

Section 6

MONETARY SECTOR

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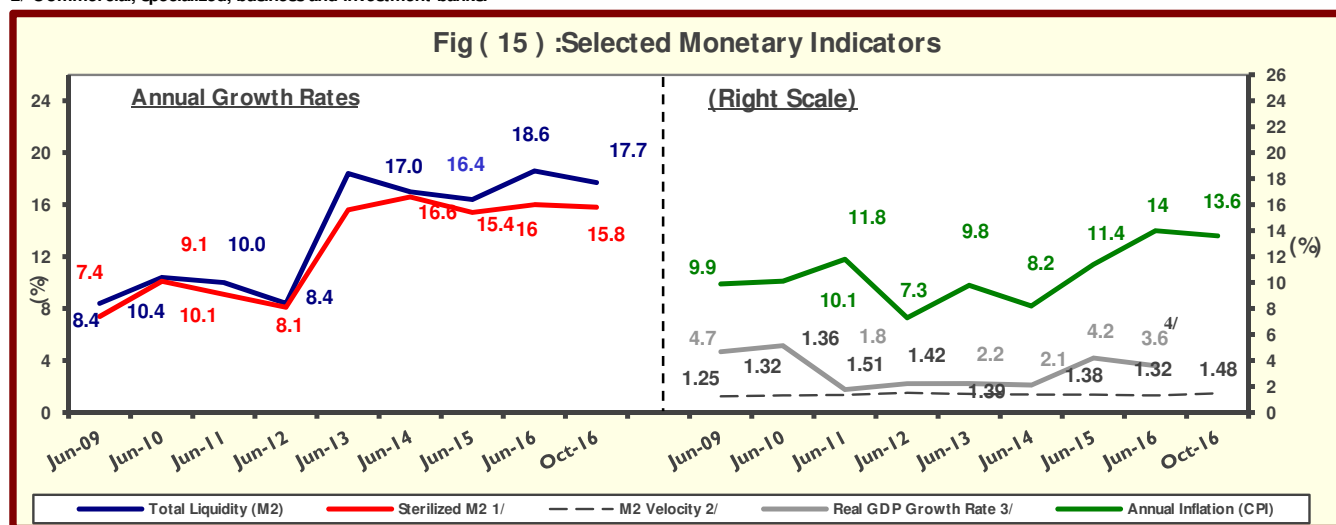
**Table (24) : Developments in Main Monetary Aggregates
(October 2016)**

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-9.0	-19.2	-1734.3	-433.9
CBE N FA	4.0	-1.5	1383.4	-451.9
CBE N IR	-2.8	22.6	30.1	12.1
Banks N FA 2/	14.3	49.0	-10.4	-259.7
Net Foreign Assets (US dollar terms)	9.0	19.2	-1556.9	-395.2
CBE N FA	4.0	-1.5	1222.3	-406.9
CBE N IR	-2.81	22.6	16.0	0.3
Banks N FA 2/	14.3	49.0	-585.5	-240.9
Net Domestic Assets	1.1	4.4	24.7	26.3
Net Claims on Government and GASC	1.5	5.2	27.4	29.3
Claims on Public Companies	0.9	2.6	26.2	34.3
Claims on Private Sector	1.0	3.6	15.3	15.1
Total Liquidity (M2)	0.7	3.7	17.7	18.2
Money (M1)	1.0	6.0	18.1	16.4
Quasi Money	0.6	2.8	17.5	18.9

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.

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)

	Oct-11	Oct-12	Oct-13	Oct-14	Oct-15	Jul-16	Aug-16	Sep-16	Oct-16 [*]
Net Foreign Assets 1/	221,790	154,358	121,994	111,643	7,461	(102,298)	(112,206)	(111,831)	(121,937)
	-(29.7)	-(30.4)	-(21.0)	-(8.5)	-(93.3)	-(319.0)	-(474.3)	-(1164.9)	-(1734.3)
Central bank (Net)	120,315	69,831	42,133	43,092	(4,009)	(60,376)	(66,308)	(57,186)	(59,468)
Foreign Assets	129,609	92,180	125,104	117,908	126,278	132,421	141,330	167,856	163,318
Foreign Liabilities	9,294	22,349	82,971	74,816	130,287	192,797	207,638	225,042	222,786
Banks (Net)	101,475	84,527	79,861	68,551	11,470	(41,922)	(45,898)	(54,645)	(62,469)
Foreign Assets	133,387	116,056	113,696	106,029	82,155	80,166	83,461	83,360	79,387
Foreign Liabilities	31,912	31,529	33,835	37,478	70,685	122,088	129,359	138,005	141,856
Net Domestic Assets of which:	809,144	990,295	1,226,490	1,448,684	1,860,713	2,222,013	2,263,854	2,294,979	2,320,133
	(25.3)	(22.4)	(23.9)	(18.1)	(28.4)	(26.8)	(26.5)	(24.7)	(24.7)
Net Claims on Government, and GASC 2/	492,114	647,353	880,806	1,057,611	1,402,879	1,698,606	1,749,664	1,760,809	1,787,469
National Currency	579,820	701,159	935,380	1,044,687	1,342,283	1,540,752	1,590,647	1,596,413	1,618,108
Foreign Currency	(87,706)	(53,806)	(54,574)	12,924	60,596	157,854	159,017	164,396	169,361
Claims on Public Business Sector	35,997	43,059	43,543	55,747	76,059	93,500	94,023	95,074	95,954
National Currency	27,567	34,447	34,904	41,965	52,795	65,854	66,356	67,199	68,298
Foreign Currency	8,430	8,612	8,639	13,782	23,264	27,646	27,667	27,875	27,656
Claims on Private Sector 2/	427,560	458,433	496,961	549,740	638,328	710,830	720,653	728,959	736,252
National Currency	324,264	353,519	377,159	416,350	466,557	540,290	547,486	555,183	563,283
Foreign Currency	103,296	104,914	119,802	133,390	171,771	170,540	173,167	173,776	172,969
Other Items (net) 1/ 2/	(146,527)	(158,550)	(194,820)	(214,414)	(256,553)	(280,923)	(300,486)	(289,863)	(299,542)
Total Liquidity (M2)	1,030,934	1,144,653	1,348,484	1,560,327	1,868,174	2,119,715	2,151,648	2,183,148	2,198,196
	(7.2)	(11.0)	(17.8)	(15.7)	(19.7)	(17.8)	(18.3)	(18.0)	(17.7)
Money (M1) 3/	259,887	291,684	369,024	431,396	519,344	578,502	594,095	607,158	613,309
	(16.7)	(12.2)	(26.5)	(16.9)	(20.4)	(15.1)	(17.2)	(16.5)	(18.1)
Currency in Circulation	176,900	205,080	258,332	277,725	308,321	352,544	362,916	370,130	373,333
Demand Deposits in Local Currency	82,987	86,604	110,692	153,671	211,023	225,958	231,179	237,028	239,976
Quasi Money	771,047	852,969	979,460	1,128,931	1,348,830	1,541,213	1,557,553	1,575,990	1,584,887
	(4.4)	(10.6)	(14.8)	(15.3)	(19.5)	(18.8)	(18.7)	(18.6)	(17.5)
Local Currency Time & Savings Deposits	594,770	662,454	766,120	891,661	1,068,254	1,214,020	1,229,595	1,249,648	1,258,012
Foreign Currency Demand Deposits	42,199	45,860	52,924	64,367	71,245	75,660	75,181	74,591	74,815
Foreign Currency Time and Savings Deposits	134,078	144,655	160,416	172,903	209,331	251,533	252,777	251,751	252,060

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)

	Oct-11	Oct-12	Oct-13	Oct-14	Oct-15	Jul-16	Aug-16	Sep-16	Oct-16 *
Net Foreign Assets (In Million US\$) ^{4/}	37,240	25,367	17,717	15,622	943	(11,520)	(12,636)	(12,594)	(13,732)
Central bank NFA	20,202	11,476	6,119	6,030	(506)	(6,799)	(7,467)	(6,440)	(6,697)
Net International Reserves	38,800	29,040	29,767	26,092	17,402	10,191	10,747	12,749	11,357
Central Bank (Gross)	22,072	15,484	18,590	16,909	16,415	15,537	16,564	19,592	19,041
Banks (net)	17,038	13,891	11,598	9,593	1,449	(4,721)	(5,169)	(6,154)	(7,035)
Foreign assets	22,397	19,072	16,512	14,837	10,379	9,028	9,399	9,387	8,940
Foreign Liabilities	5,358	5,181	4,914	5,244	8,930	13,749	14,567	15,541	15,975
<i>In Percent of Beginning of Money Stocks^{5/}</i>									
Net Foreign Assets	-3.14%	-0.3%	-0.1%	-0.50%	-2.49%	-8.7%	-9.3%	-9.3%	-9.8%
Net Domestic Assets	5.3%	4.9%	4.1%	3.4%	8.3%	28.8%	31.1%	32.9%	34.3%
Money (M1)	1.1%	1.6%	1.9%	1.4%	1.1%	4.5%	5.4%	6.1%	6.5%
Quasi Money	1.0%	3.0%	2.1%	1.5%	4.7%	15.6%	16.5%	17.5%	18.0%
Dollarization (% of Total Liquidity) ^{6/}	0.17	0.17	0.16	0.15	0.15	15.4	15.2	14.9	14.9
M2 Multiplier ^{7/}	4.32	4.27	4.03	4.23	4.39	4.71	4.32	4.30	4.33
M2 Velocity ^{8/}	1.62	1.63	1.58	1.57	1.45	1.53	1.51	1.49	1.48
M2 (annual percentage change)	7.25	11.03	17.81	15.71	19.73	17.8	18.3	18.0	17.7
Credit to private sector (annual percentage change) ^{9/}	0.01	0.1	0.1	0.11	0.2	13.4	14.5	15.6	15.3
Exchange Rate ^{10/}	5.96	6.09	6.89	7.15	7.92	8.88	8.88	8.88	8.88

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.

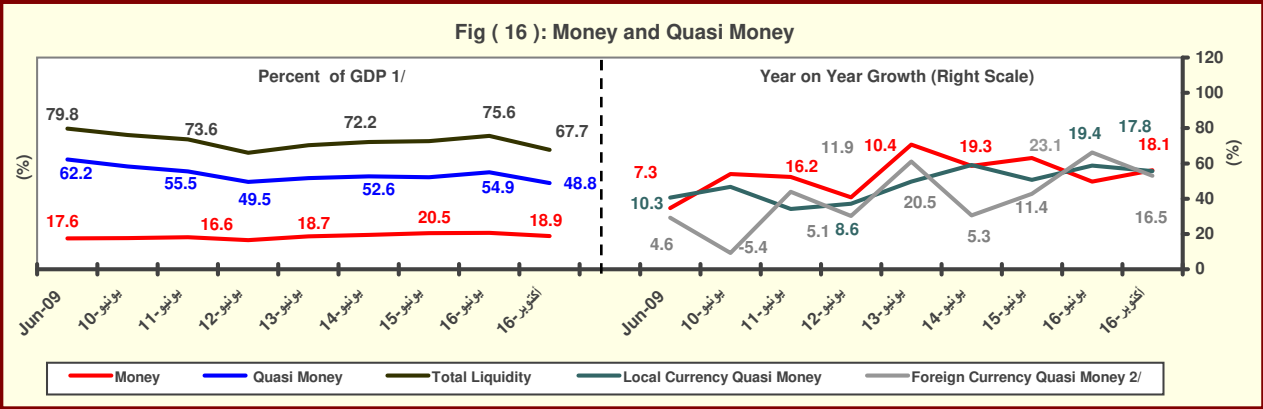
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity. It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

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.



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)

	Oct-11	Oct-12	Oct-13	Oct-14	Oct-15	Jul-16	Aug-16	Sep-16	Oct-16 [*]
Reserve Money	238,818	268,250	334,745	368,636	425,386	449,591	498,438	508,167	507,549
	(13.5)	(12.3)	(24.8)	(10.1)	(15.4)	(8.7)	(24.6)	(19.7)	(19.3)
Currency in Circulation	188,716	216,926	272,721	294,086	325,495	375,455	386,462	393,701	396,109
	(23.3)	(14.9)	(25.7)	(7.8)	(10.7)	(14.9)	(20.4)	(19.2)	(21.7)
Banks LE Deposits with CBI	50,102	51,324	62,024	74,550	99,891	74,136	111,976	114,466	111,440
	-(12.7)	(2.4)	(20.8)	(20.2)	(34.0)	-(14.7)	(41.7)	(21.6)	(11.6)
Counter Assets:									
Net Foreign Assets	120,315	69,831	42,133	43,092	-4,009	-60,376	-66,308	-57,186	-59,468
	-(37.9)	-(42.0)	-(39.7)	(2.3)	-(109.3)	-(530.9)	-(730.1)	-(1172.8)	-(1383.4)
Net Domestic Assets	118,503	198,419	292,612	325,544	429,395	509,967	564,746	565,353	567,017
	(609.3)	(67.4)	(47.5)	(11.3)	(31.9)	(27.6)	(45.0)	(31.8)	(32.1)
Net Claims on Government	149,542	209,667	356,501	411,143	605,246	643,337	652,097	668,145	694,366
	(39.6)	(40.2)	(70.0)	(15.3)	(47.2)	(11.5)	(9.7)	(12.0)	(14.7)
Claims	226,615	289,434	446,409	515,510	686,774	725,881	719,070	726,698	753,387
	(24.9)	(27.7)	(54.2)	(15.5)	(33.2)	(9.1)	(5.8)	(6.8)	(9.7)
Securities	129,097	178,831	240,331	210,330	241,830	390,830	390,830	390,830	392,330
Credit Facilities	97,518	110,603	206,078	305,180	444,944	335,051	328,240	335,868	361,057
Deposits^{3/}	77,073	79,767	89,908	104,367	81,528	82,544	66,973	58,553	59,021
	(3.6)	(3.5)	(12.7)	(16.1)	-(21.9)	-(6.6)	-(21.7)	-(30.1)	-(27.6)
Net Claims on Banks	-2,231	-2,068	-6,865	-10,785	3,926	59,783	90,189	87,607	83,479
Net Balancing Items^{4/}	-28,808	-9,180	-57,024	-74,814	-179,777	-193,153	-177,540	-190,399	-210,828
Memorandum Items									
Reserve Money Velocity^{5/, 6/}	7.01	6.94	6.36	6.63	6.37	7.22	6.51	6.39	6.40

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)

	Oct-11	Oct-12	Oct-13	Oct-14	Oct-15	Jul-16	Aug-16	Sep-16	Oct-16 *
Total Deposits	981,239	1,063,420	1,241,516	1,496,015	1,872,685	2,138,526	2,172,930	2,202,055	2,224,158
	(4.6)	(8.4)	(16.7)	(20.5)	(25.2)	(20.2)	(20.1)	(19.5)	(18.8)
In local currency	751,000	815,022	951,413	1,160,157	1,496,608	1,711,055	1,742,001	1,769,597	1,790,367
In foreign currency	230,239	248,398	290,103	335,858	376,077	427,471	430,929	432,458	433,791
Non Government Deposits ^{2/}	861,242	946,956	1,098,777	1,293,020	1,575,056	1,779,938	1,803,002	1,826,862	1,838,165
	(4.5)	(10.0)	(16.0)	(17.7)	(21.8)	(18.0)	(17.6)	(17.5)	(16.7)
In local currency	681,421	752,500	881,607	1,051,838	1,289,199	1,449,249	1,471,014	1,496,393	1,507,316
In foreign currency	179,821	194,456	217,170	241,182	285,857	330,689	331,988	330,469	330,849
Government Deposits	119,997	116,464	142,739	202,995	297,629	358,588	369,928	375,193	385,993
	(5.7)	-(2.9)	(22.6)	(42.2)	(46.62)	(32.1)	(34.2)	(29.8)	(29.7)
In local currency	69,579	62,522	69,806	108,319	207,409	261,806	270,987	273,204	283,051
In foreign currency	50,418	53,942	72,933	94,676	90,220	96,782	98,941	101,989	102,942
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	23.5	23.4	23.4	22.5	20.1	20.0	19.8	19.6	19.5
Dollarization in Non-Government Deposits	20.9	20.5	19.8	18.7	18.1	18.6	18.4	18.1	18.0
Dollarization in Government Deposits	42.0	46.3	51.1	46.6	30.3	27.0	26.7	27.2	26.7

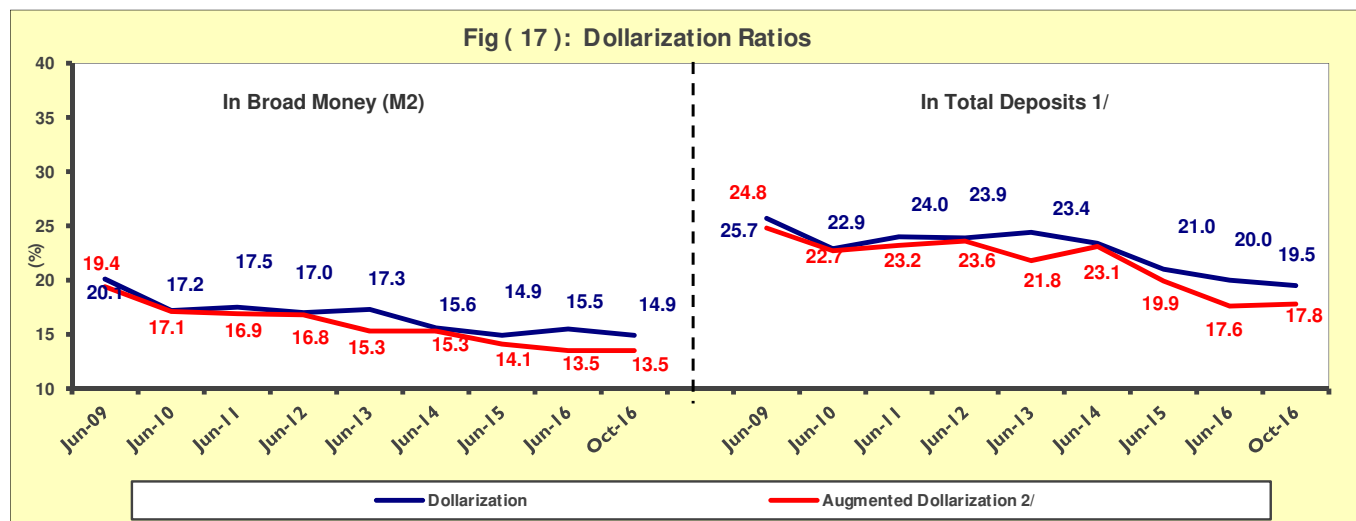
Source: Central bank of Egypt.

() 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)

	Oct-11	Oct-12	Oct-13	Oct-14	Oct-15	Jul-16	Aug-16	Sep-16	Oct-16 [*]
Total lending	481,703	509,469	549,950	615,707	782,393	944,343	956,638	970,153	981,167
	(2.2)	(5.8)	(7.9)	(12.0)	(27.1)	(30.0)	(29.8)	(25.7)	(25.4)
To Government ^{2/}	37,800	33,055	38,390	43,629	102,449	176,923	181,962	186,318	189,436
	(0.4)	-(12.6)	(16.1)	(13.6)	(134.8)	(151.7)	(160.9)	(85.7)	(84.9)
In local currency	17,477	13,306	10,656	11,934	40,784	100,589	102,189	102,472	102,229
In foreign currency	20,323	19,749	27,734	31,695	61,665	76,334	79,773	83,846	87,207
To Non-Government	443,903	476,414	511,560	572,078	679,944	767,420	774,676	783,835	791,731
	(2.3)	(7.3)	(7.4)	(11.8)	(18.9)	(17.0)	(16.1)	(16.8)	(16.4)
In local currency	320,213	354,580	377,715	422,238	482,874	569,195	574,206	582,990	592,010
In foreign currency	123,690	121,834	133,845	149,840	197,070	198,225	200,470	200,845	199,721
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	84.7	85.1	85.1	83.9	77.2	71.4	71.2	71.0	70.9
Non Government Loans/ Deposits ^{4/}	51.5	50.3	46.6	44.2	43.2	43.1	43.0	42.9	43.1
Government Loans / Deposits	31.5	28.4	26.9	21.5	34.4	49.3	49.2	49.7	49.1
Foreign currency denominated credit to total credit	29.9	27.8	29.4	29.5	33.1	29.1	29.3	29.3	29.2
Government foreign currency denominated credit to total government credit	53.8	59.7	72.2	72.6	60.2	43.1	43.8	45.0	46.0
Non - government foreign currency denominated credit to total non-government credit	27.9	25.6	26.2	26.2	29.0	25.8	25.9	25.6	25.2

Source: Central Bank of Egypt.

() Percent change over previous year

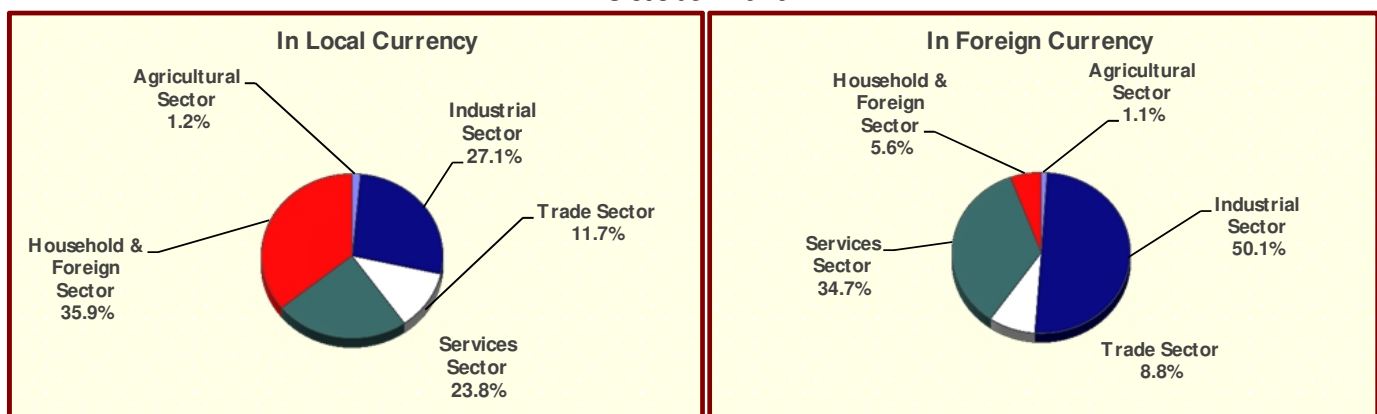
* Preliminary.

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
October-2016

Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

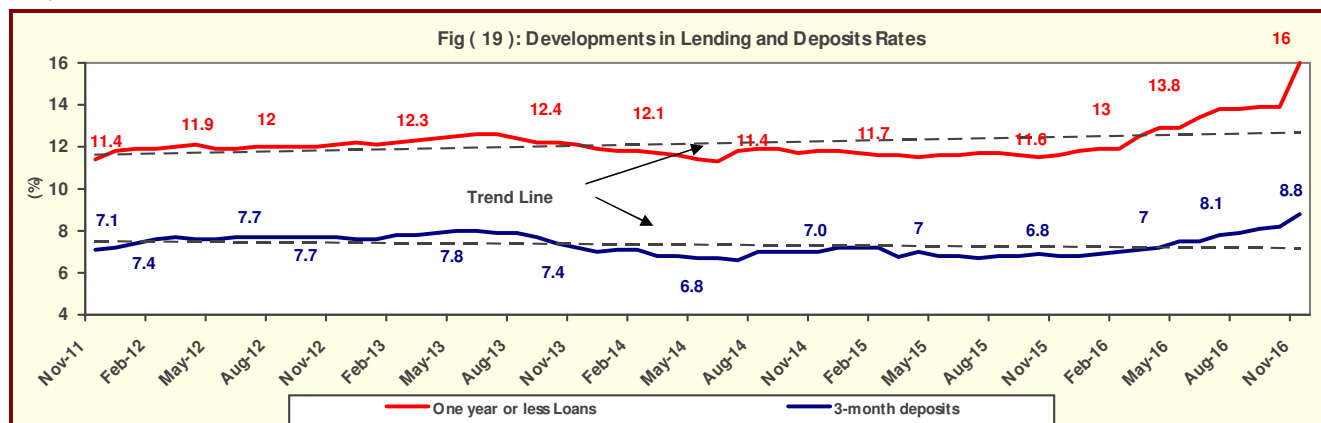
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/ 3/}	Post Office Saving Deposits ^{1/}
Yearly Average						
2005/2006	9.00	12.71	6.53	8.82	9.50	9.50
2006/2007	9.00	12.64	6.01	8.65	10.00	9.50
2007/2008	10.00	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						
Nov-15	9.25	11.60	6.80	11.22	12.75	8.00
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

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.

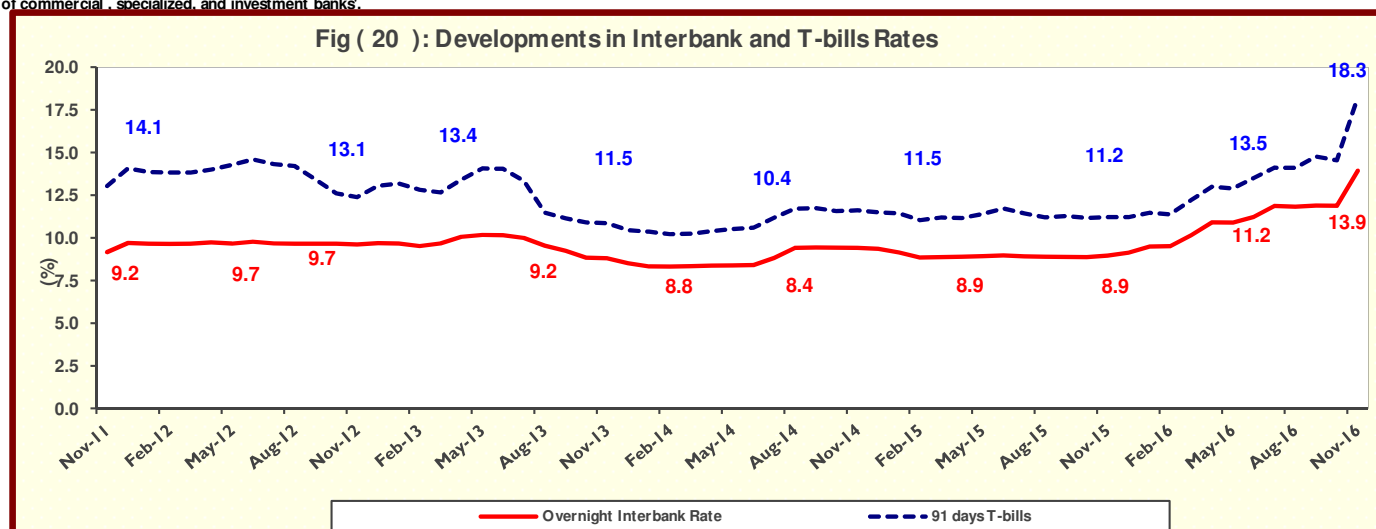
Table (30) : Average Interbank Rates^{1/}

	Overnight	One W eek	Month	More than One Month
Yearly Average				
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				
Nov-15	8.96	8.98	--	--
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

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.