

Section 6

MONETARY SECTOR

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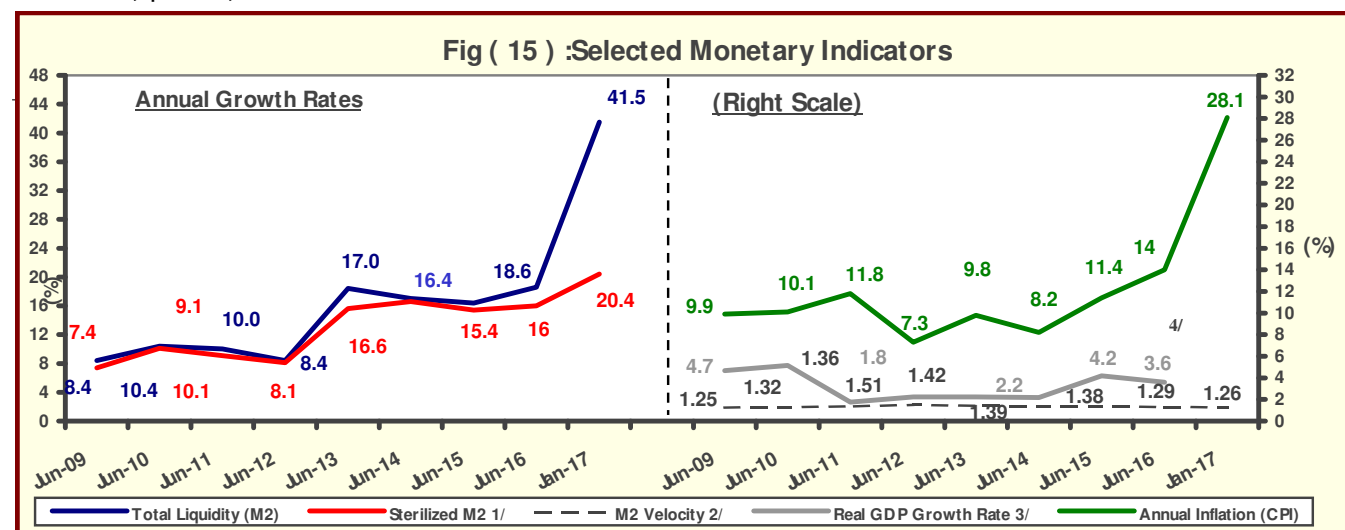
Table (24) : Developments in Main Monetary Aggregates
(January 2017)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	37.7	-0.6	-348.2	-671.6
CB E N FA	-54.1	-37.8	180.0	-539.7
CB E N IR	9.9	189.0	279.9	67.3
Banks N FA 2/	-26.2	37.2	-72.1	-1902.3
Net Foreign Assets (US dollar terms)	-38.4	-51.8	88.8	-253.8
CB E N FA	-54.6	-70.2	17.9	-416.5
CB E N IR	8.65	38.5	60.0	11.2
Banks N FA 2/	-27.1	-34.3	154.8	584.0
Net Domestic Assets	-0.7	21.7	45.8	31.5
Net Claims on Government and GASC	1.1	15.5	38.7	31.1
Claims on Public Companies	20.2	59.1	97.3	44.8
Claims on Private Sector	2.6	30.1	46.0	22.2
Total Liquidity (M2)	2.0	22.9	41.5	23.5
Money (M1)	-0.5	1.5	20.2	17.2
Quasi Money	2.8	31.2	49.4	25.9

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
(January 2017)

(LE Million)

	* Jan-12	Jan-13	Jan-14	Jan-15	Jan-16	Oct-16	Nov-16	Dec-16	Jan-17*
Net Foreign Assets 1/	179,716	138,054	122,631	75,402	(27,376)	(121,937)	(191,386)	(196,830)	(122,708)
	-(37.2)	-(23.2)	-(11.2)	-(38.5)	-(136.3)	-(1734.3)	-(1826.4)	-(1043.9)	-(348.2)
Central bank (Net)	86,205	41,831	39,137	34,721	(13,205)	(59,468)	(82,343)	(80,599)	(36,970)
Foreign Assets	96,580	85,199	115,684	111,969	124,133	163,318	381,711	468,932	505,884
Foreign Liabilities	10,375	43,368	76,547	77,248	137,338	222,786	464,054	549,531	542,854
Banks (Net)	93,511	96,223	83,494	40,681	(14,171)	(62,469)	(109,043)	(116,231)	(85,738)
Foreign Assets	122,600	127,486	117,271	91,180	74,287	79,387	174,862	168,557	203,718
Foreign Liabilities	29,089	31,263	33,777	50,499	88,458	141,856	283,905	284,788	289,456
Net Domestic Assets of which:	864,161	1,060,041	1,275,624	1,552,145	1,936,798	2,320,133	2,792,557	2,845,425	2,824,342
	(26.4)	(22.7)	(20.3)	(21.7)	(24.8)	(24.7)	(48.0)	(48.0)	(45.8)
Net Claims on Government, and GASC 2/	535,955	701,800	929,836	1,149,711	1,488,456	1,787,469	1,988,037	2,042,782	2,064,234
National Currency	601,645	748,946	918,829	1,128,600	1,432,653	1,618,108	1,531,307	1,579,649	1,579,598
Foreign Currency	(65,690)	(47,146)	11,007	21,111	55,803	169,361	456,730	463,133	484,636
Claims on Public Business Sector	38,830	44,494	43,352	58,979	77,412	95,954	124,218	127,011	152,701
National Currency	30,163	35,167	34,504	41,994	53,833	68,298	68,414	70,965	94,551
Foreign Currency	8,667	9,327	8,848	16,985	23,579	27,656	55,804	56,046	58,150
Claims on Private Sector 2/	435,446	474,222	499,948	568,816	655,793	736,252	931,078	933,665	957,577
National Currency	331,620	361,151	380,606	423,957	498,442	563,283	586,756	597,657	611,943
Foreign Currency	103,826	113,071	119,342	144,859	157,351	172,969	344,322	336,008	345,634
Other Items (net) 1/ 2/	(146,070)	(160,475)	(197,512)	(225,361)	(284,863)	(299,542)	(250,776)	(258,033)	(350,170)
Total Liquidity (M2)	1,043,877	1,198,095	1,398,255	1,627,547	1,909,422	2,198,196	2,601,171	2,648,595	2,701,634
	(7.6)	(14.8)	(16.7)	(16.4)	(17.3)	(17.7)	(38.6)	(39.0)	(41.5)
Money (M1) 3/	258,977	304,502	377,041	447,004	517,932	613,309	621,455	625,670	622,405
	(12.8)	(17.6)	(23.8)	(18.6)	(15.9)	(18.1)	(20.7)	(20.2)	(20.2)
Currency in Circulation	179,598	215,999	255,208	279,570	305,973	373,333	378,950	381,444	378,765
Demand Deposits in Local Currency	79,379	88,503	121,833	167,434	211,959	239,976	242,505	244,226	243,640
Quasi Money	784,900	893,593	1,021,214	1,180,543	1,391,490	1,584,887	1,979,716	2,022,925	2,079,229
	(6.0)	(13.8)	(14.3)	(15.6)	(17.9)	(17.5)	(45.4)	(46.1)	(49.4)
Local Currency Time & Savings Deposits	600,277	674,962	804,462	938,260	1,114,203	1,258,012	1,327,102	1,366,390	1,382,469
Foreign Currency Demand Deposits	43,051	53,928	54,195	64,700	68,656	74,815	145,903	136,410	150,385
Foreign Currency Time and Savings Deposits	141,572	164,703	162,557	177,583	208,631	252,060	506,711	520,125	546,375

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)

(January 2017)

	Jan-12	Jan-13	Jan-14	Jan-15	Jan-16	Oct-16	Nov-16	Dec-16	Jan-17 [*]
Net Foreign Assets (In Million US\$)^{4/}	29,840	21,091	17,629	10,387	(3,506)	(13,732)	(12,103)	(10,738)	(6,620)
Central bank NFA	14,314	6,391	5,626	4,783	(1,691)	(6,697)	(5,207)	(4,397)	(1,994)
Net International Reserves	31,563	27,717	28,632	21,028	14,084	11,357	17,243	19,242	22,665
Central Bank (Gross)	16,354	13,613	17,105	15,429	16,478	19,041	23,058	24,265	26,363
Banks (net)	15,527	14,700	12,003	5,604	(1,815)	(7,035)	(6,896)	(6,341)	(4,625)
Foreign assets	20,357	19,477	16,858	12,560	9,515	8,940	11,058	9,196	10,990
Foreign Liabilities	4,830	4,776	4,856	6,956	11,330	15,975	17,954	15,537	15,615
<i>In Percent of Beginning of Money Stocks^{5/}</i>									
Net Foreign Assets	-7.31%	-1.8%	0.0%	-2.89%	-4.47%	-9.8%	-13.8%	-14.1%	-9.9%
Net Domestic Assets	10.7%	11.3%	7.9%	10.2%	12.6%	34.3%	61.1%	64.1%	62.9%
Money (M1)	1.0%	2.7%	2.5%	2.4%	1.1%	6.5%	6.9%	7.2%	7.0%
Quasi Money	2.4%	6.7%	5.3%	4.9%	7.1%	18.0%	40.4%	42.8%	46.0%
Dollarization (% of Total Liquidity) ^{6/}	0.18	0.18	0.16	0.15	0.15	14.9	25.1	24.8	25.8
M2 Multiplier ^{7/}	4.01	4.49	4.17	4.37	4.56	4.33	5.03	5.31	5.19
M2 Velocity ^{8/}	1.60	1.55	1.52	1.50	1.42	1.55	1.31	1.29	1.26
M2 (annual percentage change)	7.65	14.77	16.71	16.40	17.32	17.7	38.6	39.0	41.5
Credit to private sector (annual percentage change) ^{9/}	0.05	0.1	0.1	0.14	0.2	15.3	45.0	43.4	46.0
Exchange Rate ^{10/}	6.02	6.55	6.96	7.26	7.81	8.88	15.81	18.33	18.54

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.

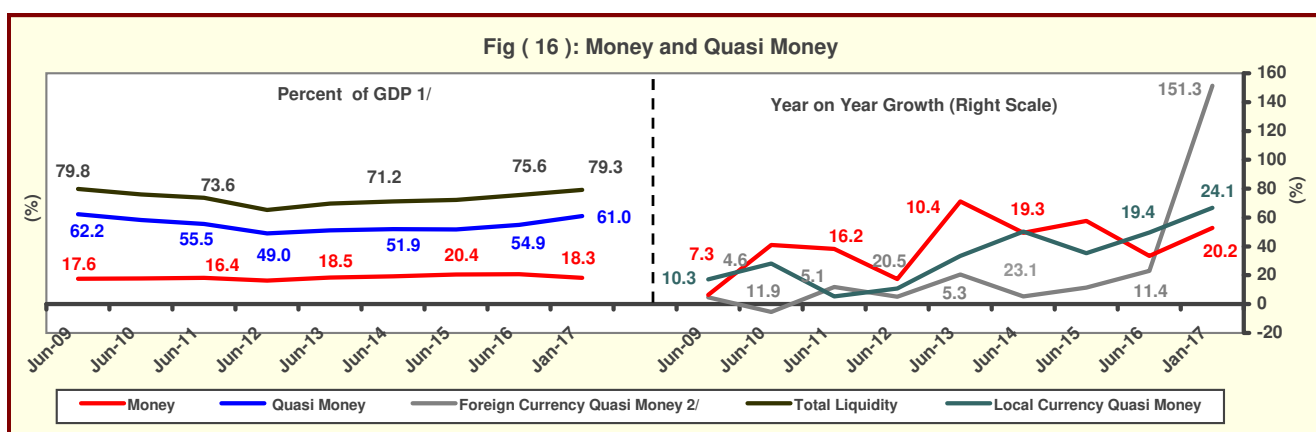
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity. It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

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.



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)

	Jan-12	Jan-13	Jan-14	Jan-15	Jan-16	Oct-16	Nov-16	Dec-16	Jan-17 [*]
Reserve Money	260,619	266,657	335,195	372,158	418,881	507,549	517,107	498,448	520,192
	(12.9)	(2.3)	(25.7)	(11.0)	(12.6)	(19.3)	(19.8)	(18.5)	(24.2)
Currency in Circulation	190,978	226,911	269,130	294,756	324,961	396,109	404,459	404,914	402,175
	(23.9)	(18.8)	(18.6)	(9.5)	(10.2)	(21.7)	(25.4)	(25.2)	(23.8)
Banks LE Deposits with CBE	69,641	39,746	66,065	77,402	93,920	111,440	112,648	93,534	118,017
	-(9.2)	-(42.9)	(66.2)	(17.2)	(21.3)	(11.6)	(3.2)	-(3.8)	(25.7)
Counter Assets:									
Net Foreign Assets	86,205	41,831	39,137	34,721	-13,205	-59,468	-82,343	-80,599	-36,970
	-(55.5)	-(51.5)	-(6.4)	-(11.3)	-(138.0)	-(1383.4)	-(787.9)	-(491.2)	-(180.0)
Net Domestic Assets	174,414	224,826	296,058	337,437	432,086	567,017	599,450	579,047	557,162
	(366.9)	(28.9)	(31.7)	(14.0)	(28.0)	(32.1)	(35.9)	(33.3)	(28.9)
Net Claims on Government ^{2/}	183,836	246,631	381,540	475,558	638,754	694,366	665,411	731,398	750,149
	(76.0)	(34.2)	(54.7)	(24.6)	(34.3)	(14.7)	(6.2)	(15.5)	(17.4)
Claims	263,563	338,326	423,964	573,648	722,063	753,387	727,973	802,366	818,877
	(43.5)	(28.4)	(25.3)	(35.3)	(25.9)	(9.7)	(3.0)	(12.8)	(13.4)
Securities	129,097	178,831	240,331	300,330	241,830	392,330	462,583	717,592	717,317
Credit Facilities	134,466	159,495	183,633	273,318	480,233	361,057	265,390	84,774	101,560
Deposits ^{3/}	79,727	91,695	42,424	98,090	83,309	59,021	62,562	70,968	68,728
	(0.7)	(15.0)	-(53.7)	(131.2)	-(15.1)	-(27.6)	-(22.2)	-(9.2)	-(17.5)
Net Claims on Banks	-1,918	-116	1,258	-21,852	-22,510	83,479	28,190	37,703	61,898
Net Balancing Items ^{4/}	-7,504	-21,689	-86,740	-116,269	-184,158	-210,828	-94,151	-190,054	-254,885
Memorandum Items									
Reserve Money Velocity ^{5/, 6/}	6.43	6.98	6.35	6.57	6.47	6.71	6.59	6.84	6.55

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)

	Jan-12	Jan-13	Jan-14	Jan-15	Jan-16	Oct-16	Nov-16	Dec-16	Jan-17 [*]
Total Deposits	992,356	1,113,974	1,325,049	1,593,582	1,923,515	2,224,158	2,714,391	2,761,073	2,828,286
	(5.0)	(12.3)	(18.9)	(20.3)	(20.7)	(18.8)	(44.3)	(44.2)	(47.0)
In local currency	753,886	833,269	1,012,747	1,251,328	1,554,778	1,790,367	1,856,117	1,900,422	1,927,552
In foreign currency	238,470	280,705	312,302	342,254	368,737	433,791	858,274	860,651	900,734
Non Government Deposits^{2/}	870,998	989,727	1,151,877	1,362,663	1,617,984	1,838,165	2,239,668	2,285,128	2,340,296
	(4.9)	(13.6)	(16.4)	(18.3)	(18.7)	(16.7)	(41.0)	(41.5)	(44.6)
In local currency	682,651	766,899	930,993	1,115,124	1,335,626	1,507,316	1,579,303	1,620,892	1,635,893
In foreign currency	188,347	222,828	220,884	247,539	282,358	330,849	660,365	664,236	704,403
Government Deposits	121,358	124,247	173,172	230,919	305,531	385,993	474,723	475,945	487,990
	(6.1)	(2.4)	(39.4)	(33.3)	(32.31)	(29.7)	(62.1)	(59.0)	(59.7)
In local currency	71,235	66,370	81,754	136,204	219,152	283,051	276,814	279,530	291,659
In foreign currency	50,123	57,877	91,418	94,715	86,379	102,942	197,909	196,415	196,331
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	24.0	25.2	23.6	21.5	19.2	19.5	31.6	31.2	31.8
Dollarization in Non-Government Deposits	21.6	22.5	19.2	18.2	17.5	18.0	29.5	29.1	30.1
Dollarization in Government Deposits	41.3	46.6	52.8	41.0	28.3	26.7	41.7	41.3	40.2

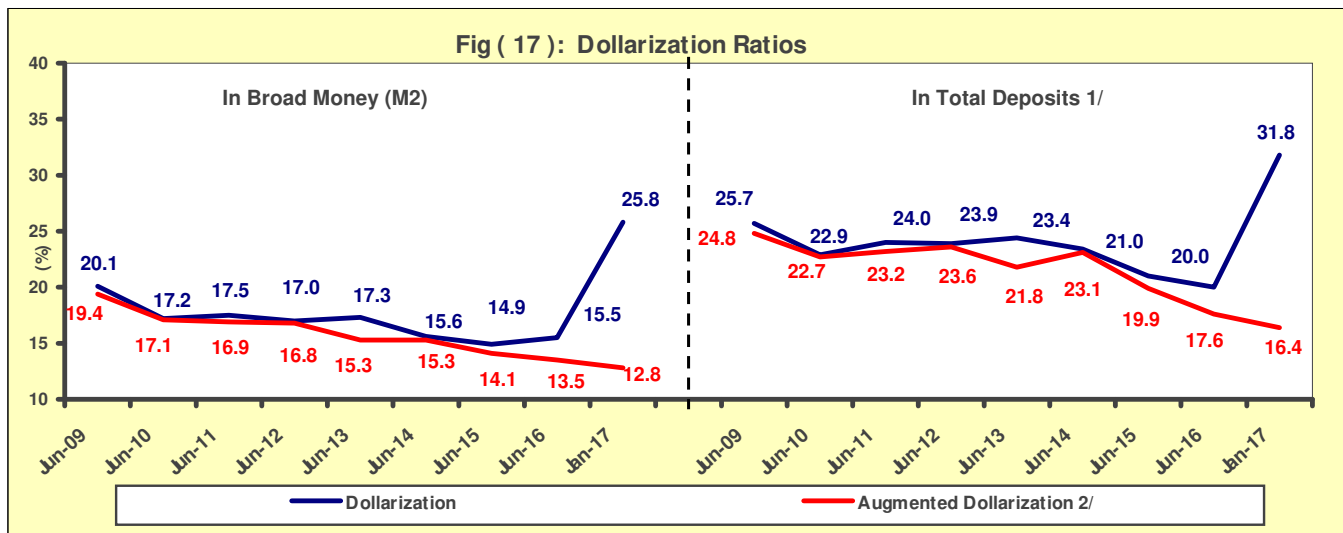
Source: Central bank of Egypt.

() 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)

	Jan-12	Jan-13	Jan-14	Jan-15	Jan-16	Oct-16	Nov-16	Dec-16	Jan-17 [*]
Total lending	492,290	528,012	552,457	646,253	797,666	981,167	1,295,407	1,300,243	1,352,605
	(5.8)	(7.3)	(4.6)	(17.0)	(23.4)	(25.4)	(65.1)	(64.3)	(69.6)
To Government^{2/}	36,880	36,281	40,613	49,655	101,171	189,436	285,116	296,606	299,571
	-(4.9)	-(1.6)	(11.9)	(22.3)	(103.7)	(84.9)	(183.0)	(194.5)	(196.1)
In local currency	16,120	12,280	12,075	11,341	40,400	102,229	106,540	116,274	114,211
In foreign currency	20,760	24,001	28,538	38,314	60,771	87,207	178,576	180,332	185,360
To Non-Government	455,410	491,731	511,844	596,598	696,495	791,731	1,010,291	1,003,637	1,053,034
	(6.8)	(8.0)	(4.1)	(16.6)	(16.7)	(16.4)	(47.7)	(45.3)	(51.2)
In local currency	331,549	360,891	378,815	428,281	514,945	592,010	615,132	617,015	654,892
In foreign currency	123,861	130,840	133,029	168,317	181,550	199,721	395,159	386,622	398,142
Memorandum Items (In Percent):									
Credit to private sector^{3/} / Total Credit	84.7	84.7	84.8	83.2	77.6	70.9	68.4	67.4	66.6
Non Government Loans/ Deposits^{4/}	52.3	49.7	44.4	43.8	43.0	43.1	45.1	43.9	45.0
Government Loans / Deposits	30.4	29.2	23.5	21.5	33.1	49.1	60.1	62.3	61.4
Foreign currency denominated credit to total credit	29.4	29.3	29.2	32.0	30.4	29.2	44.3	43.6	43.1
Government foreign currency denominated credit to total government credit	56.3	66.2	70.3	77.2	60.1	46.0	62.6	60.8	61.9
denominated credit to total non-government credit	27.2	26.6	26.0	28.2	26.1	25.2	39.1	38.5	37.8

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

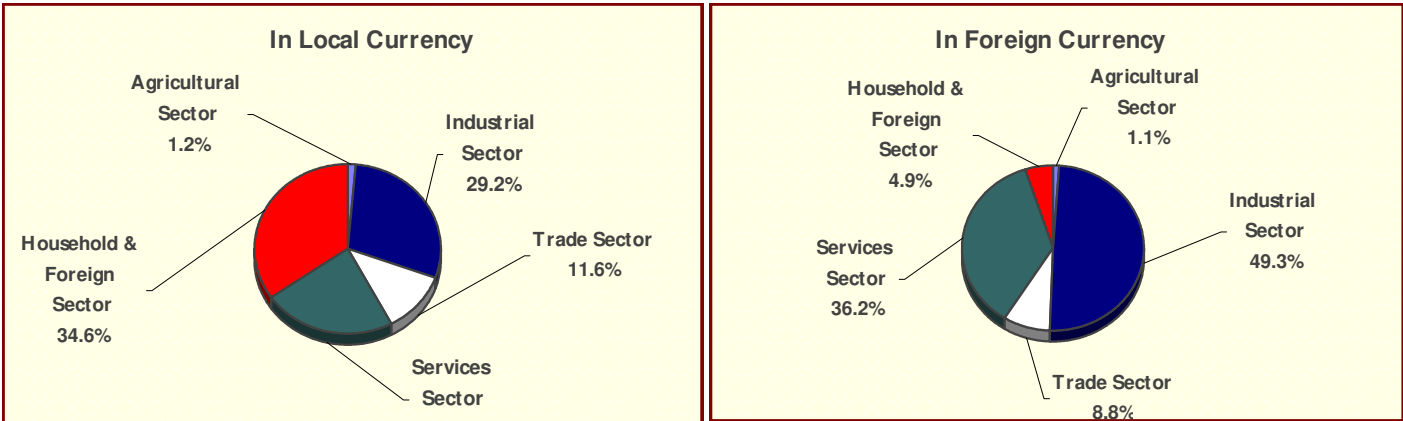
1/ Excludes credit provided by the Central Bank of Egypt.

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
January-2017



Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

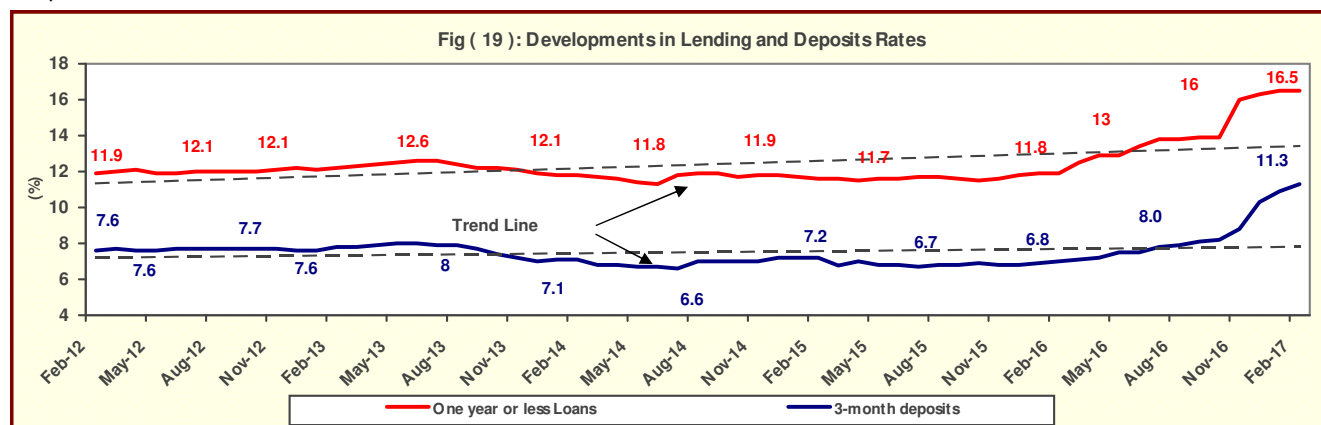
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/ 3/}	Post Office Saving Deposits ^{1/}
Yearly Average						
2005/2006	9.00	12.71	6.53	8.82	9.50	9.50
2006/2007	9.00	12.64	6.01	8.65	10.00	9.50
2007/2008	10.00	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						
Feb-16	9.75	11.90	7.00	11.38	12.75	8.00
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

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.

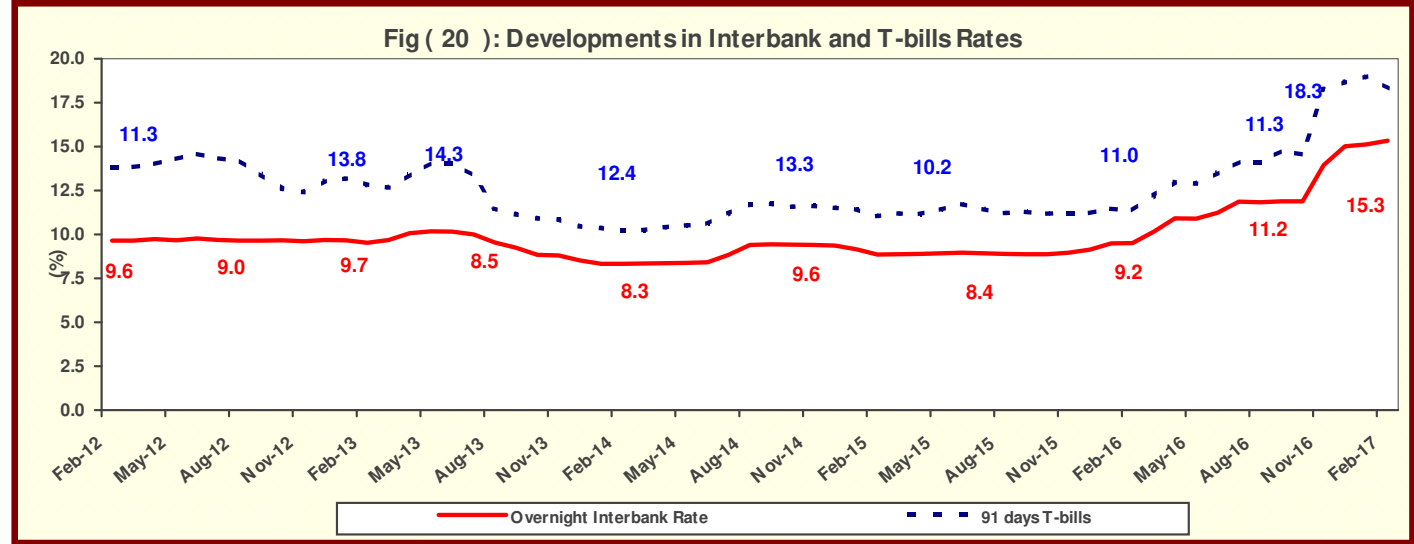
Table (30) : Average Interbank Rates ^{1/}

	Overnight	One W eek	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				
Feb-16	9.51	9.48	--	--
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

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.