

Section 6

MONETARY SECTOR

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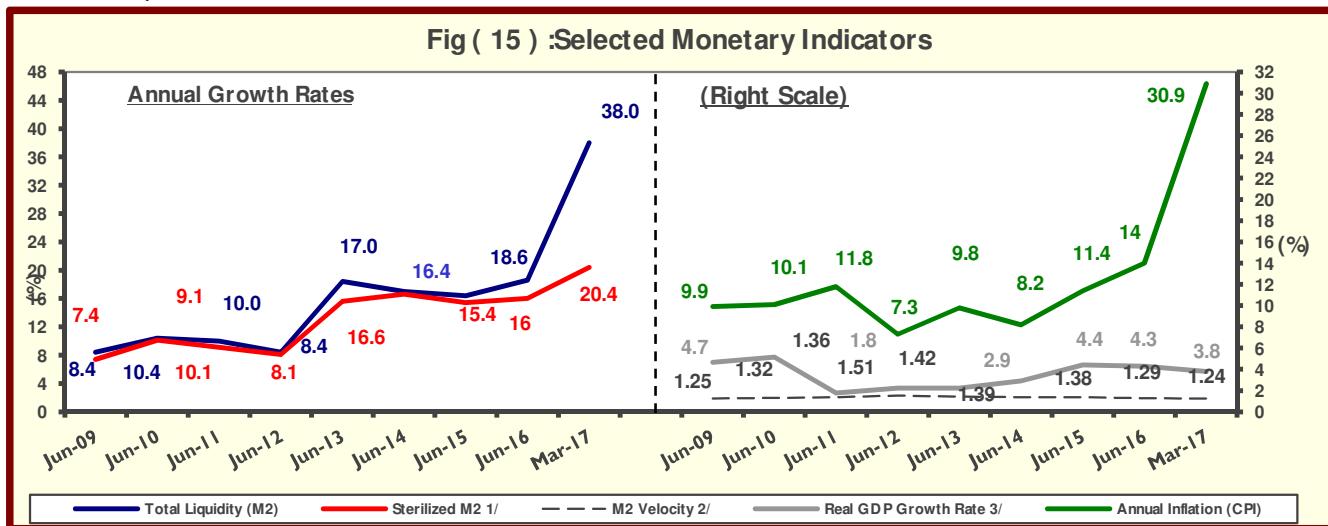
**Table (24) : Developments in Main Monetary Aggregates
(March 2017)**

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	46.8	77.0	28.8	-646.2
CBE NFA	-119.5	-106.8	-113.6	-500.4
CBE NIR	12.2	13.9	261.8	107.4
Banks NFA 2/	-10.6	-56.3	-46.6	-1896.2
Net Foreign Assets (US dollar terms)	-49.0	-76.3	-66.1	-231.5
CBE NFA	-118.7	-107.1	-106.5	-373.4
CBE NIR	7.47	17.6	72.2	21.0
Banks NFA 2/	-14.3	-54.9	4.4	-171.1
Net Domestic Assets	2.8	-2.0	36.0	33.3
Net Claims on Government and GASC	3.1	-2.4	27.2	30.6
Claims on Public Companies	5.8	18.0	80.4	52.8
Claims on Private Sector	5.4	2.8	39.9	26.2
Total Liquidity (M2)	4.4	3.6	38.0	26.7
Money (M1)	-0.5	0.9	19.1	17.9
Quasi Money	6.0	4.4	44.9	30.1

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
(March 2017)

	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Dec-16	Jan-17	Feb-17	Mar-17*
Net Foreign Assets 1/	172,180	129,346	124,283	66,547	(63,507)	(196,830)	(122,708)	(85,011)	(45,241)
	-(35.3)	-(24.9)	-(3.9)	-(46.5)	-(195.4)	-(1043.9)	-(348.2)	-(85.2)	(28.8)
Central bank (Net)	78,891	41,282	41,275	34,295	(40,362)	(80,599)	(36,970)	(28,239)	5,504
Foreign Assets	89,185	85,362	117,889	112,475	139,651	468,932	505,884	438,663	529,479
Foreign Liabilities	10,294	44,080	76,614	78,180	180,013	549,531	542,854	466,902	523,975
Banks (Net)	93,289	88,064	83,008	32,252	(23,145)	(116,231)	(85,738)	(56,772)	(50,745)
Foreign Assets	122,398	120,776	117,765	86,564	89,144	168,557	203,718	188,377	223,807
Foreign Liabilities	29,109	32,712	34,757	54,312	112,289	284,788	289,456	245,149	274,552
Net Domestic Assets of which:	882,816	1,107,592	1,314,138	1,615,678	2,051,346	2,845,425	2,824,342	2,712,204	2,789,059
	(22.3)	(25.5)	(18.6)	(22.9)	(27.0)	(48.0)	(45.8)	(37.8)	(36.0)
Net Claims on Government, and GASC 2/	553,186	751,663	959,979	1,210,480	1,567,643	2,042,782	2,064,234	1,933,727	1,993,479
National Currency	618,318	801,276	949,302	1,182,083	1,486,484	1,579,649	1,579,598	1,537,669	1,530,350
Foreign Currency	(65,132)	(49,613)	10,677	28,397	81,159	463,133	484,636	396,058	463,129
Claims on Public Business Sector	41,151	44,089	45,931	63,852	83,032	127,011	152,701	141,572	149,823
National Currency	32,330	34,864	36,272	42,489	55,087	70,965	94,551	94,018	95,187
Foreign Currency	8,821	9,225	9,659	21,363	27,945	56,046	58,150	47,554	54,636
Claims on Private Sector 2/	440,892	484,954	510,854	593,289	685,837	933,665	957,577	909,908	959,359
National Currency	337,319	367,329	388,289	432,986	517,296	597,657	611,943	630,155	645,058
Foreign Currency	103,573	117,625	122,565	160,303	168,541	336,008	345,634	279,753	314,301
Other Items (net) 1/ 2/	(152,413)	(173,114)	(202,626)	(251,943)	(285,166)	(258,033)	(350,170)	(273,003)	(313,602)
Total Liquidity (M2)	1,054,996	1,236,938	1,438,421	1,682,225	1,987,839	2,648,595	2,701,634	2,627,193	2,743,818
	(6.8)	(17.2)	(16.3)	(16.9)	(18.2)	(39.0)	(41.5)	(36.6)	(38.0)
Money (M1) 3/	260,681	326,547	388,665	459,136	529,845	625,670	622,405	633,993	631,016
	(8.2)	(25.3)	(19.0)	(18.1)	(15.4)	(20.2)	(20.2)	(21.3)	(19.1)
Currency in Circulation	180,637	221,364	255,886	278,439	312,214	381,444	378,765	384,140	385,107
Demand Deposits in Local Currency	80,044	105,183	132,779	180,697	217,631	244,226	243,640	249,853	245,909
Quasi Money	794,315	910,391	1,049,756	1,223,089	1,457,994	2,022,925	2,079,229	1,993,200	2,112,802
	(6.3)	(14.6)	(15.3)	(16.5)	(19.2)	(46.1)	(49.4)	(42.3)	(44.9)
Local Currency Time & Savings Deposits	610,225	690,557	824,430	966,336	1,143,494	1,366,390	1,382,469	1,409,602	1,439,140
Foreign Currency Demand Deposits	42,991	54,749	59,226	66,321	75,783	136,410	150,385	123,856	143,555
Foreign Currency Time and Savings Deposits	141,099	165,085	166,100	190,432	238,717	520,125	546,375	459,742	530,107

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)

(March 2017)

	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Dec-16	Jan-17	Feb-17	Mar-17
Net Foreign Assets (In Million US\$)^{4/}	28,590	19,102	17,865	8,754	(7,514)	(10,738)	(6,620)	(5,031)	(2,566)
Central bank NFA	13,100	6,097	5,933	4,511	(4,775)	(4,397)	(1,994)	(1,671)	312
Net International Reserves	30,300	25,612	28,878	19,037	13,784	19,242	22,665	22,601	27,156
Central Bank (Gross)	15,119	13,424	17,414	15,291	16,561	24,265	26,363	26,542	28,526
Banks (net)	15,491	13,006	11,932	4,242	(2,738)	(6,341)	(4,625)	(3,360)	(2,879)
Foreign assets	20,324	17,837	16,928	11,387	10,547	9,196	10,990	11,149	12,695
Foreign Liabilities	4,834	4,831	4,996	7,144	13,285	15,537	15,615	14,508	15,574
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	-8.06%	-2.6%	0.1%	-3.47%	-6.51%	-14.1%	-9.9%	-7.7%	-5.5%
Net Domestic Assets	12.6%	15.6%	10.9%	14.4%	19.1%	64.1%	62.9%	56.5%	60.9%
Money (M1)	1.2%	4.8%	3.4%	3.2%	1.7%	7.2%	7.0%	7.6%	7.5%
Quasi Money	3.3%	8.3%	7.5%	7.7%	10.9%	42.8%	46.0%	41.2%	47.9%
Dollarization (% of Total Liquidity)^{6/}	0.17	0.18	0.16	0.15	0.16	24.8	25.8	22.2	24.6
M2 Multiplier^{7/}	4.20	4.40	4.46	4.42	4.62	5.31	5.19	5.02	5.20
M2 Velocity^{8/}	1.59	1.50	1.48	1.45	1.36	1.23	1.20	1.30	1.24
M2 (annual percentage change)	6.77	17.25	16.29	16.95	18.17	39.0	41.5	36.6	38.0
Credit to private sector (annual percentage change)^{9/}	0.06	0.1	0.1	0.16	0.2	43.4	46.0	37.9	39.9
Exchange Rate^{10/}	6.02	6.77	6.96	7.60	8.45	18.33	18.54	16.90	17.63

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.

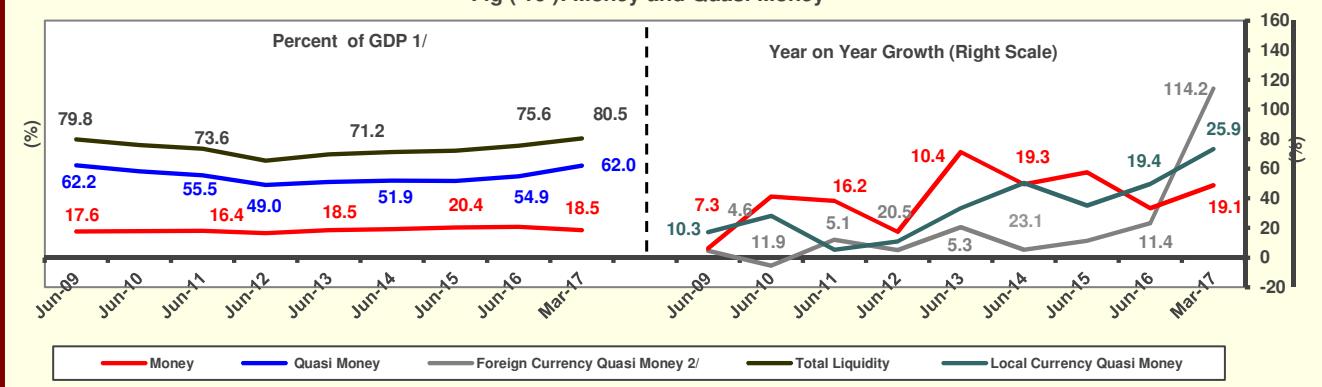
7/ M2 / Reserve Money.

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)

	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Dec-16	Jan-17	Feb-17	Mar-17 [*]
Reserve Money	251,302	280,996	322,714	380,392	430,378	498,448	520,192	523,337	527,751
	(7.0)	(11.8)	(14.8)	(17.9)	(13.1)	(18.5)	(24.2)	(27.6)	(22.6)
Currency in Circulation	190,951	233,733	270,621	294,825	330,831	404,914	402,175	408,773	410,514
	(8.7)	(22.4)	(15.8)	(8.9)	(12.2)	(25.2)	(23.8)	(26.2)	(24.1)
Banks LE Deposits with CBE	60,351	47,263	52,093	85,567	99,547	93,534	118,017	114,564	117,237
	(1.9)	-(21.7)	(10.2)	(64.3)	(16.3)	-(3.8)	(25.7)	(32.7)	(17.8)
Counter Assets:									
Net Foreign Assets	78,891	41,282	41,275	34,295	-40,362	-80,599	-36,970	-28,239	5,504
	-(52.9)	-(47.7)	(0.0)	-(16.9)	-(217.7)	-(491.2)	-(180.0)	-(24.2)	(113.6)
Net Domestic Assets	172,411	239,714	281,439	346,097	470,740	579,047	557,162	551,576	522,247
	(155.6)	(39.0)	(17.4)	(23.0)	(36.0)	(33.3)	(28.9)	(27.4)	(10.9)
Net Claims on Government ^{2/}	178,237	273,152	369,744	498,236	643,584	731,398	750,149	689,032	732,473
	(63.8)	(53.3)	(35.4)	(34.8)	(29.2)	(15.5)	(17.4)	(4.0)	(13.8)
Claims	257,827	370,307	414,472	603,924	729,477	802,366	818,877	798,381	811,742
	(36.0)	(43.6)	(11.9)	(45.7)	(20.8)	(12.8)	(13.4)	(6.9)	(11.3)
Securities	129,097	178,831	240,331	290,330	461,830	717,592	717,317	705,324	714,630
Credit Facilities	128,730	191,476	174,141	313,594	267,647	84,774	101,560	93,057	97,112
Deposits ^{3/}	79,590	97,155	44,728	105,688	85,893	70,968	68,728	109,349	79,269
	-(1.4)	(22.1)	-(54.0)	(136.3)	-(18.7)	-(9.2)	-(17.5)	(29.3)	-(7.7)
Net Claims on Banks	-1,607	-2,191	-547	-27,409	-3,853	37,703	61,898	77,814	73,769
Net Balancing Items ^{4/}	-4,219	-31,247	-87,758	-124,730	-168,991	-190,054	-254,885	-215,270	-283,995
Memorandum Items									
Reserve Money Velocity ^{5/}, ^{6/}	6.66	6.62	6.60	6.42	6.29	6.51	6.24	6.51	6.46

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/}

	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Dec-16	Jan-17	Feb-17	Mar-17*
Total Deposits	1,004,932	1,147,804	1,361,083	1,663,797	2,006,363	2,761,073	2,828,286	2,714,576	2,869,000
	(5.9)	(14.2)	(18.6)	(22.2)	(20.6)	(44.2)	(47.0)	(40.3)	(43.0)
In local currency	763,610	867,502	1,040,807	1,302,890	1,587,754	1,900,422	1,927,552	1,961,008	1,994,258
In foreign currency	241,322	280,302	320,276	360,907	418,609	860,651	900,734	753,568	874,742
Non Government Deposits ^{2/}	880,770	1,023,704	1,191,671	1,419,869	1,691,668	2,285,128	2,340,296	2,259,368	2,375,766
	(6.0)	(16.2)	(16.4)	(19.1)	(19.1)	(41.5)	(44.6)	(38.5)	(40.4)
In local currency	693,259	799,649	962,458	1,157,396	1,371,171	1,620,892	1,635,893	1,669,448	1,694,636
In foreign currency	187,511	224,055	229,213	262,473	320,497	664,236	704,403	589,920	681,130
Government Deposits	124,162	124,100	169,412	243,928	314,695	475,945	487,990	455,208	493,234
	(5.2)	(0.0)	(36.5)	(44.0)	(29.01)	(59.0)	(59.7)	(50.2)	(56.7)
In local currency	70,351	67,853	78,349	145,494	216,583	279,530	291,659	291,560	299,622
In foreign currency	53,811	56,247	91,063	98,434	98,112	196,415	196,331	163,648	193,612
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	24.0	24.4	23.5	21.7	20.9	31.2	31.8	27.8	30.5
Dollarization in Non-Government Deposits	21.3	21.9	19.2	18.5	18.9	29.1	30.1	26.1	28.7
Dollarization in Government Deposits	43.3	45.3	53.8	40.4	31.2	41.3	40.2	36.0	39.3

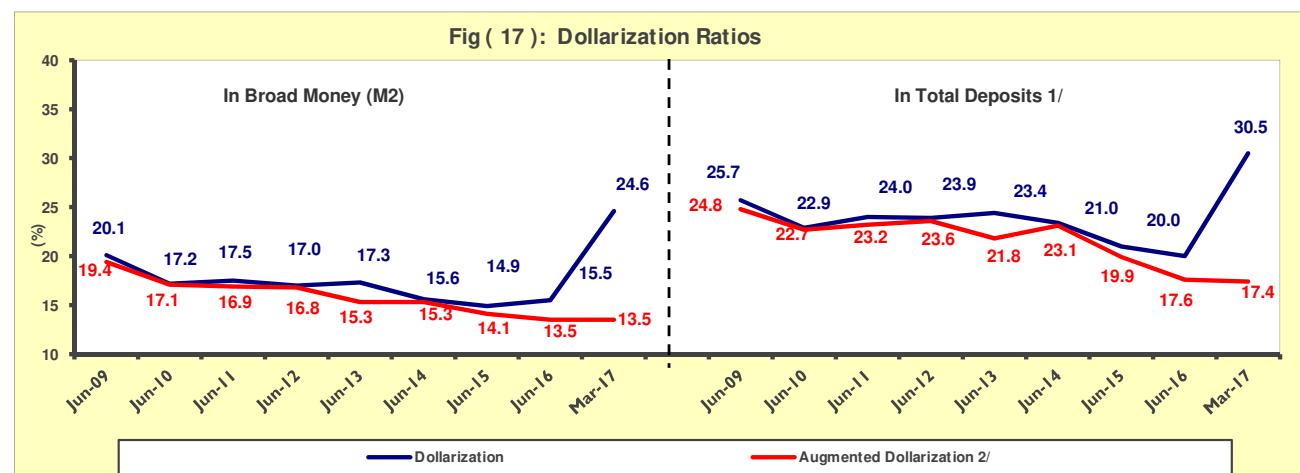
Source: Central bank of Egypt.

() 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)

	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Dec-16	Jan-17	Feb-17	* Mar-17
Total lending	495,878	536,748	563,133	679,321	852,323	1,300,243	1,352,605	1,263,969	1,343,624
	(5.5)	(8.2)	(4.9)	(20.6)	(25.5)	(64.3)	(69.6)	(57.1)	(57.6)
To Government^{2/}	34,320	34,819	38,623	56,126	121,303	296,606	299,571	270,611	294,645
	-(10.4)	(1.5)	(10.9)	(45.3)	(116.1)	(194.5)	(196.1)	(164.6)	(142.9)
In local currency	15,878	11,868	11,680	10,912	50,730	116,274	114,211	114,625	114,763
In foreign currency	18,442	22,951	26,943	45,214	70,573	180,332	185,360	155,986	179,882
To Non-Government	461,558	501,929	524,510	623,195	731,020	1,003,637	1,053,034	993,358	1,048,979
	(6.9)	(8.7)	(4.5)	(18.8)	(17.3)	(45.3)	(51.2)	(41.5)	(43.5)
In local currency	338,396	367,494	388,274	438,076	534,362	617,015	654,892	672,745	688,338
In foreign currency	123,162	134,435	136,236	185,119	196,658	386,622	398,142	320,613	360,641
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	84.8	85.3	85.0	82.4	76.1	67.4	66.6	67.4	66.9
Non Government Loans/ Deposits ^{4/}	52.4	49.0	44.0	43.9	43.2	43.9	45.0	44.0	44.2
Government Loans / Deposits	27.6	28.1	22.8	23.0	38.5	62.3	61.4	59.4	59.7
Foreign currency denominated credit to total credit	28.6	29.3	29.0	33.9	31.4	43.6	43.1	37.7	40.2
Government foreign currency denominated credit to total government credit	53.7	65.9	69.8	80.6	58.2	60.8	61.9	57.6	61.1
denominated credit to total non-government credit	26.7	26.8	26.0	29.7	26.9	38.5	37.8	32.3	34.4

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

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

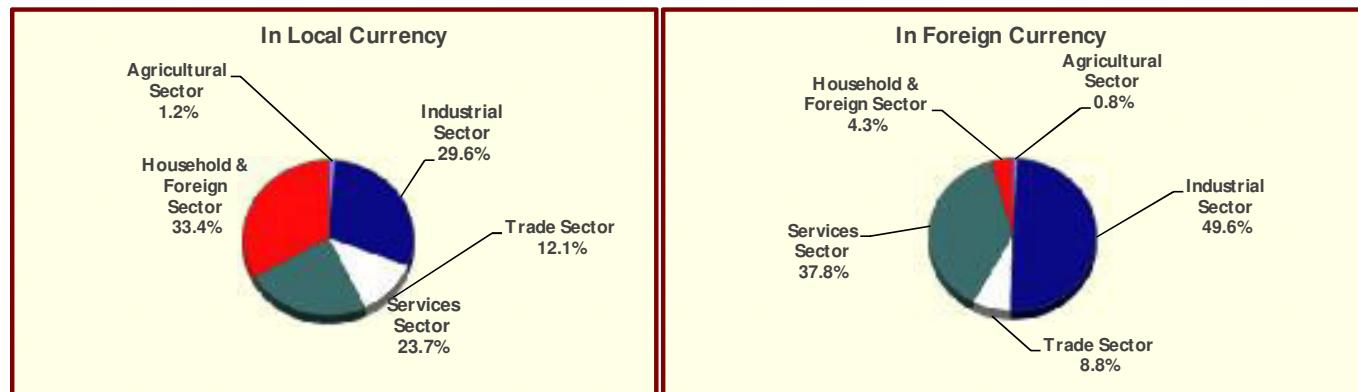
2/ Includes central government and economic authorities.

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

March-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						
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
Apr-17	15.25	15.75	10.90	19.40	16.25	10.25

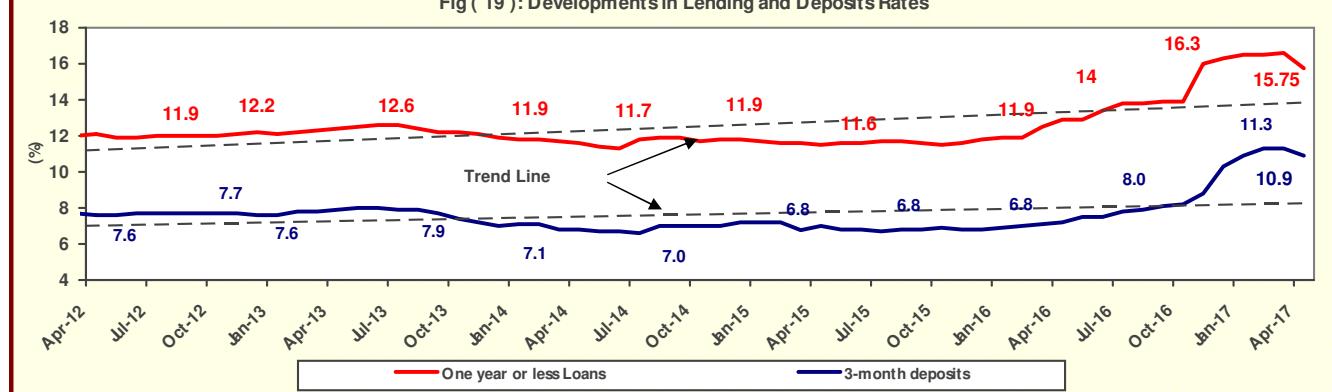
Source: Central Bank of Egypt.

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.

Fig (19) : Developments in Lending and Deposits Rates



Source: Central Bank of Egypt.

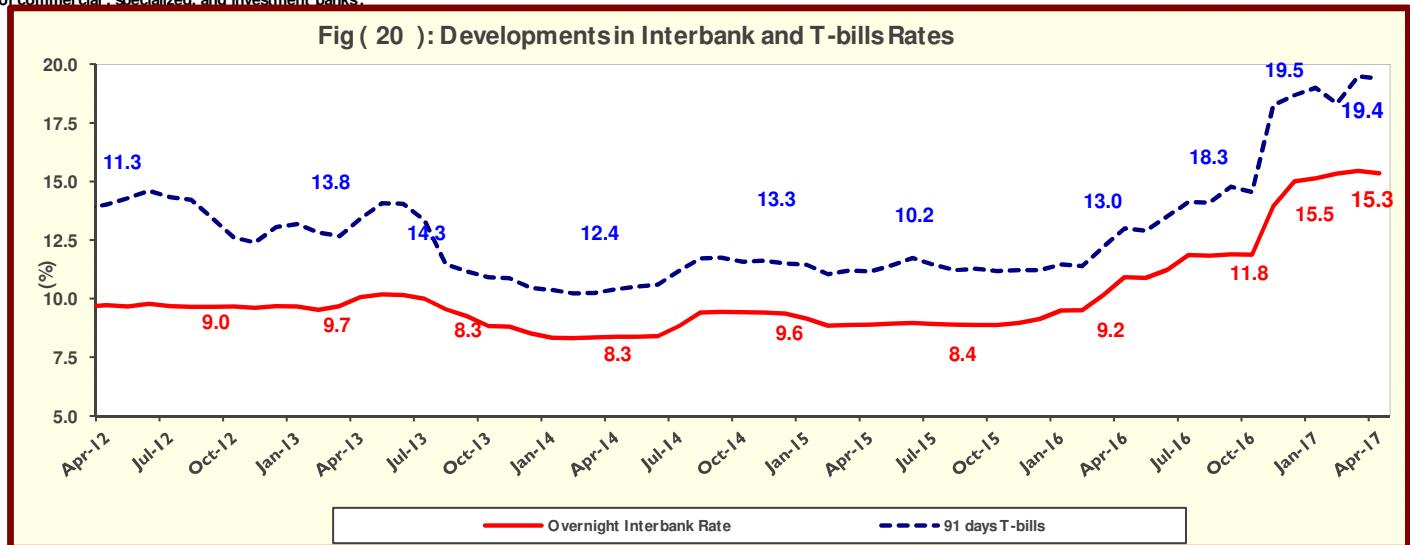
Table (30) : Average Interbank Rates ^{1/}

	Overnight	One Week	Month	More than One Month
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				
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
Apr-17	15.35	15.76	--	--

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.