

Section 6

MONETARY SECTOR

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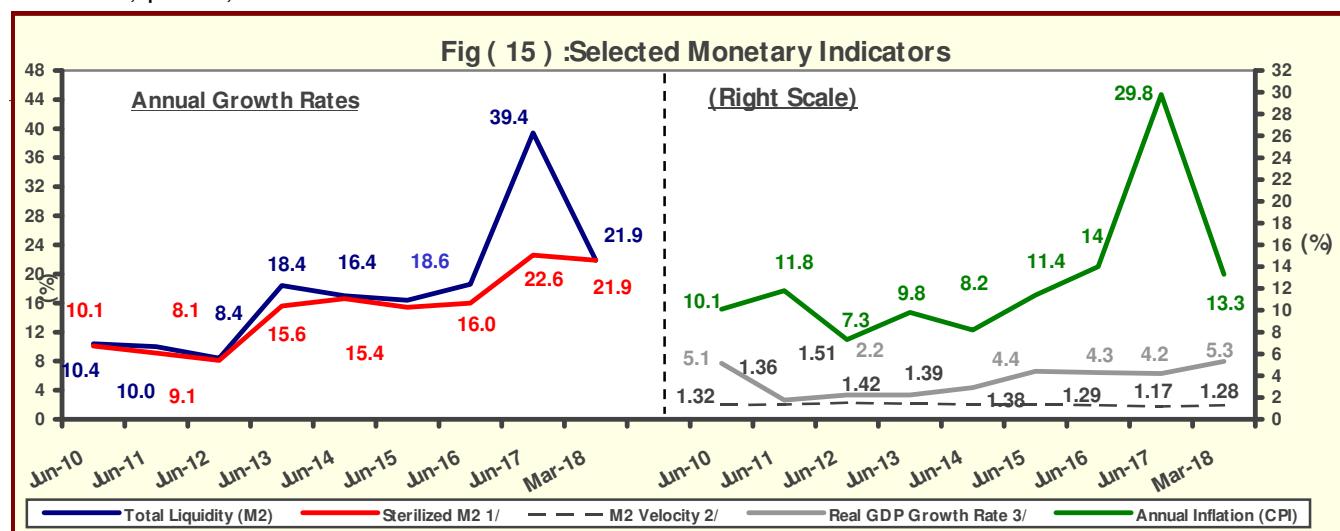
**Table (24) : Developments in Main Monetary Aggregates
(March 2018)**

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	4.6	53.1	824.8	288.2
CBE NFA	0.5	62.1	4534.8	683.5
CBE NIR	0.0	14.1	48.9	191.4
Banks NFA ^{2/}	22.0	28.3	13.9	192.4
Net Foreign Assets (US dollar terms)	4.8	54.5	-827.0	-255.8
CBE NFA	0.6	63.6	4548.7	648.3
CBE NIR	0.2	15.1	49.4	76.7
Banks NFA ^{2/}	22.3	29.5	-243.9	-163.6
Net Domestic Assets	1.2	0.9	8.1	19.3
Net Claims on Government and GASC	0.5	-2.0	4.6	12.1
Claims on Public Companies	2.4	4.7	8.4	42.2
Claims on Private Sector	1.1	3.2	7.4	24.5
Total Liquidity (M2)	1.5	4.4	21.9	32.1
Money (M1)	2.9	3.7	21.2	20.3
Quasi Money	1.1	4.6	22.0	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 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
(March 2018)

(LE Million)

	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Dec-17	Jan-18	Feb-18	Mar-18
Net Foreign Assets 1/	129,346	124,283	66,547	(63,507)	(45,241)	214,138	243,640	313,617	327,911
	(24.9)	-(3.9)	-(46.5)	-(195.4)	(28.8)	(208.8)	(298.6)	(468.9)	(824.8)
Central bank (Net)	41,282	41,275	34,295	(40,362)	5,504	157,381	178,857	253,947	255,098
Foreign Assets	85,362	117,889	112,475	139,651	529,479	642,960	656,895	732,181	732,495
Foreign Liabilities	44,080	76,614	78,180	180,013	523,975	485,579	478,038	478,234	477,397
Banks (Net)	88,064	83,008	32,252	(23,145)	(50,745)	56,757	64,783	59,670	72,813
Foreign Assets	120,776	117,765	86,564	89,144	223,807	344,781	355,844	349,236	348,369
Foreign Liabilities	32,712	34,757	54,312	112,289	274,552	288,024	291,061	289,566	275,556
Net Domestic Assets of which:	1,107,592	1,314,138	1,615,678	2,051,346	2,789,059	2,988,519	3,010,607	2,981,279	3,015,573
	(25.5)	(18.6)	(22.9)	(27.0)	(36.0)	(5.0)	(6.6)	(9.9)	(8.1)
Net Claims on Government, and GASC 2/	751,663	959,979	1,210,480	1,567,643	1,993,479	2,126,193	2,126,637	2,073,687	2,084,331
National Currency	801,276	949,302	1,182,083	1,486,484	1,530,350	1,603,706	1,572,077	1,527,442	1,569,105
Foreign Currency	(49,613)	10,677	28,397	81,159	463,129	522,487	554,560	546,245	515,226
Claims on Public Business Sector	44,089	45,931	63,852	83,032	149,823	155,166	155,660	158,528	162,402
National Currency	34,864	36,272	42,489	55,087	95,187	101,179	102,033	106,252	109,080
Foreign Currency	9,225	9,659	21,363	27,945	54,636	53,987	53,627	52,276	53,322
Claims on Private Sector 2/	484,954	510,854	593,289	685,837	959,359	998,000	1,008,512	1,018,594	1,030,278
National Currency	367,329	388,289	432,986	517,296	645,058	714,064	722,722	733,718	745,577
Foreign Currency	117,625	122,565	160,303	168,541	314,301	283,936	285,790	284,876	284,701
Other Items (net) 1/ 2/	(173,114)	(202,626)	(251,943)	(285,166)	(313,602)	(290,840)	(280,202)	(269,530)	(261,438)
Total Liquidity (M2)	1,236,938	1,438,421	1,682,225	1,987,839	2,743,818	3,202,657	3,254,247	3,294,896	3,343,484
	(17.2)	(16.3)	(16.9)	(18.2)	(38.0)	(20.9)	(20.5)	(25.4)	(21.9)
Money (M1) 3/	326,547	388,665	459,136	529,845	631,016	737,469	745,212	743,810	765,087
	(25.3)	(19.0)	(18.1)	(15.4)	(19.1)	(17.9)	(19.7)	(17.3)	(21.2)
Currency in Circulation	221,364	255,886	278,439	312,214	385,107	407,802	408,659	410,336	416,528
Demand Deposits in Local Currency	105,183	132,779	180,697	217,631	245,909	329,667	336,553	333,474	348,559
Quasi Money	910,391	1,049,756	1,223,089	1,457,994	2,112,802	2,465,188	2,509,035	2,551,086	2,578,397
	(14.6)	(15.3)	(16.5)	(19.2)	(44.9)	(21.9)	(20.7)	(28.0)	(22.0)
Local Currency Time & Savings Deposits	690,557	824,430	966,336	1,143,494	1,439,140	1,786,179	1,817,787	1,861,239	1,884,700
Foreign Currency Demand Deposits	54,749	59,226	66,321	75,783	143,555	135,790	143,530	140,571	144,790
Foreign Currency Time and Savings Deposits	165,085	166,100	190,432	238,717	530,107	543,219	547,718	549,276	548,907

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 2018)

	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Dec-17	Jan-18	Feb-18	Mar-18*
Net Foreign Assets (In Million US\$)^{4/}	19,102	17,865	8,754	(7,514)	(2,566)	12,072	13,813	17,809	18,656
Central bank NFA	6,097	5,933	4,511	(4,775)	312	8,873	10,140	14,421	14,514
Net International Reserves	25,612	28,878	19,037	13,784	27,156	39,447	40,916	44,966	45,818
Central Bank (Gross)	13,424	17,414	15,291	16,561	28,526	37,020	38,210	42,524	42,611
Banks (net)	13,006	11,932	4,242	(2,738)	(2,879)	3,200	3,673	3,388	4,143
Foreign assets	17,837	16,928	11,387	10,547	12,695	19,437	20,175	19,832	19,820
Foreign Liabilities	4,831	4,996	7,144	13,285	15,574	16,238	16,502	16,443	15,678
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	-2.58%	0.08%	-3.47%	-6.51%	-5.48%	9.2%	10.9%	14.8%	15.7%
Net Domestic Assets	15.61%	10.90%	14.39%	19.11%	60.89%	72.2%	73.4%	71.8%	73.7%
Money (M1)	4.75%	3.44%	3.20%	1.74%	7.47%	13.5%	13.9%	13.9%	15.1%
Quasi Money	8.3%	7.54%	7.72%	10.85%	47.94%	67.9%	70.4%	72.8%	74.3%
Dollarization (% of Total Liquidity)^{6/}	0.18	0.16	0.15	0.16	0.25	21.2	21.2	20.9	20.7
M2 Multiplier^{7/}	4.40	4.46	4.42	4.62	5.20	4.95	4.79	5.44	4.93
M2 Velocity^{8/}	1.50	1.48	1.45	1.36	1.26	1.34	1.32	1.30	1.28
M2 (annual percentage change)	17.25	16.29	16.95	18.17	38.03	20.9	20.5	25.4	21.9
Credit to private sector (annual percentage change)^{9/}	0.10	0.05	0.16	0.16	0.40	6.9	5.3	11.9	7.4
Exchange Rate^{10/}	6.77	6.96	7.60	8.45	17.63	17.74	17.64	17.61	17.58

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.

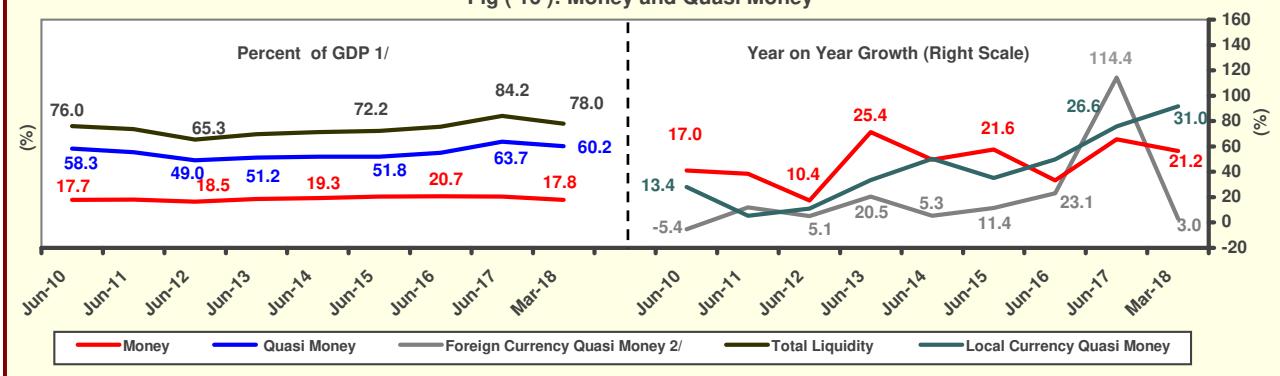
7/ M2 / Reserve Money.

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)

	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Dec-17	Jan-18	Feb-18	Mar-18*
Reserve Money	280,996	322,714	380,392	430,378	527,751	646,353	678,803	693,802	677,738
	(11.8)	(14.8)	(17.9)	(13.1)	(22.6)	(29.7)	(30.5)	(32.6)	(28.4)
Currency in Circulation	233,733	270,621	294,825	330,831	410,514	439,366	439,137	439,920	448,058
	(22.4)	(15.8)	(8.9)	(12.2)	(24.1)	(8.5)	(9.2)	(7.6)	(9.1)
Banks LE Deposits with CBE	47,263	52,093	85,567	99,547	117,237	206,987	239,666	253,882	229,680
	-(21.7)	(10.2)	(64.3)	(16.3)	(17.8)	(121.3)	(103.1)	(121.6)	(95.9)
Counter Assets:									
Net Foreign Assets	41,282	41,275	34,295	-40,362	5,504	157,381	178,857	253,947	255,098
	-(47.7)	(0.0)	-(16.9)	-(217.7)	(113.6)	(295.3)	(583.8)	(999.3)	(4534.8)
Net Domestic Assets	239,714	281,439	346,097	470,740	522,247	488,972	499,946	439,855	422,640
	(39.0)	(17.4)	(23.0)	(36.0)	(10.9)	-(15.6)	-(10.3)	-(20.3)	-(19.1)
Net Claims on Government ^{2/}	273,152	369,744	498,236	643,584	732,473	667,425	693,807	676,345	636,881
	(53.3)	(35.4)	(34.8)	(29.2)	(13.8)	-(8.7)	-(7.5)	-(1.8)	-(13.1)
Claims	370,307	414,472	603,924	729,477	811,742	765,090	764,364	765,111	769,254
	(43.6)	(11.9)	(45.7)	(20.8)	(11.3)	-(4.6)	-(6.7)	-(4.2)	-(5.2)
Securities	178,831	240,331	290,330	461,830	714,630	683,341	682,769	682,714	682,620
Credit Facilities	191,476	174,141	313,594	267,647	97,112	81,749	81,595	82,397	86,634
Deposits ^{3/}	97,155	44,728	105,688	85,893	79,269	97,665	70,557	88,766	132,373
	(22.1)	-(54.0)	(136.3)	-(18.7)	-(7.7)	(37.6)	(2.7)	-(18.8)	(67.0)
Net Claims on Banks	-2,191	-547	-27,409	-3,853	73,769	168,617	169,270	179,436	212,843
Net Balancing Items ^{4/}	-31,247	-87,758	-124,730	-168,991	-283,995	-347,070	-363,131	-415,926	-427,084
Memorandum Items									
Reserve Money Velocity ^{5/ 6/}	6.62	6.60	6.42	6.29	6.58	6.63	6.31	6.18	6.32

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 W ith Banks ^{1/}

	(LE Million)								
	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Dec-17	Jan-18	Feb-18	Mar-18*
Total Deposits	1,147,804	1,361,083	1,663,797	2,006,363	2,869,000	3,329,323	3,394,462	3,446,413	3,484,955
	(14.2)	(18.6)	(22.2)	(20.6)	(43.0)	(20.6)	(20.0)	(27.0)	(21.5)
In local currency	867,502	1,040,807	1,302,890	1,587,754	1,994,258	2,531,879	2,579,571	2,635,209	2,668,126
In foreign currency	280,302	320,276	360,907	418,609	874,742	797,444	814,891	811,204	816,829
Non Government Deposits ^{2/}	1,023,704	1,191,671	1,419,869	1,691,668	2,375,766	2,813,132	2,865,116	2,902,906	2,945,810
	(16.2)	(16.4)	(19.1)	(19.1)	(40.4)	(23.1)	(22.4)	(28.5)	(24.0)
In local currency	799,649	962,458	1,157,396	1,371,171	1,694,636	2,126,682	2,165,782	2,205,921	2,244,807
In foreign currency	224,055	229,213	262,473	320,497	681,130	686,450	699,334	696,985	701,003
Government Deposits	124,100	169,412	243,928	314,695	493,234	516,191	529,346	543,507	539,145
	(0.0)	(36.5)	(44.0)	(29.01)	(56.73)	(8.5)	(8.5)	(19.4)	(9.3)
In local currency	67,853	78,349	145,494	216,583	299,622	405,197	413,789	429,288	423,319
In foreign currency	56,247	91,063	98,434	98,112	193,612	110,994	115,557	114,219	115,826
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	24.4	23.5	21.7	20.9	30.5	24.0	24.0	23.5	23.4
Dollarization in Non-Government Deposits	21.9	19.2	18.5	18.9	28.7	24.4	24.4	24.0	23.8
Dollarization in Government Deposits	45.3	53.8	40.4	31.2	39.3	21.5	21.8	21.0	21.5

Source: Central bank of Egypt.

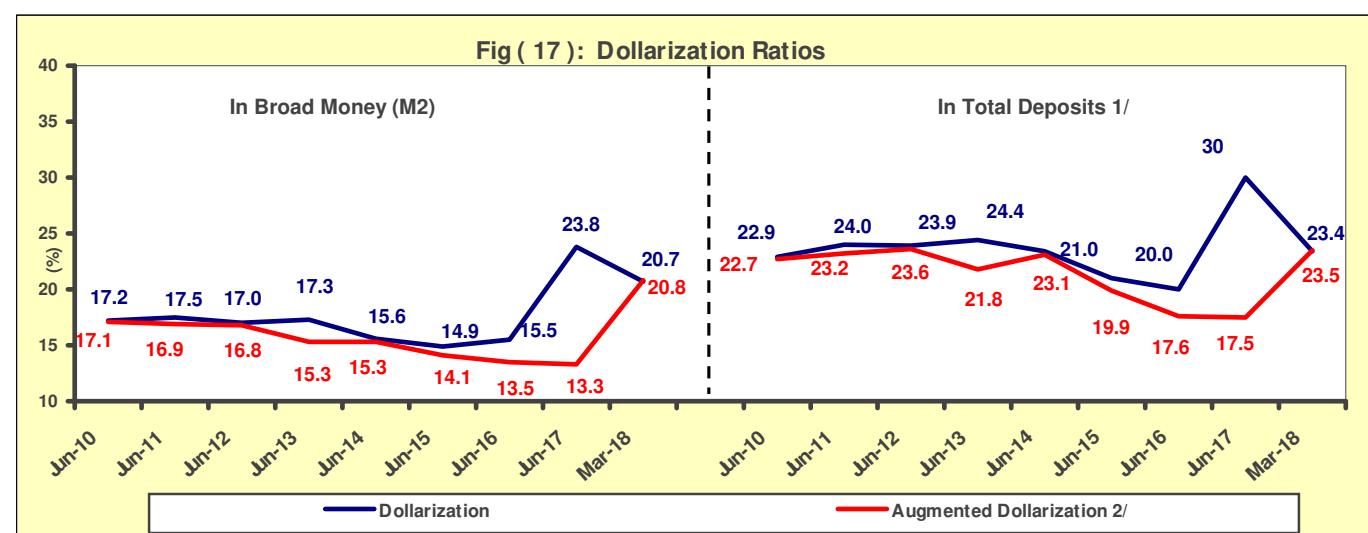
() Percent change over same period in previous year.

* 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)

	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Dec-17	Jan-18	Feb-18	Mar-18 *
Total lending	536,748	563,133	679,321	852,323	1,343,624	1,463,380	1,486,917	1,514,619	1,549,610
	(8.2)	(4.9)	(20.6)	(25.5)	(57.6)	(12.5)	(9.9)	(19.8)	(15.3)
To Government ^{2/}	34,819	38,623	56,126	121,303	294,645	373,831	385,522	400,087	420,532
	(1.5)	(10.9)	(45.3)	(116.1)	(142.9)	(26.0)	(28.7)	(47.8)	(42.7)
In local currency	11,868	11,680	10,912	50,730	114,763	167,594	177,898	187,611	202,175
In foreign currency	22,951	26,943	45,214	70,573	179,882	206,237	207,624	212,476	218,357
To Non-Government	501,929	524,510	623,195	731,020	1,048,979	1,089,549	1,101,395	1,114,532	1,129,078
	(8.7)	(4.5)	(18.8)	(17.3)	(43.5)	(8.6)	(4.6)	(12.2)	(7.6)
In local currency	367,494	388,274	438,076	534,362	688,338	760,384	771,018	786,206	799,962
In foreign currency	134,435	136,236	185,119	196,658	360,641	329,165	330,377	328,326	329,116
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	85.3	85.0	82.4	76.1	66.9	63.9	63.6	63.2	62.4
Non Government Loans/ Deposits ^{4/}	49.0	44.0	43.9	43.2	44.2	38.7	38.4	38.4	38.3
Government Loans / Deposits	28.1	22.8	23.0	38.5	59.7	72.4	72.8	73.6	78.0
Foreign currency denominated credit to total credit	29.3	29.0	33.9	31.4	40.2	36.6	36.2	35.7	35.3
Government foreign currency denominated credit to total government credit	65.9	69.8	80.6	58.2	61.1	55.2	53.9	53.1	51.9
Non - government foreign currency denominated credit to total non-government credit	26.8	26.0	29.7	26.9	34.4	30.2	30.0	29.5	29.1

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-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						
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
Apr-18	17.25	18.20	12.40	17.71	15.00	10.25

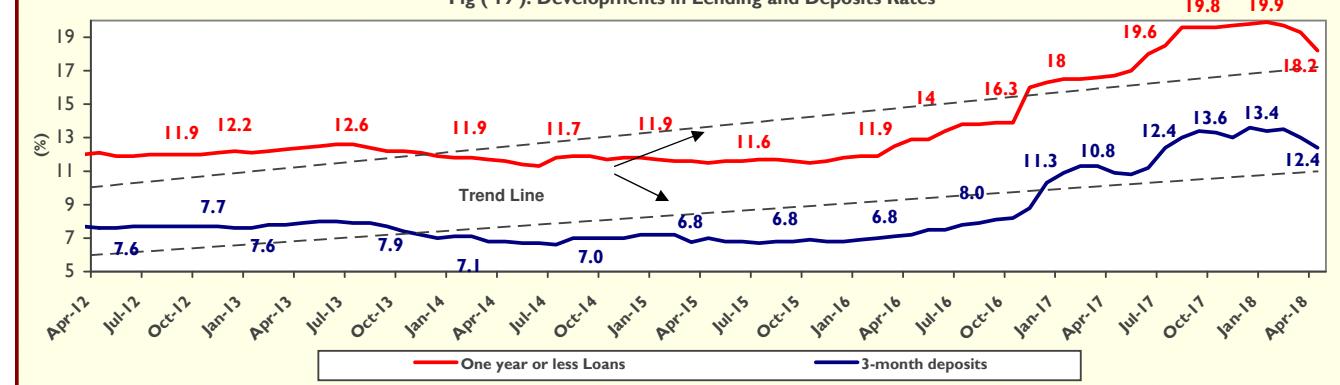
Source: Central Bank of Egypt.

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/}

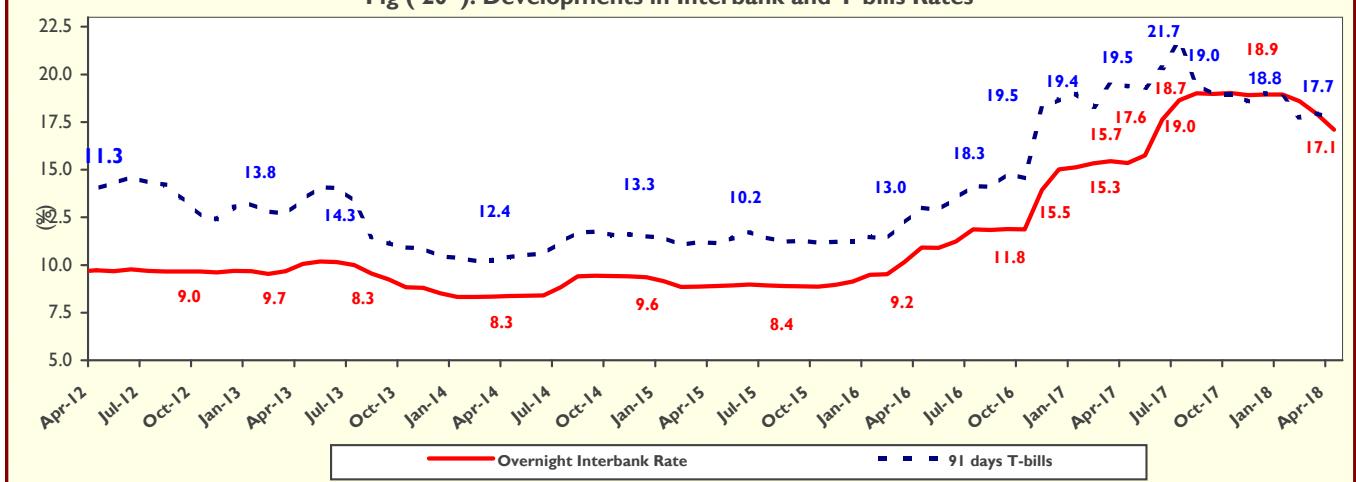
	Overnight	One Week	Month	More than One Month
Yearly Average				
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
2011	9.0	9.1	9.4	9.5
2012	9.4	9.8	10.1	10.2
2013	9.5	9.8	10.2	10.5
2014	8.8	9.1	--	--
2015	8.9	9.2	--	--
2016	11.5	11.6	--	12.6
Monthly Average				
Apr-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
Apr-18	17.10	17.23	17.20	--

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.