

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

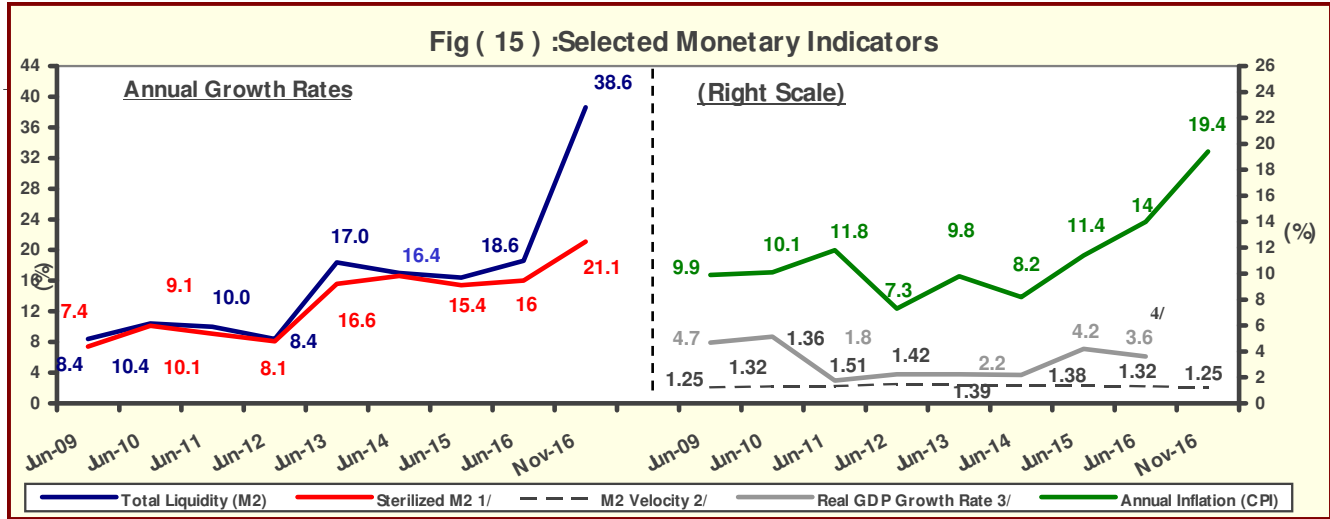
**Table (24) : Developments in Main Monetary Aggregates
(October 2016)**

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-57.0	-70.6	-1826.4	-577.0
CBE NFA	38.5	24.2	787.9	-507.1
CBE NIR	115.6	147.9	181.8	26.1
Banks NFA 2/	74.6	137.6	26.5	-1617.7
Net Foreign Assets (US dollar terms)	-11.9	-4.2	859.9	-314.5
CBE NFA	-22.2	-30.3	342.4	-425.2
CBE NIR	21.10	39.2	40.4	3.4
Banks NFA 2/	-2.0	33.4	8120.1	444.1
Net Domestic Assets	20.4	23.4	48.0	27.9
Net Claims on Government and GASC	11.2	13.6	37.7	29.8
Claims on Public Companies	29.5	32.1	63.2	36.5
Claims on Private Sector	26.5	29.2	45.0	17.5
Total Liquidity (M2)	18.3	20.9	38.6	19.8
Money (M1)	1.3	4.6	20.7	16.5
Quasi Money	24.9	27.1	45.4	21.0

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.

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
(October 2016)**

(LE Million)

	Nov-11	Nov-12	Nov-13	Nov-14	Nov-15	Aug-16	Sep-16	Oct-16	Nov-16 [*]
Net Foreign Assets 1/	207,061	147,052	116,459	102,305	(9,935)	(112,206)	(111,831)	(121,937)	(191,386)
	-(32.1)	-(29.0)	-(20.8)	-(12.2)	-(109.7)	-(474.3)	-(1164.9)	-(1734.3)	-(1826.4)
Central bank (Net)	108,397	64,088	40,218	36,382	(9,274)	(66,308)	(57,186)	(59,468)	(82,343)
Foreign Assets	118,955	89,481	119,189	110,821	123,739	141,330	167,856	163,318	381,711
Foreign Liabilities	10,558	25,393	78,971	74,439	133,013	207,638	225,042	222,786	464,054
Banks (Net)	98,664	82,964	76,241	65,923	(661)	(45,898)	(54,645)	(62,469)	(109,043)
Foreign Assets	130,767	111,628	110,794	102,593	80,754	83,461	83,360	79,387	174,862
Foreign Liabilities	32,103	28,664	34,553	36,670	81,415	129,359	138,005	141,856	283,905
Net Domestic Assets of which:	824,635	1,000,445	1,243,675	1,470,645	1,886,763	2,263,854	2,294,979	2,320,133	2,792,557
	(25.3)	(21.3)	(24.3)	(18.2)	(28.3)	(26.5)	(24.7)	(24.7)	(48.0)
Net Claims on Government, and GASC 2/	508,614	652,702	896,153	1,090,777	1,443,503	1,749,664	1,760,809	1,787,469	1,988,037
National Currency	588,807	701,549	891,617	1,076,371	1,381,034	1,590,647	1,596,413	1,618,108	1,531,307
Foreign Currency	(80,193)	(48,847)	4,536	14,406	62,469	159,017	164,396	169,361	456,730
Claims on Public Business Sector	37,438	44,011	43,911	55,776	76,095	94,023	95,074	95,954	124,218
National Currency	28,783	35,563	35,232	42,238	53,322	66,356	67,199	68,298	68,414
Foreign Currency	8,655	8,448	8,679	13,538	22,773	27,667	27,875	27,656	55,804
Claims on Private Sector 2/	431,574	461,884	498,609	552,048	642,119	720,653	728,959	736,252	931,078
National Currency	327,043	356,655	378,114	418,303	482,236	547,486	555,183	563,283	586,756
Foreign Currency	104,531	105,229	120,495	133,745	159,883	173,167	173,776	172,969	344,322
Other Items (net) 1/ 2/	(152,991)	(158,152)	(194,998)	(227,956)	(274,954)	(300,486)	(289,863)	(299,542)	(250,776)
Total Liquidity (M2)	1,031,696	1,147,497	1,360,134	1,572,950	1,876,828	2,151,648	2,183,148	2,198,196	2,601,171
	(7.1)	(11.2)	(18.5)	(15.6)	(19.3)	(18.3)	(18.0)	(17.7)	(38.6)
Money (M1) 3/	258,379	287,886	369,561	434,117	515,069	594,095	607,158	613,309	621,455
	(14.9)	(11.4)	(28.4)	(17.5)	(18.6)	(17.2)	(16.5)	(18.1)	(20.7)
Currency in Circulation	178,162	202,783	254,057	275,224	303,779	362,916	370,130	373,333	378,950
Demand Deposits in Local Currency	80,217	85,103	115,504	158,893	211,290	231,179	237,028	239,976	242,505
Quasi Money	773,317	859,611	990,573	1,138,833	1,361,759	1,557,553	1,575,990	1,584,887	1,979,716
	(4.7)	(11.2)	(15.2)	(15.0)	(19.6)	(18.7)	(18.6)	(17.5)	(45.4)
Local Currency Time & Savings Deposits	594,227	666,137	778,722	903,002	1,086,608	1,229,595	1,249,648	1,258,012	1,327,102
Foreign Currency Demand Deposits	44,005	46,516	51,725	63,356	69,302	75,181	74,591	74,815	145,903
Foreign Currency Time and Savings Deposits	135,085	146,958	160,126	172,475	205,849	252,777	251,751	252,060	506,711

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)

(October 2016)

	Nov-11	Nov-12	Nov-13	Nov-14	Nov-15	Aug-16	Sep-16	Oct-16	Nov-16 [*]
Net Foreign Assets (In Million US\$) ^{4/}	34,675	24,147	16,917	14,318	(1,261)	(12,636)	(12,594)	(13,732)	(12,103)
Central bank NFA	18,152	10,524	5,842	5,092	(1,177)	(7,467)	(6,440)	(6,697)	(5,207)
Net International Reserves	36,443	28,317	28,388	24,736	15,620	10,747	12,749	11,357	17,243
Central Bank (Gross)	20,150	15,036	17,766	15,882	16,423	16,564	19,592	19,041	23,058
Banks (net)	16,523	13,623	11,075	9,226	(84)	(5,169)	(6,154)	(7,035)	(6,896)
Foreign assets	21,899	18,330	16,094	14,358	10,249	9,399	9,387	8,940	11,058
Foreign Liabilities	5,376	4,707	5,019	5,132	10,333	14,567	15,541	15,975	17,954
<i>In Percent of Beginning of Money Stocks ^{5/}</i>									
Net Foreign Assets	-4.60%	-1.0%	-0.5%	-1.11%	-3.48%	-9.3%	-9.3%	-9.8%	-13.8%
Net Domestic Assets	6.8%	5.8%	5.5%	4.8%	9.8%	31.1%	32.9%	34.3%	61.1%
Money (M1)	1.0%	1.2%	2.0%	1.6%	0.9%	5.4%	6.1%	6.5%	6.9%
Quasi Money	1.2%	3.6%	3.0%	2.2%	5.4%	16.5%	17.5%	18.0%	40.4%
Dollarization (% of Total Liquidity) ^{6/}	0.17	0.17	0.16	0.15	0.15	15.2	14.9	14.9	25.1
M2 Multiplier ^{7/}	3.99	4.34	4.02	4.33	4.35	4.32	4.30	4.33	5.03
M2 Velocity ^{8/}	1.62	1.62	1.57	1.55	1.44	1.51	1.49	1.48	1.25
M2 (annual percentage change)	7.11	11.22	18.53	15.65	19.32	18.3	18.0	17.7	38.6
Credit to private sector (annual percentage change) ^{9/}	0.01	0.1	0.1	0.11	0.2	14.5	15.6	15.3	45.0
Exchange Rate ^{10/}	5.97	6.09	6.88	7.15	7.88	8.88	8.88	8.88	15.81

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.

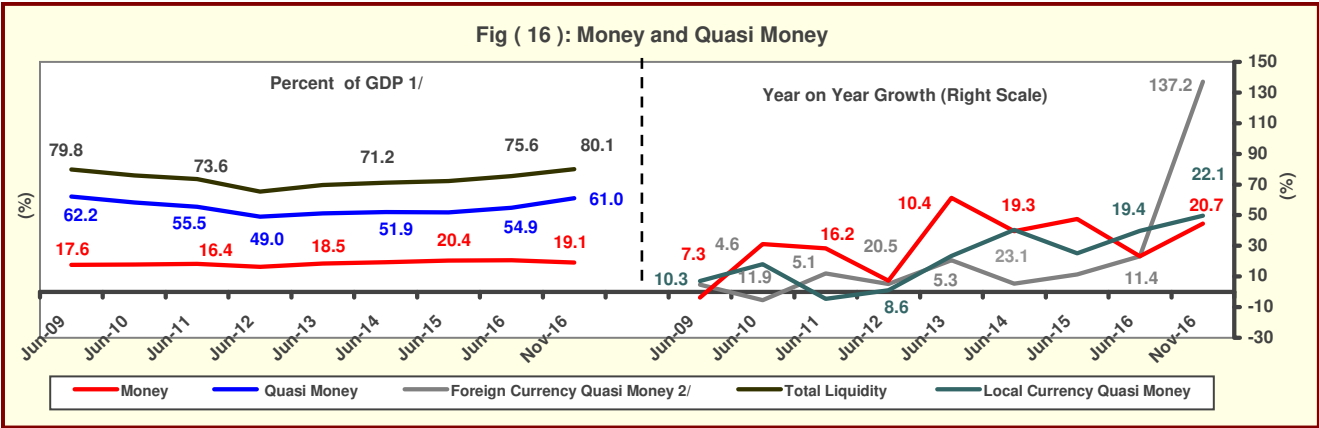
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity. It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

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.

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.



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.

2/ Foreign currency demand, and time and savings deposits.

Table (26) : Central Bank Reserve Money ^{1/}

(LE Million)

	Nov-11	Nov-12	Nov-13	Nov-14	Nov-15	Aug-16	Sep-16	Oct-16	Nov-16 [*]
Reserve Money	258,471	264,302	337,980	363,202	431,665	498,438	508,167	507,549	517,107
	(16.5)	(2.3)	(27.9)	(7.5)	(18.8)	(24.6)	(19.7)	(19.3)	(19.8)
Currency in Circulation	190,352	213,228	266,787	291,458	322,474	386,462	393,701	396,109	404,459
	(22.3)	(12.0)	(25.1)	(9.2)	(10.6)	(20.4)	(19.2)	(21.7)	(25.4)
Banks LE Deposits with CBE	68,119	51,074	71,193	71,744	109,191	111,976	114,466	111,440	112,648
	(2.8)	-(25.0)	(39.4)	(0.8)	(52.2)	(41.7)	(21.6)	(11.6)	(3.2)
Counter Assets:									
Net Foreign Assets	108,397	64,088	40,218	36,382	-9,274	-66,308	-57,186	-59,468	-82,343
	-(44.2)	-(40.9)	-(37.2)	-(9.5)	-(125.5)	-(730.1)	-(1172.8)	-(1383.4)	-(787.9)
Net Domestic Assets	150,074	200,214	297,762	326,820	440,939	564,746	565,353	567,017	599,450
	(443.5)	(33.4)	(48.7)	(9.8)	(34.9)	(45.0)	(31.8)	(32.1)	(35.9)
Net Claims on Government ^{2/}	158,019	202,521	364,399	438,165	626,452	652,097	668,145	694,366	665,411
	(55.0)	(28.2)	(79.9)	(20.2)	(43.0)	(9.7)	(12.0)	(14.7)	(6.2)
Claims	237,998	283,829	402,897	541,314	706,909	719,070	726,698	753,387	727,973
	(33.6)	(19.3)	(42.0)	(34.4)	(30.6)	(5.8)	(6.8)	(9.7)	(3.0)
Securities	129,097	178,831	240,331	300,330	241,830	390,830	390,830	392,330	462,583
Credit Facilities	108,901	104,998	162,566	240,984	465,079	328,240	335,868	361,057	265,390
Deposits ^{3/}	79,979	81,308	38,498	103,149	80,457	66,973	58,553	59,021	62,562
	(5.0)	(1.7)	-(52.7)	(167.9)	-(22.0)	-(21.7)	-(30.1)	-(27.6)	-(22.2)
Net Claims on Banks	-2,048	-1,655	-7,390	-14,130	-177	90,189	87,607	83,479	28,190
Net Balancing Items ^{4/}	-5,897	-652	-59,247	-97,215	-185,336	-177,540	-190,399	-210,828	-94,151
Memorandum Items									
Reserve Money Velocity ^{5/, 6/}	6.48	7.04	6.30	6.73	6.27	6.51	6.39	6.40	6.28

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.

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

(LE Million)

	Nov-11	Nov-12	Nov-13	Nov-14	Nov-15	Aug-16	Sep-16	Oct-16	Nov-16 [*]
Total Deposits	979,956	1,069,321	1,262,220	1,523,333	1,880,860	2,172,930	2,202,055	2,224,158	2,714,391
	(4.6)	(9.1)	(18.0)	(20.7)	(23.5)	(20.1)	(19.5)	(18.8)	(44.3)
In local currency	747,536	817,736	972,910	1,190,198	1,516,287	1,742,001	1,769,597	1,790,367	1,856,117
In foreign currency	232,420	251,585	289,310	333,135	364,573	430,929	432,458	433,791	858,274
Non Government Deposits^{2/}	860,341	952,239	1,115,028	1,308,395	1,587,950	1,803,002	1,826,862	1,838,165	2,239,668
	(4.3)	(10.7)	(17.1)	(17.3)	(21.4)	(17.6)	(17.5)	(16.7)	(41.0)
In local currency	677,728	754,583	899,261	1,068,900	1,307,614	1,471,014	1,496,393	1,507,316	1,579,303
In foreign currency	182,613	197,656	215,767	239,495	280,336	331,988	330,469	330,849	660,365
Government Deposits	119,615	117,082	147,192	214,938	292,910	369,928	375,193	385,993	474,723
	(6.2)	-(2.1)	(25.7)	(46.0)	(36.28)	(34.2)	(29.8)	(29.7)	(62.1)
In local currency	69,808	63,153	73,649	121,298	208,673	270,987	273,204	283,051	276,814
In foreign currency	49,807	53,929	73,543	93,640	84,237	98,941	101,989	102,942	197,909
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	23.7	23.5	22.9	21.9	19.4	19.8	19.6	19.5	31.6
Dollarization in Non-Government Deposits	21.2	20.8	19.4	18.3	17.7	18.4	18.1	18.0	29.5
Dollarization in Government Deposits	41.6	46.1	50.0	43.6	28.8	26.7	27.2	26.7	41.7

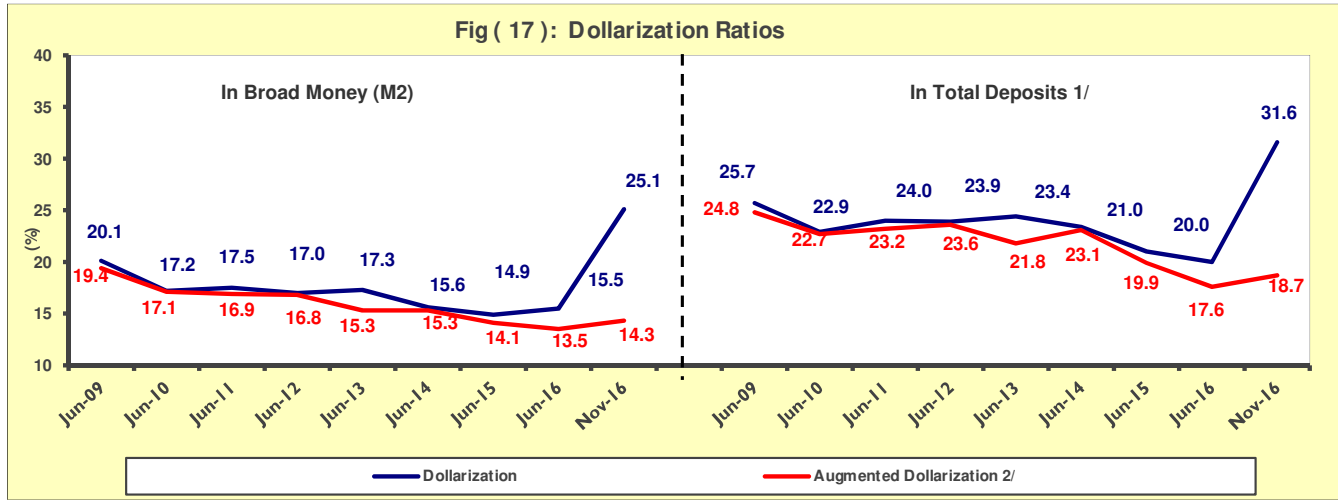
Source: Central bank of Egypt.

() 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)

	Nov-11	Nov-12	Nov-13	Nov-14	Nov-15	Aug-16	Sep-16	Oct-16	Nov-16 [*]
Total lending	486,314	511,598	550,210	618,293	784,836	956,638	970,153	981,167	1,295,407
	(2.5)	(5.2)	(7.5)	(12.4)	(26.9)	(29.8)	(25.7)	(25.4)	(65.1)
To Government^{2/}	36,841	31,760	37,237	44,925	100,749	181,962	186,318	189,436	285,116
	-(4.4)	-(13.8)	(17.2)	(20.6)	(124.3)	(160.9)	(85.7)	(84.9)	(183.0)
In local currency	17,089	12,306	10,396	11,618	40,687	102,189	102,472	102,229	106,540
In foreign currency	19,752	19,454	26,841	33,307	60,062	79,773	83,846	87,207	178,576
To Non-Government	449,473	479,838	512,973	573,368	684,087	774,676	783,835	791,731	1,010,291
	(3.1)	(6.8)	(6.9)	(11.8)	(19.3)	(16.1)	(16.8)	(16.4)	(47.7)
In local currency	324,758	357,892	378,608	423,500	499,480	574,206	582,990	592,010	615,132
In foreign currency	124,715	121,946	134,365	149,868	184,607	200,470	200,845	199,721	395,159
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	84.8	85.2	85.3	83.8	77.5	71.2	71.0	70.9	68.4
Non Government Loans/ Deposits ^{4/}	52.2	50.4	46.0	43.8	43.1	43.0	42.9	43.1	45.1
Government Loans / Deposits	30.8	27.1	25.3	20.9	34.4	49.2	49.7	49.1	60.1
Foreign currency denominated credit to total credit	29.7	27.6	29.3	29.6	31.2	29.3	29.3	29.2	44.3
Government foreign currency denominated credit to total government credit	53.6	61.3	72.1	74.1	59.6	43.8	45.0	46.0	62.6
Non - government foreign currency denominated credit to total non-government credit	27.7	25.4	26.2	26.1	27.0	25.9	25.6	25.2	39.1

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

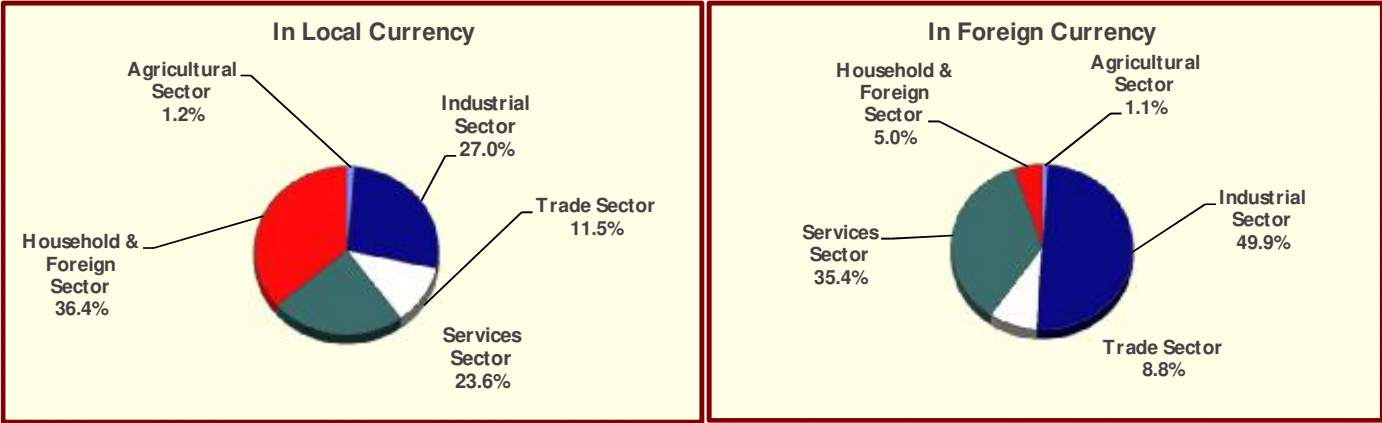
1/ Excludes credit provided by the Central Bank of Egypt.

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
November-2016



Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

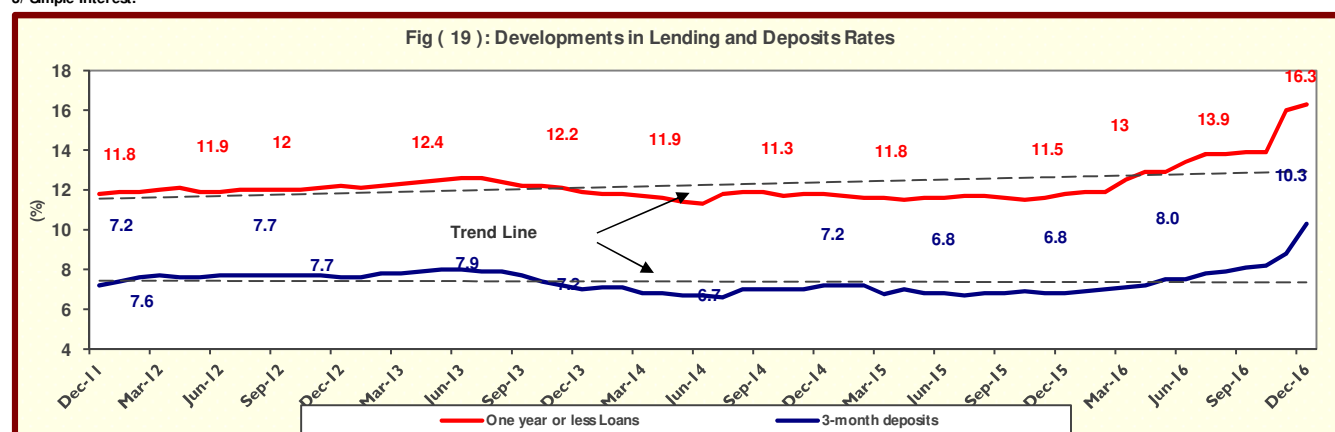
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/ 3/}	Post Office Saving Deposits ^{1/}
Yearly Average						
2005/2006	9.00	12.71	6.53	8.82	9.50	9.50
2006/2007	9.00	12.64	6.01	8.65	10.00	9.50
2007/2008	10.00	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						
Dec-15	9.75	11.80	6.80	11.22	12.75	8.00
Jan-16	9.75	11.90	6.90	11.47	12.75	8.00
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

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.

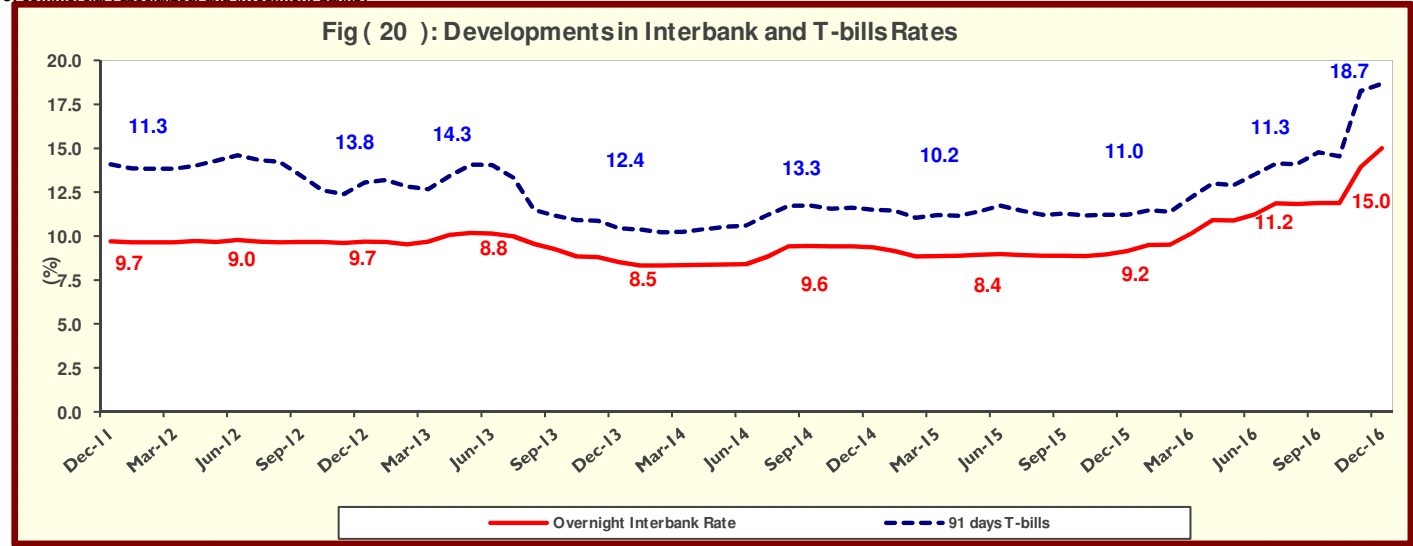
Table (30) : Average Interbank Rates^{1/}

	Overnight	One Week	Month	More than One Month
Yearly Average				
2005	9.5	10.1	10.4	10.7
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	--	--
Monthly Average				
Dec-15	9.14	9.10	--	--
Jan-16	9.49	9.49	--	--
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	--	--

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.