

Section 6

MONETARY SECTOR

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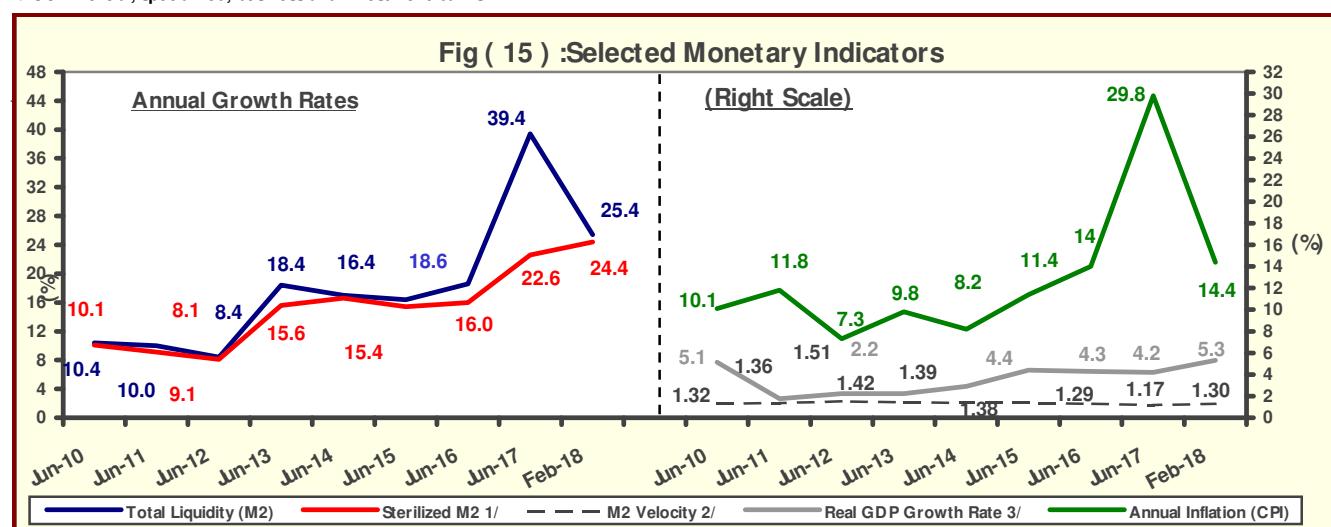
**Table (24) : Developments in Main Monetary Aggregates
(February 2017)**

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	28.7	68.7	468.9	221.8
CBE NFA	42.0	94.9	-999.3	315.1
CBE NIR	11.1	15.8	67.0	208.9
Banks N FA 2/	-7.9	7.4	-17.8	162.2
Net Foreign Assets (US dollar terms)	28.9	68.7	-454.0	-192.4
CBE NFA	42.2	94.8	-962.9	278.1
CBE NIR	11.3	15.8	60.2	78.6
Banks N FA 2/	-7.7	7.4	-200.8	-142.9
Net Domestic Assets	-1.0	0.9	9.9	21.6
Net Claims on Government and GASC	-2.5	-1.0	7.2	14.0
Claims on Public Companies	1.8	2.5	12.0	48.2
Claims on Private Sector	1.0	3.0	11.9	27.2
Total Liquidity (M2)	1.2	4.9	25.4	33.5
Money (M1)	-0.2	2.3	17.3	20.1
Quasi Money	1.7	5.7	28.0	38.4

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/ GDP estimate for FY16/17 has been revised recently to reach LE 3470 billion instead of 3478 billion. Meanwhile GDP projections for FY17/18 are 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
(February 2017)

(LE Million)

	Feb-13	Feb-14	Feb-15	Feb-16	Feb-17	Nov-17	Dec-17	Jan-18	Feb-18*
Net Foreign Assets 1/	133,126	126,847	70,355	(45,899)	(85,011)	185,878	214,138	243,640	313,617
	-(25.2)	-(4.7)	-(44.5)	-(165.2)	-(85.2)	(197.1)	(208.8)	(298.6)	(468.9)
Central bank (Net)	41,558	40,475	35,294	(22,732)	(28,239)	130,329	157,381	178,857	253,947
Foreign Assets	85,304	117,011	113,445	124,436	438,663	635,416	642,960	656,895	732,181
Foreign Liabilities	43,746	76,536	78,151	147,168	466,902	505,087	485,579	478,038	478,234
Banks (Net)	91,568	86,372	35,061	(23,167)	(56,772)	55,549	56,757	64,783	59,670
Foreign Assets	122,433	120,454	87,805	72,976	188,377	334,552	344,781	355,844	349,236
Foreign Liabilities	30,865	34,082	52,744	96,143	245,149	279,003	288,024	291,061	289,566
Net Domestic Assets of which:	1,078,191	1,290,777	1,567,023	1,968,584	2,712,204	2,954,751	2,988,519	3,010,607	2,981,279
	(23.6)	(19.7)	(21.4)	(25.6)	(37.8)	(5.8)	(5.0)	(6.6)	(9.9)
Net Claims on Government, and GASC 2/	717,808	937,043	1,163,632	1,524,160	1,933,727	2,095,581	2,126,193	2,126,637	2,073,687
National Currency	771,686	925,374	1,141,102	1,467,092	1,537,669	1,549,523	1,603,706	1,572,077	1,527,442
Foreign Currency	(53,878)	11,669	22,530	57,068	396,058	546,058	522,487	554,560	546,245
Claims on Public Business Sector	44,319	43,522	58,902	79,005	141,572	154,726	155,166	155,660	158,528
National Currency	35,107	34,680	42,137	54,852	94,018	102,131	101,179	102,033	106,252
Foreign Currency	9,212	8,842	16,765	24,153	47,554	52,595	53,987	53,627	52,276
Claims on Private Sector 2/	478,167	504,547	576,319	659,814	909,908	989,193	998,000	1,008,512	1,018,594
National Currency	363,684	383,297	427,118	502,107	630,155	700,003	714,064	722,722	733,718
Foreign Currency	114,483	121,250	149,201	157,707	279,753	289,190	283,936	285,790	284,876
Other Items(net) 1/ 2/	(162,103)	(194,335)	(231,830)	(294,395)	(273,003)	(284,749)	(290,840)	(280,202)	(269,530)
Total Liquidity (M2)	1,211,317	1,417,624	1,637,378	1,922,685	2,627,193	3,140,629	3,202,657	3,254,247	3,294,896
	(15.3)	(17.0)	(15.5)	(17.4)	(36.6)	(20.7)	(20.9)	(20.5)	(25.4)
Money (M1) 3/	308,786	378,314	450,816	522,455	633,993	727,439	737,469	745,212	743,810
	(19.3)	(22.5)	(19.2)	(15.9)	(21.3)	(17.1)	(17.9)	(19.7)	(17.3)
Currency in Circulation	218,585	255,111	278,661	305,726	384,140	409,786	407,802	408,659	410,336
Demand Deposits in Local Currency	90,201	123,203	172,155	216,729	249,853	317,653	329,667	336,553	333,474
Quasi Money	902,531	1,039,310	1,186,562	1,400,230	1,993,200	2,413,190	2,465,188	2,509,035	2,551,086
	(14.0)	(15.2)	(14.2)	(18.0)	(42.3)	(21.9)	(21.9)	(20.7)	(28.0)
Local Currency Time & Savings Deposits	683,998	814,422	943,417	1,124,883	1,409,602	1,741,316	1,786,179	1,817,787	1,861,239
Foreign Currency Demand Deposits	53,436	61,067	63,547	66,976	123,856	137,967	135,790	143,530	140,571
Foreign Currency Time and Savings Deposits	165,097	163,821	179,598	208,371	459,742	533,907	543,219	547,718	549,276

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-13	Feb-14	Feb-15	Feb-16	Feb-17	Nov-17	Dec-17	Jan-18	Feb-18*
Net Foreign Assets (In Million US\$)^{4/}	19,829	18,235	9,258	(5,879)	(5,031)	10,556	12,072	13,813	17,809
Central bank NFA	6,190	5,819	4,644	(2,912)	(1,671)	7,402	8,873	10,140	14,421
Net International Reserves	26,344	29,238	19,541	12,971	22,601	39,242	39,447	40,916	44,966
Central Bank (Gross)	13,508	17,307	15,456	16,534	26,542	36,723	37,020	38,210	42,524
Banks (net)	13,639	12,417	4,614	(2,967)	(3,360)	3,155	3,200	3,673	3,388
Foreign assets	18,236	17,316	11,554	9,347	11,149	19,000	19,437	20,175	19,832
Foreign Liabilities	4,597	4,900	6,940	12,314	14,508	15,845	16,238	16,502	16,443
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	-2.24%	0.28%	-3.22%	-5.52%	-7.73%	7.6%	9.2%	10.9%	14.8%
Net Domestic Assets	12.92%	9.10%	11.18%	14.42%	56.54%	70.3%	72.2%	73.4%	71.8%
Money (M1)	3.13%	2.64%	2.65%	1.32%	7.64%	12.9%	13.5%	13.9%	13.9%
Quasi Money	7.6%	6.74%	5.31%	7.58%	41.17%	65.0%	67.9%	70.4%	72.8%
Dollarization (% of Total Liquidity)^{6/}	0.18	0.16	0.15	0.14	0.22	21.4	21.2	21.2	20.9
M2 Multiplier^{7/}	4.39	4.33	4.49	4.69	5.02	4.75	4.95	4.79	5.44
M2 Velocity^{8/}	1.54	1.50	1.49	1.41	1.32	1.36	1.34	1.32	1.30
M2 (annual percentage change)	15.35	17.03	15.50	17.42	36.64	20.7	20.9	20.5	25.4
Credit to private sector (annual percentage change)^{9/}	0.09	0.06	0.14	0.14	0.38	6.2	6.9	5.3	11.9
Exchange Rate^{10/}	6.71	6.96	7.60	7.81	16.90	17.61	17.74	17.64	17.61

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.

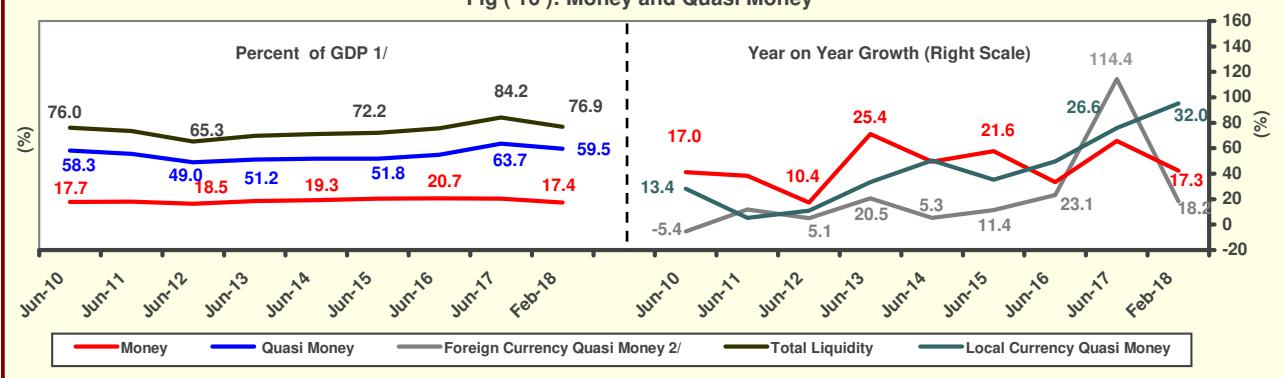
7/ M2 / Reserve Money.

8/ GDP estimate for FY16/17 has been revised recently to reach LE 3470 billion instead of 3478 billion. Meanwhile GDP projections for FY17/18 are 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.

1/ GDP estimate for FY16/17 has been revised recently to reach LE 3470 billion instead of 3478 billion. Meanwhile GDP projections for FY17/18 are 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)

	Feb-13	Feb-14	Feb-15	Feb-16	Feb-17	Nov-17	Dec-17	Jan-18	Feb-18*
Reserve Money	275,706	327,171	364,271	410,150	523,337	660,972	646,353	678,803	693,802
	(9.0)	(18.7)	(11.3)	(12.6)	(27.6)	(27.8)	(29.7)	(30.5)	(32.6)
Currency in Circulation	229,457	267,726	293,428	323,832	408,773	439,294	439,366	439,137	439,920
	(21.1)	(16.7)	(9.6)	(10.4)	(26.2)	(8.6)	(8.5)	(9.2)	(7.6)
Banks LE Deposits with CBE	46,249	59,445	70,843	86,318	114,564	221,678	206,987	239,666	253,882
	(-27.2)	(28.5)	(19.2)	(21.8)	(32.7)	(96.8)	(121.3)	(103.1)	(121.6)
Counter Assets:									
Net Foreign Assets	41,558	40,475	35,294	-22,732	-28,239	130,329	157,381	178,857	253,947
	(-49.6)	(-2.6)	(-12.8)	(-164.4)	(-24.2)	(258.3)	(295.3)	(583.8)	(999.3)
Net Domestic Assets	234,148	286,696	328,977	432,882	551,576	530,643	488,972	499,946	439,855
	(37.3)	(22.4)	(14.7)	(31.6)	(27.4)	(-11.5)	(-15.6)	(-10.3)	(-20.3)
Net Claims on Government ^{2/}	256,832	375,350	471,960	662,216	689,032	706,401	667,425	693,807	676,345
	(44.8)	(46.1)	(25.7)	(40.3)	(4.0)	(6.2)	(-8.7)	(-7.5)	(-1.8)
Claims	351,706	422,171	578,307	746,791	798,381	768,413	765,090	764,364	765,111
	(37.0)	(20.0)	(37.0)	(29.1)	(6.9)	(5.6)	(-4.6)	(-6.7)	(-4.2)
Securities	178,831	240,331	300,330	241,830	705,324	682,983	683,341	682,769	682,714
Credit Facilities	172,875	181,840	277,977	504,961	93,057	85,430	81,749	81,595	82,397
Deposits ^{3/}	94,874	46,821	106,347	84,575	109,349	62,012	97,665	70,557	88,766
	(19.5)	(-50.6)	(127.1)	(-20.5)	(29.3)	(-0.9)	(37.6)	(2.7)	(-18.8)
Net Claims on Banks	-1,338	361	-26,735	-18,594	77,814	164,724	168,617	169,270	179,436
Net Balancing Items ^{4/}	21	127	-116,248	-210,740	-215,270	-340,482	-347,070	-363,131	-415,926
Memorandum Items									
Reserve Money Velocity ^{5/ , 6/}	6.75	6.51	6.71	6.60	6.63	6.49	6.63	6.31	6.18

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 3470 billion instead of 3478 billion. Meanwhile GDP projections for FY17/18 are estimated to reach LE 4286.5 billion as per the Ministry of Finance Calculations.

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

	Feb-13	Feb-14	Feb-15	Feb-16	Feb-17	Nov-17	Dec-17	Jan-18	Feb-18 *
Total Deposits	1,128,608	1,341,979	1,615,696	1,934,458	2,714,576	3,273,298	3,329,323	3,394,462	3,446,413
	(12.9)	(18.9)	(20.4)	(19.7)	(40.3)	(20.6)	(20.6)	(20.0)	(27.0)
In local currency	849,475	1,022,583	1,272,084	1,568,815	1,961,008	2,482,910	2,531,879	2,579,571	2,635,209
In foreign currency	279,133	319,396	343,612	365,643	753,568	790,388	797,444	814,891	811,204
Non Government Deposits ^{2/}	1,000,543	1,171,575	1,373,303	1,631,375	2,259,368	2,747,814	2,813,132	2,865,116	2,902,906
	(14.0)	(17.1)	(17.2)	(18.8)	(38.5)	(22.7)	(23.1)	(22.4)	(28.5)
In local currency	777,687	942,806	1,125,335	1,351,554	1,669,448	2,068,775	2,126,682	2,165,782	2,205,921
In foreign currency	222,856	228,769	247,968	279,821	589,920	679,039	686,450	699,334	696,985
Government Deposits	128,065	170,404	242,393	303,083	455,208	525,484	516,191	529,346	543,507
	(5.1)	(33.1)	(42.2)	(25.04)	(50.19)	(10.7)	(8.5)	(8.5)	(19.4)
In local currency	71,788	79,777	146,749	217,261	291,560	414,135	405,197	413,789	429,288
In foreign currency	56,277	90,627	95,644	85,822	163,648	111,349	110,994	115,557	114,219
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	24.7	23.8	21.3	18.9	27.8	24.1	24.0	24.0	23.5
Dollarization in Non-Government Deposits	22.3	19.5	18.1	17.2	26.1	24.7	24.4	24.4	24.0
Dollarization in Government Deposits	43.9	53.2	39.5	28.3	36.0	21.2	21.5	21.8	21.0

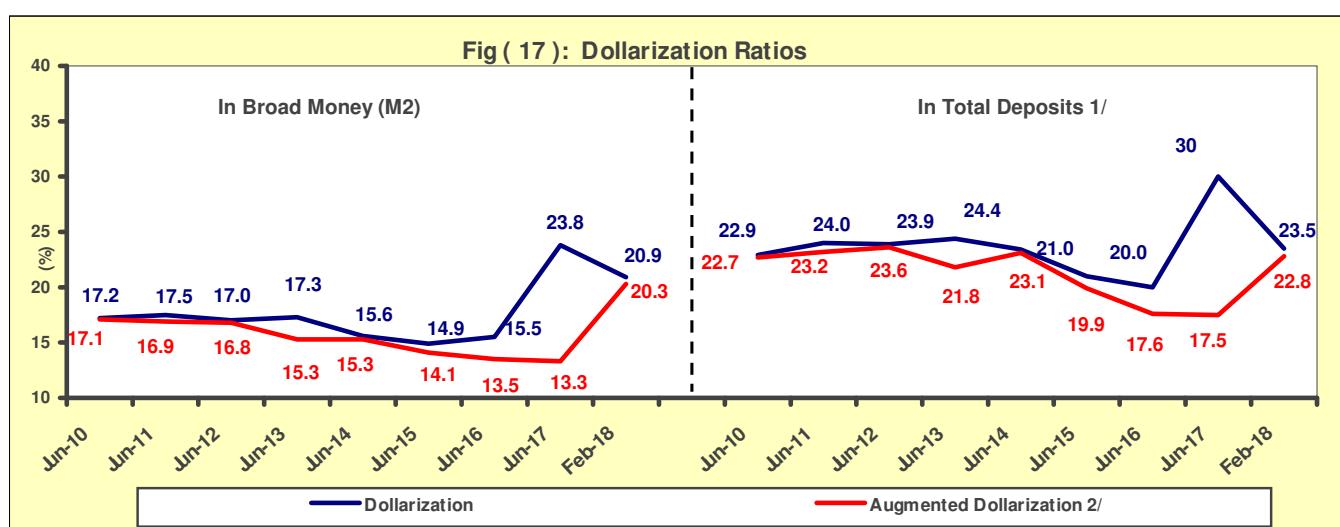
Source: Central bank of Egypt.

() 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-13	Feb-14	Feb-15	Feb-16	Feb-17	Nov-17	Dec-17	Jan-18	Feb-18*
Total lending	530,492	556,014	656,043	804,378	1,263,969	1,441,200	1,463,380	1,486,917	1,514,619
	(7.1)	(4.8)	(18.0)	(22.6)	(57.1)	(11.3)	(12.5)	(9.9)	(19.8)
To Government ^{2/}	34,559	39,874	51,979	102,289	270,611	357,941	373,831	385,522	400,087
	-(4.8)	(15.4)	(30.4)	(96.8)	(164.6)	(25.5)	(26.0)	(28.7)	(47.8)
In local currency	11,995	11,839	11,178	40,888	114,625	151,753	167,594	177,898	187,611
In foreign currency	22,564	28,035	40,801	61,401	155,986	206,188	206,237	207,624	212,476
To Non-Government	495,933	516,140	604,064	702,089	993,358	1,083,259	1,089,549	1,101,395	1,114,532
	(8.1)	(4.1)	(17.0)	(16.2)	(41.5)	(7.2)	(8.6)	(4.6)	(12.2)
In local currency	363,388	381,217	431,559	519,722	672,745	750,847	760,384	771,018	786,206
In foreign currency	132,545	134,923	172,505	182,367	320,613	332,412	329,165	330,377	328,326
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	85.2	85.0	83.1	77.5	67.4	64.5	63.9	63.6	63.2
Non Government Loans/ Deposits ^{4/}	49.6	44.1	44.0	43.0	44.0	39.4	38.7	38.4	38.4
Government Loans / Deposits	27.0	23.4	21.4	33.7	59.4	68.1	72.4	72.8	73.6
Foreign currency denominated credit to total credit	29.2	29.3	32.5	30.3	37.7	37.4	36.6	36.2	35.7
Government foreign currency denominated credit to total government credit	65.3	70.3	78.5	60.0	57.6	57.6	55.2	53.9	53.1
Non - government foreign currency denominated credit to total non-government credit	26.7	26.1	28.6	26.0	32.3	30.7	30.2	30.0	29.5

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-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
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	15.75	9.79	17.53	15.08	9.50
Monthly Average						
Mar-17	15.25	16.60	11.30	19.48	16.25	10.25
Apr-17	15.25	16.70	10.90	19.40	16.25	10.25
May-17	15.75	17.00	10.80	19.33	16.25	10.25
Jun-17	17.25	18.00	11.20	20.35	16.25	10.25
Jul-17	18.75	18.50	12.40	21.74	16.25	10.25
Aug-17	19.25	19.60	13.00	19.48	16.25	10.25
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

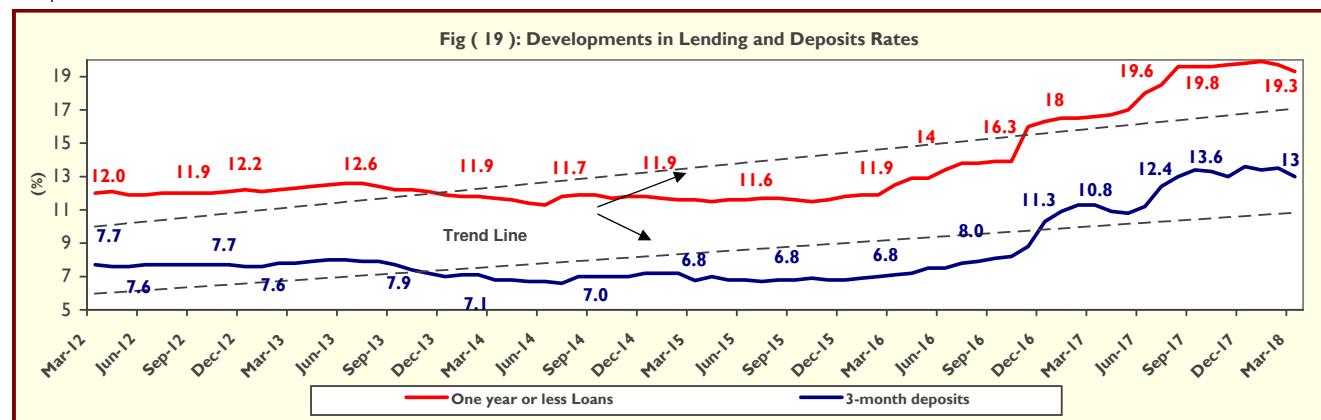
Source: Central Bank of Egypt.

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/}

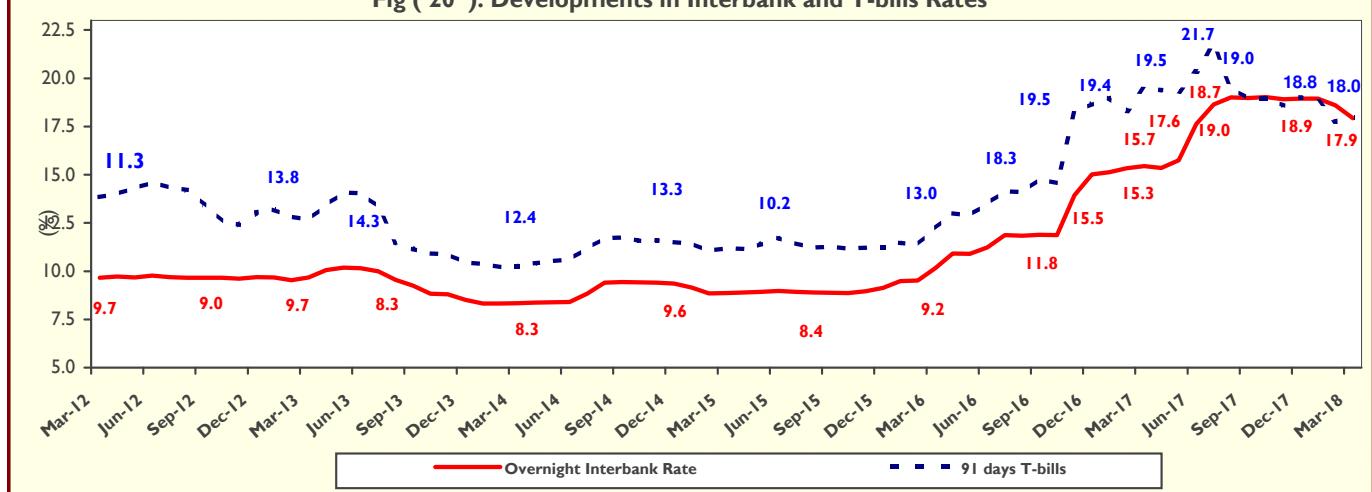
	Overnight	One Week	Month	More than One Month
<u>Yearly Average</u>				
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
2011	9.0	9.1	9.4	9.5
2012	9.4	9.8	10.1	10.2
2013	9.5	9.8	10.2	10.5
2014	8.8	9.1	--	--
2015	8.9	9.2	--	--
2016	11.5	11.6	--	12.6
<u>Monthly Average</u>				
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
Aug-17	19.01	19.42	19.97	--
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

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.