

Section 6

MONETARY SECTOR

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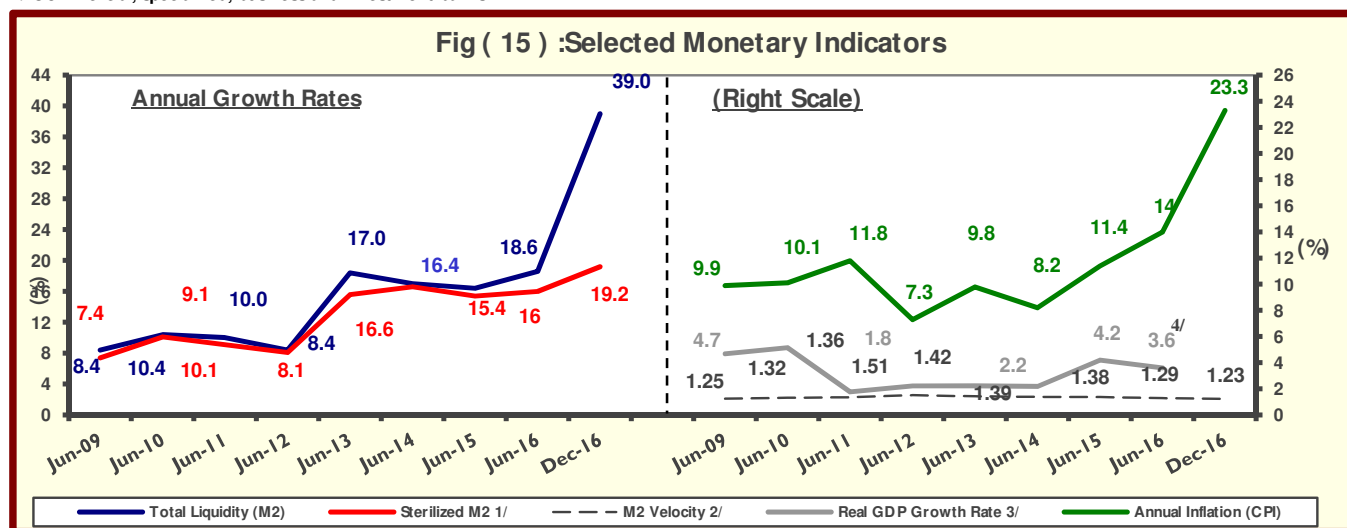
**Table (24) : Developments in Main Monetary Aggregates
(December 2016)**

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-2.8	-76.0	-1043.9	-653.9
CBENFA	-2.1	40.9	491.2	-536.2
CBENIR	22.0	155.7	246.4	45.2
Banks NFA 2/	6.6	112.7	-41.4	-1871.5
Net Foreign Assets (US dollar terms)	-11.3	-14.7	387.3	-272.4
CBENFA	-15.6	-31.7	151.8	-426.3
CBENIR	5.23	23.9	47.6	6.8
Banks NFA 2/	-8.0	3.0	1285.3	560.1
Net Domestic Assets	1.9	24.0	48.0	29.7
Net Claims on Government and GASC	2.8	16.0	38.1	30.4
Claims on Public Companies	2.2	33.6	65.0	39.3
Claims on Private Sector	0.3	28.1	43.4	19.6
Total Liquidity (M2)	1.8	21.3	39.0	21.5
Money (M1)	0.7	3.0	20.2	16.8
Quasi Money	2.2	28.4	46.1	23.2

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
(December 2016)

(LE Million)

	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Sep-16	Oct-16	Nov-16	Dec-16 [*]
Net Foreign Assets 1/	190,179	133,369	117,609	84,362	(17,207)	(111,831)	(121,937)	(191,386)	(196,830)
	-(37.7)	-(29.9)	-(11.8)	-(28.3)	-(120.4)	-(1164.9)	-(1734.3)	-(1826.4)	-(1043.9)
Central bank (Net)	96,828	49,051	38,448	32,419	(13,633)	(57,186)	(59,468)	(82,343)	(80,599)
Foreign Assets	107,201	90,051	114,764	107,035	123,768	167,856	163,318	381,711	468,932
Foreign Liabilities	10,373	41,000	76,316	74,616	137,401	225,042	222,786	464,054	549,531
Banks (Net)	93,351	84,318	79,161	51,943	(3,574)	(54,645)	(62,469)	(109,043)	(116,231)
Foreign Assets	123,741	115,033	113,596	93,620	76,281	83,360	79,387	174,862	168,557
Foreign Liabilities	30,390	30,715	34,435	41,677	79,855	138,005	141,856	283,905	284,788
Net Domestic Assets of which:	848,692	1,033,791	1,270,079	1,522,143	1,922,671	2,294,979	2,320,133	2,792,557	2,845,425
	(26.9)	(21.8)	(22.9)	(19.8)	(26.3)	(24.7)	(24.7)	(48.0)	(48.0)
Net Claims on Government, and GASC 2/	515,774	678,428	922,542	1,126,838	1,478,748	1,760,809	1,787,469	1,988,037	2,042,782
National Currency	588,870	724,074	910,786	1,106,967	1,418,603	1,596,413	1,618,108	1,531,307	1,579,649
Foreign Currency	(73,096)	(45,646)	11,756	19,871	60,145	164,396	169,361	456,730	463,133
Claims on Public Business Sector	38,838	43,914	43,665	58,557	76,981	95,074	95,954	124,218	127,011
National Currency	29,958	35,050	34,719	42,444	53,678	67,199	68,298	68,414	70,965
Foreign Currency	8,880	8,864	8,946	16,113	23,303	27,875	27,656	55,804	56,046
Claims on Private Sector 2/	432,788	465,687	495,593	554,356	651,253	728,959	736,252	931,078	933,665
National Currency	328,862	358,833	374,983	418,504	494,210	555,183	563,283	586,756	597,657
Foreign Currency	103,926	106,854	120,610	135,852	157,043	173,776	172,969	344,322	336,008
Other Items (net) 1/ 2/	(138,708)	(154,238)	(191,721)	(217,608)	(284,311)	(289,863)	(299,542)	(250,776)	(258,033)
Total Liquidity (M2)	1,038,871	1,167,160	1,387,688	1,606,505	1,905,464	2,183,148	2,198,196	2,601,171	2,648,595
	(6.7)	(12.3)	(18.9)	(15.8)	(18.6)	(18.0)	(17.7)	(38.6)	(39.0)
Money (M1) 3/	255,581	288,139	373,624	445,733	520,592	607,158	613,309	621,455	625,670
	(14.4)	(12.7)	(29.7)	(19.3)	(16.8)	(16.5)	(18.1)	(20.7)	(20.2)
Currency in Circulation	176,578	205,020	251,050	277,159	305,061	370,130	373,333	378,950	381,444
Demand Deposits in Local Currency	79,003	83,119	122,574	168,574	215,531	237,028	239,976	242,505	244,226
Quasi Money	783,290	879,021	1,014,064	1,160,772	1,384,872	1,575,990	1,584,887	1,979,716	2,022,925
	(4.4)	(12.2)	(15.4)	(14.5)	(19.3)	(18.6)	(17.5)	(45.4)	(46.1)
Local Currency Time & Savings Deposits	602,253	673,098	796,896	928,318	1,108,338	1,249,648	1,258,012	1,327,102	1,366,390
Foreign Currency Demand Deposits	40,850	50,784	57,295	60,775	68,950	74,591	74,815	145,903	136,410
Foreign Currency Time and Savings Deposits	140,187	155,139	159,873	171,679	207,584	251,751	252,060	506,711	520,125

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)
(December 2016)

	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Sep-16	Oct-16	Nov-16	Dec-16 *
Net Foreign Assets (In Million US\$) ^{4/}	31,641	21,695	17,048	11,807	(2,204)	(12,594)	(13,732)	(12,103)	(10,738)
Central bank NFA	16,110	7,979	5,573	4,537	(1,746)	(6,440)	(6,697)	(5,207)	(4,397)
Net International Reserves	33,367	28,365	28,111	22,250	15,394	12,749	11,357	17,243	19,242
Central Bank (Gross)	18,119	15,015	17,032	15,333	16,445	19,592	19,041	23,058	24,265
Banks (net)	15,531	13,716	11,475	7,270	(458)	(6,154)	(7,035)	(6,896)	(6,341)
Foreign assets	20,587	18,712	16,467	13,103	9,770	9,387	8,940	11,058	9,196
Foreign Liabilities	5,056	4,996	4,992	5,833	10,228	15,541	15,975	17,954	15,537
<i>In Percent of Beginning of Money Stocks ^{5/}</i>									
Net Foreign Assets	-6.27%	-2.2%	-0.4%	-2.29%	-3.89%	-9.3%	-9.8%	-13.8%	-14.1%
Net Domestic Assets	9.2%	8.9%	7.5%	8.2%	11.8%	32.9%	34.3%	61.1%	64.1%
Money (M1)	0.7%	1.2%	2.3%	2.3%	1.2%	6.1%	6.5%	6.9%	7.2%
Quasi Money	2.2%	5.4%	4.8%	3.6%	6.7%	17.5%	18.0%	40.4%	42.8%
Dollarization (% of Total Liquidity) ^{6/}	0.17	0.18	0.16	0.14	0.15	14.9	14.9	25.1	24.8
M2 Multiplier ^{7/}	4.04	4.42	4.13	4.43	4.53	4.30	4.33	5.03	5.31
M2 Velocity ^{8/}	1.61	1.59	1.53	1.52	1.42	1.49	1.48	1.25	1.23
M2 (annual percentage change)	6.66	12.35	18.89	15.77	18.61	18.0	17.7	38.6	39.0
Credit to private sector (annual percentage change) ^{9/}	0.06	0.1	0.1	0.12	0.2	15.6	15.3	45.0	43.4
Exchange Rate ^{10/}	6.01	6.15	6.90	7.14	7.81	8.88	8.88	15.81	18.33

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.

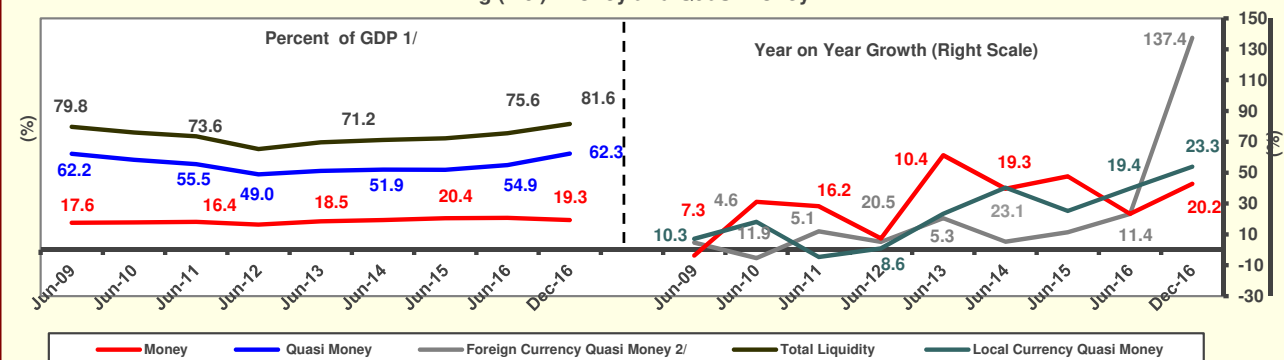
7/ M2 / Reserve Money.

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.

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.

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

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

(LE Million)

	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Sep-16	Oct-16	Nov-16	Dec-16 [*]
Reserve Money	257,346	264,297	336,368	362,922	420,638	508,167	507,549	517,107	498,448
	(17.8)	(2.7)	(27.3)	(7.9)	(15.9)	(19.7)	(19.3)	(19.8)	(18.5)
Currency in Circulation	187,292	216,301	264,882	292,739	323,373	393,701	396,109	404,459	404,914
	(22.2)	(15.5)	(22.5)	(10.5)	(10.5)	(19.2)	(21.7)	(25.4)	(25.2)
Banks LE Deposits with CBE	70,054	47,996	71,486	70,183	97,265	114,466	111,440	112,648	93,534
	(7.5)	-(31.5)	(48.9)	-(1.8)	(38.6)	(21.6)	(11.6)	(3.2)	-(3.8)
Counter Assets:									
Net Foreign Assets	96,828	49,051	38,448	32,419	-13,633	-57,186	-59,468	-82,343	-80,599
	-(51.1)	-(49.3)	-(21.6)	-(15.7)	-(142.1)	-(1172.8)	-(1383.4)	-(787.9)	-(491.2)
Net Domestic Assets	160,518	215,246	297,920	330,503	434,271	565,353	567,017	599,450	579,047
	(695.2)	(34.1)	(38.4)	(10.9)	(31.4)	(31.8)	(32.1)	(35.9)	(33.3)
Net Claims on Government ^{2/}	153,250	214,194	379,703	456,063	633,098	668,145	694,366	665,411	731,398
	(52.9)	(39.8)	(77.3)	(20.1)	(38.8)	(12.0)	(14.7)	(6.2)	(15.5)
Claims	233,811	297,832	419,044	557,849	711,253	726,698	753,387	727,973	802,366
	(32.5)	(27.4)	(40.7)	(33.1)	(27.5)	(6.8)	(9.7)	(3.0)	(12.8)
Securities	129,097	178,831	240,331	300,330	241,830	390,830	392,330	462,583	717,592
Credit Facilities	104,714	119,001	178,713	257,519	469,423	335,868	361,057	265,390	84,774
Deposits ^{3/}	80,561	83,638	39,341	101,786	78,155	58,553	59,021	62,562	70,968
	(5.7)	(3.8)	-(53.0)	(158.7)	-(23.2)	-(30.1)	-(27.6)	-(22.2)	-(9.2)
Net Claims on Banks	-1,665	-848	-2,544	-13,483	-16,977	87,607	83,479	28,190	37,703
Net Balancing Items ^{4/}	8,933	1,900	-79,239	-112,077	-181,850	-190,399	-210,828	-94,151	-190,054
Memorandum Items									
Reserve Money Velocity ^{5/, 6/}	6.51	7.04	6.33	6.73	6.44	6.39	6.40	6.28	6.51

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)

	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Sep-16	Oct-16	Nov-16	Dec-16 [*]
Total Deposits	989,427	1,090,874	1,316,008	1,559,764	1,914,552	2,202,055	2,224,158	2,714,391	2,761,073
	(3.9)	(10.3)	(20.6)	(18.5)	(22.7)	(19.5)	(18.8)	(44.3)	(44.2)
In local currency	755,416	824,898	1,003,305	1,232,416	1,547,357	1,769,597	1,790,367	1,856,117	1,900,422
In foreign currency	234,011	265,976	312,703	327,348	367,195	432,458	433,791	858,274	860,651
Non Government Deposits ^{2/}	868,903	969,640	1,145,306	1,340,409	1,615,135	1,826,862	1,838,165	2,239,668	2,285,128
	(3.9)	(11.6)	(18.1)	(17.0)	(20.5)	(17.5)	(16.7)	(41.0)	(41.5)
In local currency	684,312	759,673	924,313	1,104,266	1,333,575	1,496,393	1,507,316	1,579,303	1,620,892
In foreign currency	184,591	209,967	220,993	236,143	281,560	330,469	330,849	660,365	664,236
Government Deposits	120,524	121,234	170,702	219,355	299,417	375,193	385,993	474,723	475,945
	(4.4)	(0.6)	(40.8)	(28.5)	(36.50)	(29.8)	(29.7)	(62.1)	(59.0)
In local currency	71,104	65,225	78,992	128,150	213,782	273,204	283,051	276,814	279,530
In foreign currency	49,420	56,009	91,710	91,205	85,635	101,989	102,942	197,909	196,415
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	23.7	24.4	23.8	21.0	19.2	19.6	19.5	31.6	31.2
Dollarization in Non-Government Deposits	21.2	21.7	19.3	17.6	17.4	18.1	18.0	29.5	29.1
Dollarization in Government Deposits	41.0	46.2	53.7	41.6	28.6	27.2	26.7	41.7	41.3

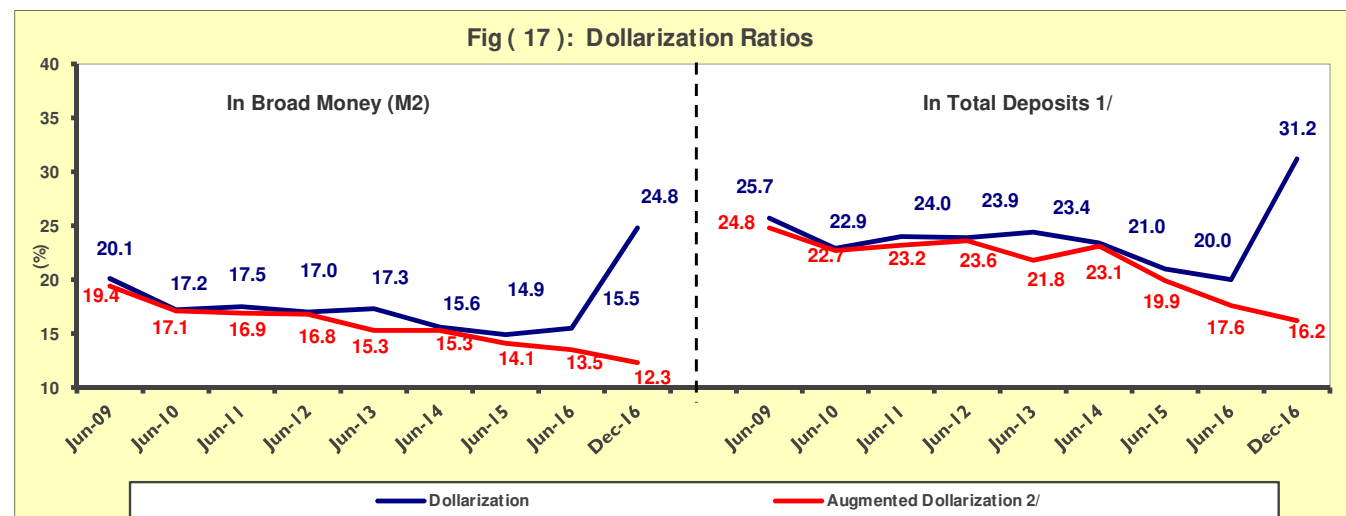
Source: Central bank of Egypt.

() 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)

	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Sep-16	Oct-16	Nov-16	* Dec-16
Total lending	489,729	516,842	550,303	629,221	791,499	970,153	981,167	1,295,407	1,300,243
	(6.9)	(5.5)	(6.5)	(14.3)	(25.8)	(25.7)	(25.4)	(65.1)	(64.3)
To Government^{2/}	37,227	35,141	41,555	47,398	100,718	186,318	189,436	285,116	296,606
	-(2.5)	-(5.6)	(18.3)	(14.1)	(112.5)	(85.7)	(84.9)	(183.0)	(194.5)
In local currency	16,844	12,579	12,093	11,579	40,429	102,472	102,229	106,540	116,274
In foreign currency	20,383	22,562	29,462	35,819	60,289	83,846	87,207	178,576	180,332
To Non-Government	452,502	481,701	508,748	581,823	690,781	783,835	791,731	1,010,291	1,003,637
	(7.8)	(6.5)	(5.6)	(14.4)	(18.7)	(16.8)	(16.4)	(47.7)	(45.3)
In local currency	328,537	358,181	374,051	423,744	509,597	582,990	592,010	615,132	617,015
In foreign currency	123,965	123,520	134,697	158,079	181,184	200,845	199,721	395,159	386,622
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	84.5	84.8	84.6	83.2	77.6	71.0	70.9	68.4	67.4
Non Government Loans/ Deposits ^{4/}	52.1	49.7	44.4	43.4	42.8	42.9	43.1	45.1	43.9
Government Loans / Deposits	30.9	29.0	24.3	21.6	33.6	49.7	49.1	60.1	62.3
Foreign currency denominated credit to total credit	29.5	28.3	29.8	30.8	30.5	29.3	29.2	44.3	43.6
Government foreign currency denominated credit to total government credit	54.8	64.2	70.9	75.6	59.9	45.0	46.0	62.6	60.8
Non - government foreign currency denominated credit to total non-government credit	27.4	25.6	26.5	27.2	26.2	25.6	25.2	39.1	38.5

Source: Central Bank of Egypt.

() Percent change over previous year

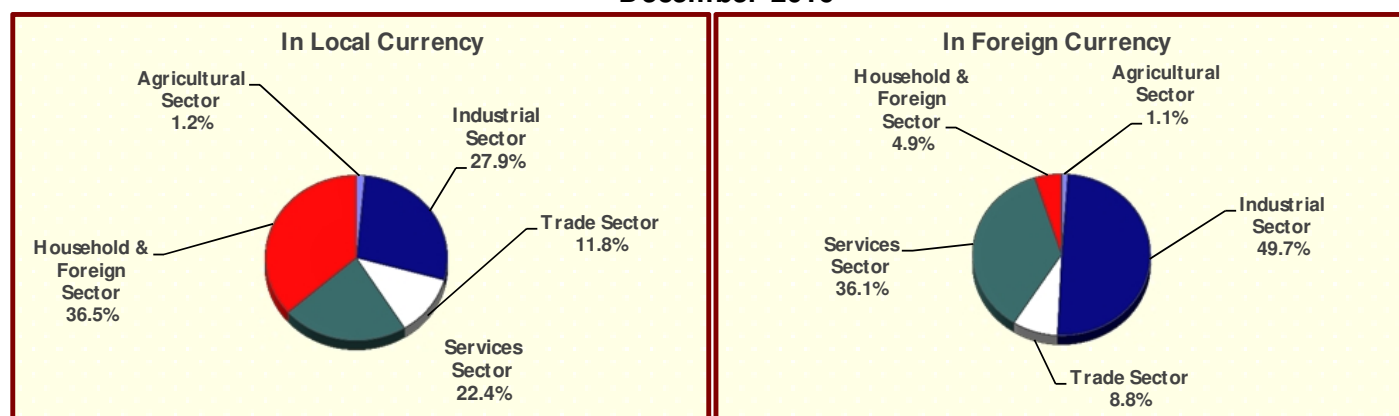
* Preliminary.

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
December-2016**

Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

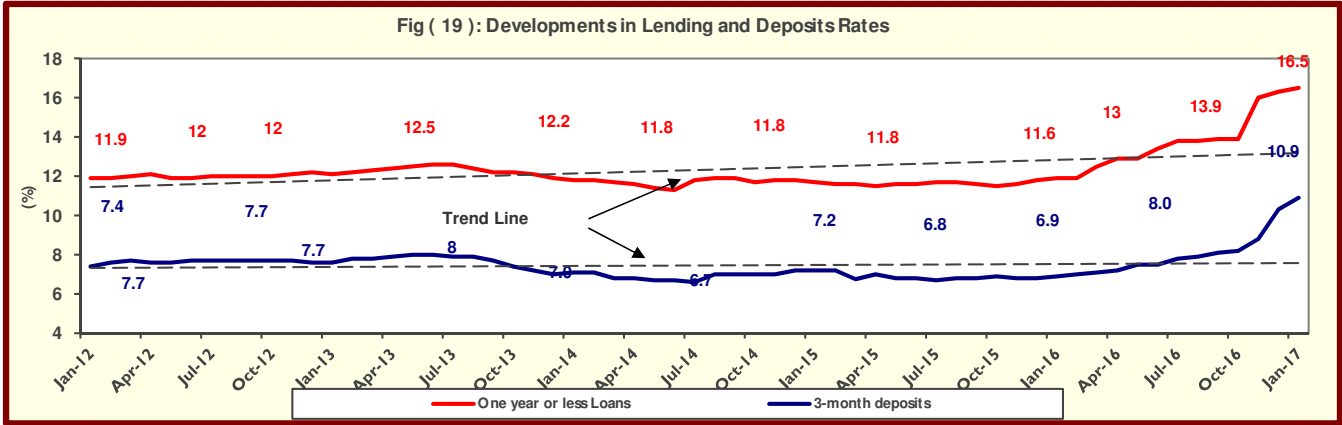
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/ 3/}	Post Office Saving Deposits ^{1/}
Yearly Average						
2005/2006	9.00	12.71	6.53	8.82	9.50	9.50
2006/2007	9.00	12.64	6.01	8.65	10.00	9.50
2007/2008	10.00	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						
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
Jan-17	15.25	16.50	10.90	18.99	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.

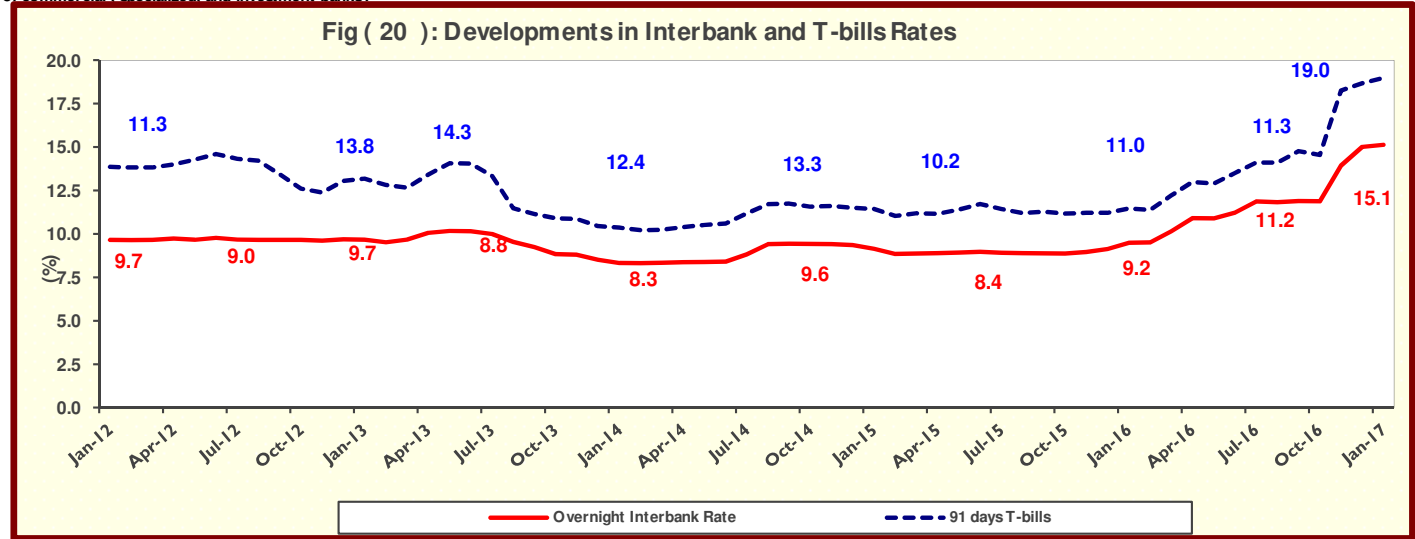
Table (30) : Average Interbank Rates ^{1/}

	Overnight	One Week	Month	More than One Month
Yearly Average				
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				
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	--	--
Jan-17	15.13	15.33	--	--

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.