.3%	20.9%	26.5%	60.9%	61.1%	60.4%	64.6%
Money (M1)	2.6%	6.4%	5.1%	5.8%	4.2%	7.5%	8.8%	10.5%	11.9%
Quasi Money	5.9%	12.1%	11.9%	10.6%	14.5%	47.9%	48.9%	50.9%	53.5%
Dollarization (% of Total Liquidity)^{6/}	0.17	0.17	0.16	0.15	0.15	24.6	24.5	24.1	23.8
M2 Multiplier^{7/}	4.15	4.08	4.16	3.63	4.38	5.20	5.16	5.15	5.06
M2 Velocity^{8/}	1.53	1.44	1.40	1.38	1.29	1.27	1.25	1.22	1.19
M2 (annual percentage change)	8.42	18.43	17.01	16.41	18.64	38.0	38.8	39.4	39.4
Credit to private sector (annual percentage change)^{9/}	0.07	0.1	0.1	0.17	0.1	39.9	39.6	39.0	37.9
Exchange Rate^{10/}	6.03	6.99	7.14	7.61	8.88	17.63	18.02	18.01	18.03

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.

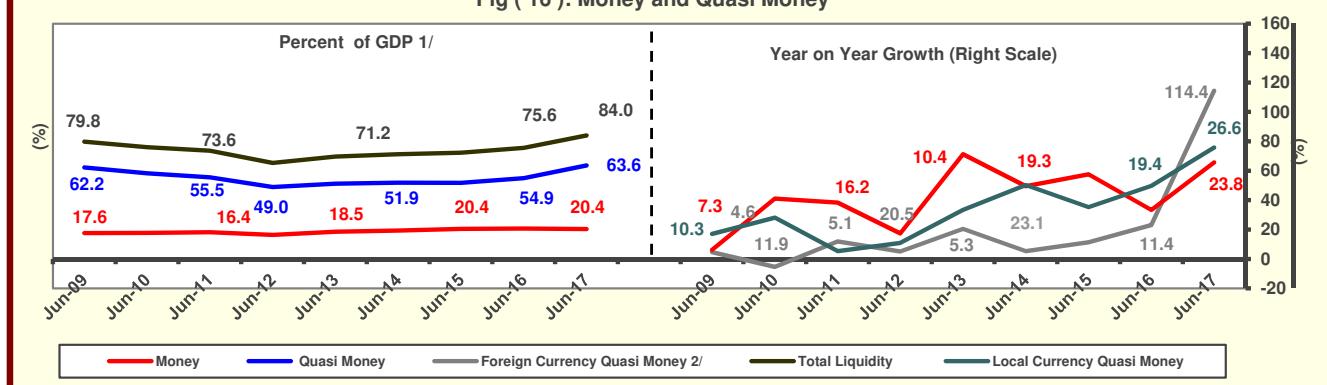
7/ M2 / Reserve Money.

8/ GDP estimate for FY16/17 has been revised recently to reach LE 3478 billion instead of 3407.7 billion. Meanwhile GDP projections for FY17/18 is estimated to reach LE 4286.5 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.

GDP estimate for FY16/17 has been revised recently to reach LE 3478 billion instead of 3407.7 billion. Meanwhile GDP projections for FY17/18 is estimated to reach LE 4286.5 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-12	Jun-13	Jun-14	Jun-15	Jun-16	Mar-17	Apr-17	May-17	Jun-17 *
Reserve Money	263,668	317,944	364,473	485,876	478,076	527,751	539,590	553,812	577,582
	(5.1)	(20.6)	(14.6)	(33.3)	-(1.6)	(22.6)	(22.0)	(19.2)	(20.8)
Currency in Circulation	204,870	260,849	288,651	313,468	368,459	410,514	417,399	434,034	452,035
	(14.4)	(27.3)	(10.7)	(8.6)	(17.5)	(24.1)	(22.3)	(23.6)	(22.7)
Banks LE Deposits with CBE	58,798	57,095	75,822	172,408	109,617	117,237	122,191	119,778	125,547
	-(18.2)	-(2.9)	(32.8)	(127.4)	-(36.4)	(17.8)	(21.1)	(5.5)	(14.5)
Counter Assets:									
Net Foreign Assets	76,059	38,235	37,395	25,171	-44,863	5,504	14,681	53,540	3,685
	-(48.3)	-(49.7)	-(2.2)	-(32.7)	-(278.2)	(113.6)	(140.1)	(218.4)	(108.2)
Net Domestic Assets	187,609	279,709	327,078	460,598	522,939	522,247	524,909	500,272	573,892
	(80.7)	(49.1)	(16.9)	(40.8)	(13.5)	(10.9)	(9.6)	-(1.9)	(9.7)
Net Claims on Government ²	165,374	299,806	419,218	523,893	619,410	732,473	720,437	681,576	708,637
	(61.2)	(81.3)	(39.8)	(25.0)	(18.2)	(13.8)	(12.1)	(11.5)	(14.4)
Claims	256,605	404,837	463,724	620,003	706,885	811,742	817,345	822,984	821,975
	(35.3)	(57.8)	(14.5)	(33.7)	(14.0)	(11.3)	(11.8)	(18.4)	(16.3)
Securities	178,831	238,831	240,331	240,330	390,830	714,630	714,452	714,383	714,454
Credit Facilities	77,774	166,006	223,393	379,673	316,055	97,112	102,893	108,601	107,521
Deposits ^{3/}	91,231	105,031	44,506	96,110	87,475	79,269	96,908	141,408	113,338
	(4.8)	(15.1)	-(57.6)	(115.9)	-(9.0)	-(7.7)	(9.8)	(68.2)	(29.6)
Net Claims on Banks	-2,706	-5,811	-9,045	-26,334	59,621	73,769	80,820	128,264	157,141
Net Balancing Items ^{4/}	24,941	-14,286	-83,095	-36,961	-156,092	-283,995	-276,348	-309,568	-291,886
Memorandum Items									
Reserve Money Velocity ^{5/ , 6/}	6.35	5.85	5.84	5.03	5.66	6.59	6.45	6.28	6.02

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 FY16/17 has been revised recently to reach LE 3478 billion instead of 3407.7 billion. Meanwhile GDP projections for FY17/18 is estimated to reach LE 4286.5 billion as per the Ministry of Finance Calculations.

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

	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Mar-17	Apr-17	May-17	Jun-17
Total Deposits	1,026,686	1,190,819	1,433,728	1,740,158	2,123,069	2,869,000	2,918,204	2,973,489	3,043,021
	(6.4)	(16.0)	(20.4)	(21.4)	(22.0)	(43.0)	(44.9)	(43.0)	(43.3)
In local currency	780,886	900,076	1,097,729	1,375,369	1,698,255	1,994,258	2,035,159	2,084,655	2,130,135
In foreign currency	245,800	290,743	335,999	364,789	424,814	874,742	883,045	888,834	912,886
Non Government Deposits ^{2/}	908,070	1,063,832	1,254,882	1,488,006	1,761,009	2,375,766	2,413,534	2,462,330	2,519,778
	(7.1)	(17.2)	(18.0)	(18.6)	(18.3)	(40.4)	(42.2)	(42.5)	(43.1)
In local currency	718,217	835,422	1,014,712	1,219,985	1,433,387	1,694,636	1,725,317	1,769,182	1,817,695
In foreign currency	189,853	228,410	240,170	268,021	327,622	681,130	688,217	693,148	702,083
Government Deposits	118,616	126,987	178,846	252,152	362,060	493,234	504,670	511,159	523,243
	(1.2)	(7.1)	(40.8)	(41.0)	(43.59)	(56.7)	(59.6)	(45.7)	(44.5)
In local currency	62,669	64,654	83,017	155,384	264,868	299,622	309,842	315,473	312,440
In foreign currency	55,947	62,333	95,829	96,768	97,192	193,612	194,828	195,686	210,803
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	23.9	24.4	23.4	21.0	20.0	30.5	30.3	29.9	30.0
Dollarization in Non-Government Deposits	20.9	21.5	19.1	18.0	18.6	28.7	28.5	28.2	27.9
Dollarization in Government Deposits	47.2	49.1	53.6	38.4	26.8	39.3	38.6	38.3	40.3

Source: Central bank of Egypt.

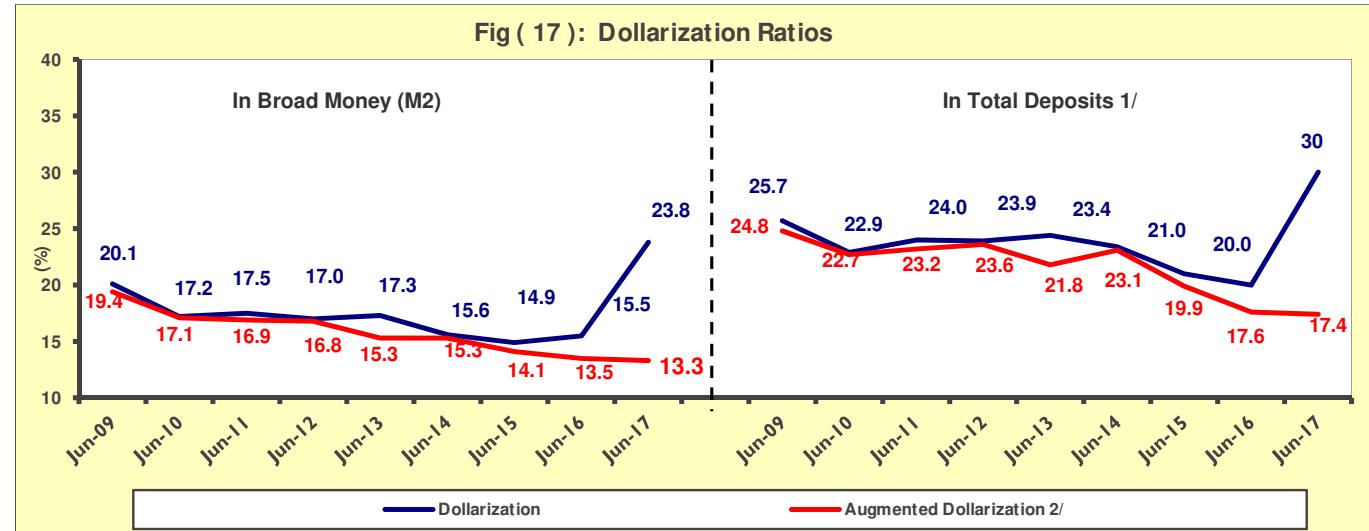
() Percent change over same period in previous year.

* 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.

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-12	Jun-13	Jun-14	Jun-15	Jun-16	Mar-17	Apr-17	May-17	* Jun-17
Total lending	506,736	549,120	587,852	717,999	942,727	1,343,624	1,365,331	1,405,513	1,426,457
	(6.9)	(8.4)	(7.1)	(22.1)	(31.3)	(57.6)	(57.8)	(51.8)	(51.3)
To Government ^{2/}	33,589	35,780	40,802	66,421	173,740	294,645	305,315	335,829	354,723
	-(15.6)	(6.5)	(14.0)	(62.8)	(161.6)	(142.9)	(150.3)	(95.2)	(104.2)
In local currency	14,615	11,401	11,872	10,855	100,230	114,763	126,688	143,198	142,710
In foreign currency	18,974	24,379	28,930	55,566	73,510	179,882	178,627	192,631	212,013
To Non-Government	473,147	513,340	547,050	651,578	768,987	1,048,979	1,060,016	1,069,684	1,071,734
	(8.9)	(8.5)	(6.6)	(19.1)	(18.0)	(43.5)	(42.6)	(41.9)	(39.4)
In local currency	349,560	376,479	406,499	468,502	572,348	688,338	705,286	718,577	724,503
In foreign currency	123,587	136,861	140,551	183,076	196,639	360,641	354,730	351,107	347,231
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	85.4	85.7	85.4	82.0	71.7	66.9	66.8	65.4	64.7
Non Government Loans/ Deposits ^{4/}	52.1	48.3	43.6	43.8	43.7	44.2	43.9	43.4	42.5
Government Loans / Deposits	28.3	28.2	22.8	26.3	48.0	59.7	60.5	65.7	67.8
Foreign currency denominated credit to total credit	28.1	29.4	28.8	33.2	28.7	40.2	39.1	38.7	39.2
Government foreign currency denominated credit to total government credit	56.5	68.1	70.9	83.7	42.3	61.1	58.5	57.4	59.8
Non - government foreign currency denominated credit to total non-government credit	26.1	26.7	25.7	28.1	25.6	34.4	33.5	32.8	32.4

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

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

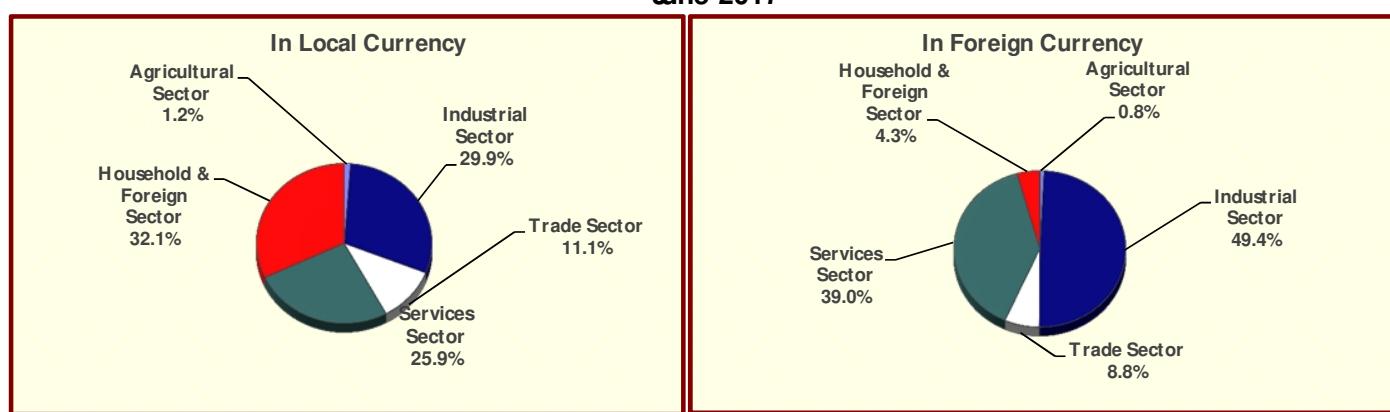
2/ Includes central government and economic authorities.

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

June-2017



Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

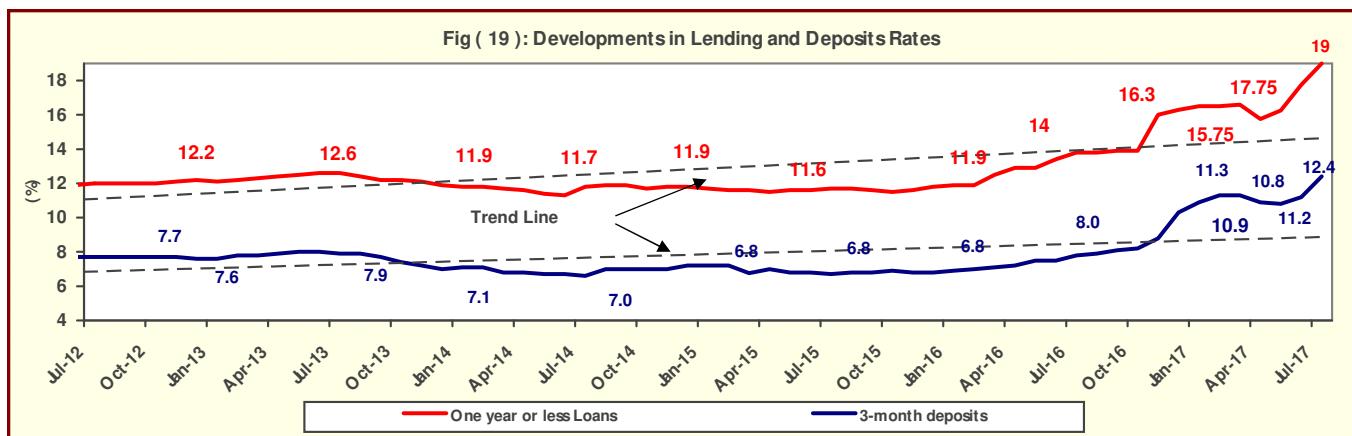
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/3/}	Post Office Saving Deposits ^{1/}
Yearly Average						
2006/2007	9.00	12.64	6.01	8.65	10.00	9.50
2007/2008	10.00	12.22	6.09	6.97	10.00	9.50
2008/2009	9.00	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	15.59	9.79	17.53	15.08	9.50
Monthly Average						
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
Jul-17	18.75	19.00	12.40	21.74	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.

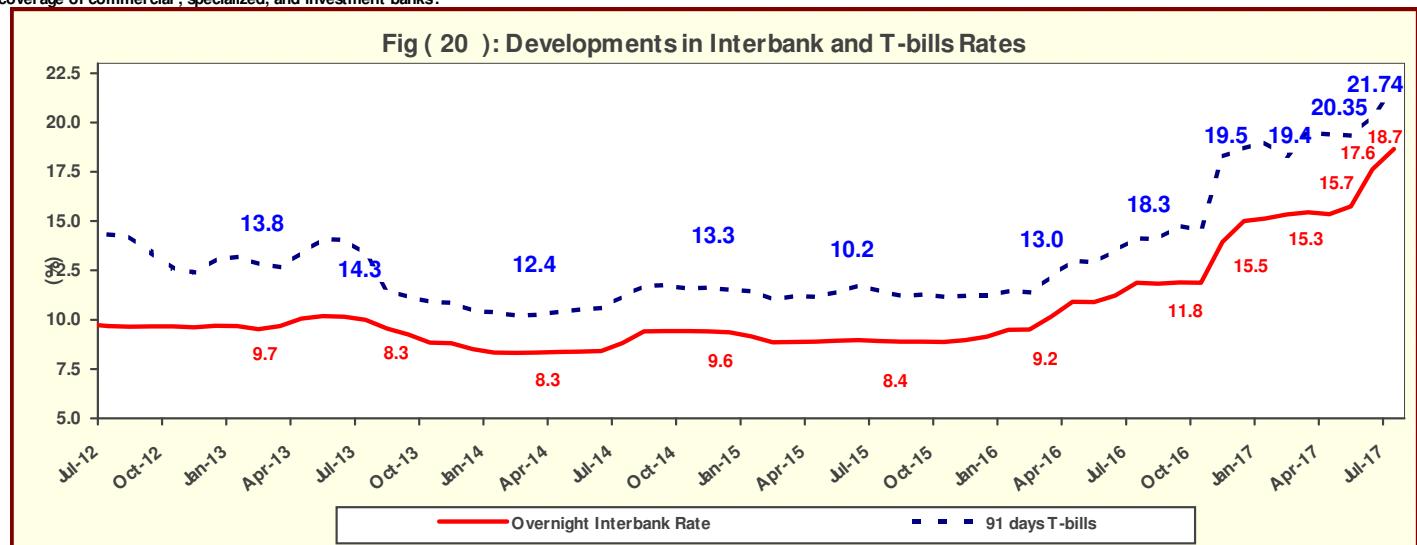
Table (30) : Average Interbank Rates^{1/}

	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				
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	--	--
Jul-17	18.65	18.91	--	19.00

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.