

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

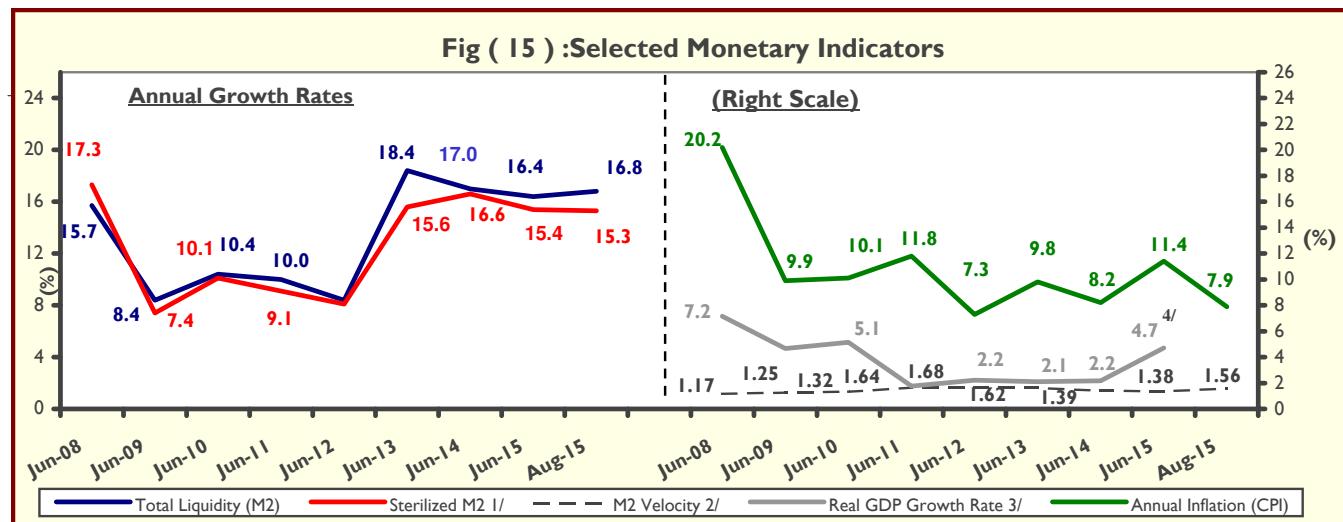
Table (24) : Developments in Main Monetary Aggregates
(August 2015)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-35.8	-35.5	-75.0	-28.7
CBE NFA	-25.0	-50.5	-72.8	-35.6
CBE NIR	-2.3	-5.0	-25.1	6.4
Banks NFA 2/	-40.5	-22.8	-76.0	-13.4
Net Foreign Assets (US dollar terms)	-35.9	-37.1	-77.1	-37.7
CBE NFA	-25.1	-51.8	-75.1	-12.3
CBE NIR	-2.4	-7.5	7.5	-0.3
Banks NFA 2/	-40.5	-24.8	-78.0	-51.0
Net Domestic Assets	2.1	6.9	24.4	22.5
Net Claims on Government and GASC	2.3	9.6	25.2	29.3
Claims on Public Companies	13.0	14.0	58.0	28.0
Claims on Private Sector	0.4	1.8	17.7	13.3
Total Liquidity (M2)	1.1	5.8	16.8	17.3
Money (M1)	0.9	6.3	19.0	13.5
Quasi Money	1.2	5.5	16.0	15.8

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 has revised the time series of GDP starting in FY 11/12 until FY 13/14 in accordance with the economic census, to reach LE 1657 billion and LE 1844 billion and LE 2102 billion respectively. It is worthy to highlight that quarterly data are still under preparation and will be published once officially announced by the Ministry of Planning. It is also worthy to note that GDP estimates for 2014/2015 have been revised to LE 2431.1 billion in light of these recent developments.

3/ Real Growth of GDP at market prices.

4/ Reflects Real GDP growth for the period July - March 2014/2015.

Table (25) : Monetary Survey
Assets and Liabilities of The Banking Sector
(August 2015)

										(LE Million)
	Aug-10	Aug-11	Aug-12	Aug-13	Aug-14	May-15	Jun-15 #	Jul-15 #	Aug-15 *	
Net Foreign Assets 1/	305,893	242,729	153,731	134,825	119,732	46,462	51,380	46,717	29,980	
	(19.3)	-(20.6)	-(36.7)	-(12.3)	-(11.2)	-(63.1)	-(56.9)	-(60.4)	-(75.0)	
Central bank (Net)	191,915	137,597	70,843	44,884	38,711	21,265	25,171	14,039	10,523	
Foreign Assets	200,322	146,765	89,976	128,980	117,084	144,310	147,991	139,820	136,307	
Foreign Liabilities	8,407	9,168	19,133	84,096	78,373	123,045	122,820	125,781	125,784	
Banks (Net)	113,978	105,132	82,888	89,941	81,021	25,197	26,209	32,678	19,457	
Foreign Assets	152,347	134,860	113,778	123,707	116,833	86,250	86,214	97,140	82,320	
Foreign Liabilities	38,369	29,728	30,890	33,766	35,812	61,053	60,005	64,462	62,863	
Net Domestic Assets of which:	629,341	781,630	961,536	1,194,667	1,437,647	1,673,586	1,714,005	1,752,773	1,789,138	
	(8.5)	(24.2)	(23.0)	(24.2)	(20.3)	(23.2)	(22.7)	(22.8)	(24.4)	
Net Claims on Government, and GASC 2/	334,779	463,579	615,055	833,351	1,085,964	1,241,062	1,291,427	1,328,614	1,359,796	
National Currency	402,862	552,703	667,566	887,815	1,071,154	1,204,400	1,251,096	1,285,084	1,308,870	
Foreign Currency	-68,083	-89,124	-52,511	-54,464	14,810	36,662	40,331	43,530	50,926	
Claims on Public Business Sector	30,902	34,231	41,662	44,135	45,901	63,610	63,218	64,178	72,542	
National Currency	22,176	26,094	33,043	35,271	36,118	43,064	43,989	44,197	50,591	
Foreign Currency	8,726	8,137	8,619	8,864	9,783	20,546	19,229	19,981	21,951	
Claims on Private Sector 2/	420,588	424,924	453,497	496,117	534,344	617,909	623,566	626,820	629,157	
National Currency	308,461	318,334	349,115	374,220	404,499	456,274	461,561	460,007	462,267	
Foreign Currency	112,127	106,590	104,382	121,897	129,845	161,635	162,005	166,813	166,890	
Other Items (net) 1/ 2/	-156,928	-141,104	-148,678	-178,936	-228,562	-248,995	-264,206	-266,839	-272,357	
Total Liquidity (M2)	935,234	1,024,359	1,115,267	1,329,492	1,557,379	1,720,048	1,765,492	1,799,490	1,819,118	
	(11.8)	(9.5)	(8.9)	(19.2)	(17.1)	(15.9)	(16.4)	(16.5)	(16.8)	
Money (M1) 3/	218,489	260,197	283,817	362,971	425,822	476,647	499,065	502,537	506,834	
	(16.3)	(19.1)	(9.1)	(27.9)	(17.3)	(18.8)	(21.6)	(17.5)	(19.0)	
Currency in Circulation	141,715	178,363	202,586	258,602	280,412	287,834	292,699	306,870	301,090	
Demand Deposits in Local Currency	76,774	81,834	81,231	104,369	145,410	188,813	206,366	195,667	205,744	
Quasi Money	716,745	764,162	831,450	966,521	1,131,557	1,243,401	1,266,427	1,296,953	1,312,284	
	(10.5)	(6.6)	(8.8)	(16.2)	(17.1)	(14.8)	(14.5)	(16.1)	(16.0)	
Local Currency Time & Savings Deposits	558,142	587,523	643,869	744,064	893,249	983,420	1,003,432	1,023,805	1,039,136	
Foreign Currency Demand Deposits	35,815	40,848	45,318	54,833	63,901	66,897	68,631	72,065	71,904	
Foreign Currency Time and Savings Deposits	122,788	135,791	142,263	167,624	174,407	193,084	194,364	201,083	201,244	

Source: Central Bank of Egypt.

() Percent change over previous year.

* Preliminary.

Revised.

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)

(August 2015)

	Aug-10	Aug-11	Aug-12	Aug-13	Aug-14	May-15	Jun-15 [#]	Jul-15 [#]	Aug-15 [*]
Net Foreign Assets (In Million US\$)^{4/}	53,843	40,801	25,342	19,298	16,758	6,109	6,756	5,989	3,840
Central bank NFA	33,781	23,129	11,678	6,424	5,418	2,796	3,310	1,800	1,348
Net International Reserves	55,323	42,342	28,496	31,335	27,727	22,286	22,904	22,113	19,950
Central Bank (Gross)	35,527	25,008	15,127	18,924	16,836	19,560	20,082	18,536	18,096
Banks (net)	20,062	17,672	13,664	12,873	11,340	3,313	3,446	4,189	2,492
Foreign assets	26,816	22,669	18,756	17,706	16,352	11,340	11,336	12,453	10,544
Foreign Liabilities	6,754	4,997	5,092	4,833	5,012	8,027	7,890	8,264	8,052
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	2.6%	-1.1%	-0.4%	0.9%	0.04%	-4.8%	-4.5%	-0.3%	-1.2%
Net Domestic Assets	-0.6%	2.5%	2.3%	1.7%	2.7%	18.2%	20.9%	2.2%	4.3%
Money (M1)	0.5%	1.1%	0.9%	1.5%	1.0%	4.4%	5.8%	0.2%	0.4%
Quasi Money	1.5%	0.3%	1.1%	1.1%	1.7%	9.1%	10.6%	1.7%	2.6%
Dollarization (% of Total Liquidity) ^{6/}	0.17	0.17	0.17	0.17	0.15	15.1	14.9	15.2	15.0
M2 Multiplier ^{7/}	4.29	4.05	4.34	3.97	4.20	4.30	3.63	4.35	4.55
M2 Velocity ^{8/}	1.47	1.80	1.88	1.58	1.56	1.41	1.38	1.57	1.56
M2 (annual percentage change)	11.80	9.53	8.87	19.21	17.14	15.9	16.4	16.5	16.8
Credit to private sector (annual percentage change) ^{9/}	0.10	0.01	0.07	0.09	0.08	17.3	16.7	17.3	17.7
Exchange Rate ^{10/}	5.68	5.95	6.07	6.99	7.14	7.61	7.61	7.80	7.81

Source: Central Bank of Egypt.

* Preliminary.

Revised.

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.

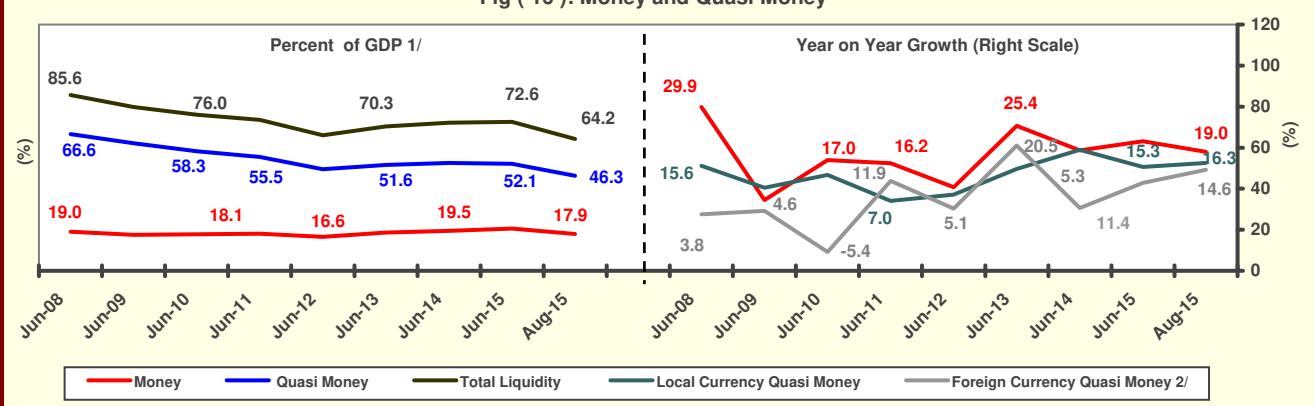
7/ M2 / Reserve Money.

8/ The Ministry of Planning has revised the time series of GDP starting in FY11/12 until FY13/14 in accordance with the economic census, to reach LE 1657 billion and LE 1844 billion and LE 2102 billion respectively. It is worthy to highlight that quarterly data are still under preparation and will be published once officially announced by the Ministry of Planning. It is also worthy to note that GDP estimates for 2014/2015 have been revised to LE 2431.1 billion in light of these recent developments.

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 has revised the time series of GDP starting in FY11/12 until FY13/14 in accordance with the economic census, to reach LE 1657 billion and LE 1844 billion and LE 2102 billion respectively. It is worthy to highlight that quarterly data are still under preparation and will be published once officially announced by the Ministry of Planning. It is also worthy to note that GDP estimates for 2014/2015 have been revised to LE 2431.1 billion in light of these recent developments.

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

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

(LE Million)

	Aug-10	Aug-11	Aug-12	Aug-13	Aug-14	May-15	Jun-15 [#]	Jul-15 [#]	Aug-15 [*]
Reserve Money	217,936	253,221	256,705	334,549	370,901	400,058	485,876	413,623	399,916
	(18.0)	(16.2)	(1.4)	(30.3)	(10.9)	(15.0)	(33.3)	(11.6)	(7.8)
Currency in Circulation	151,661	190,086	214,650	271,407	297,587	306,476	313,468	326,705	320,917
	(15.8)	(25.3)	(12.9)	(26.4)	(9.6)	(8.5)	(8.6)	(7.5)	(7.8)
Banks LE Deposits with CBE	66,275	63,135	42,055	63,142	73,314	93,582	172,408	86,918	78,999
	(23.3)	-(4.7)	-(33.4)	(50.1)	(16.1)	(43.1)	(127.4)	(30.5)	(7.8)
<u>Counter Assets:</u>									
Net Foreign Assets	191,915	137,597	70,843	44,884	38,711	21,265	25,171	14,013	10,523
	(11.9)	-(28.3)	-(48.5)	-(36.6)	-(13.8)	-(49.0)	-(32.7)	-(63.0)	-(72.8)
Net Domestic Assets	26,021	115,624	185,862	289,665	332,190	378,793	460,598	399,584	389,393
	(97.1)	(344.3)	(60.7)	(55.8)	(14.7)	(23.7)	(40.8)	(20.1)	(17.2)
Net Claims on Government ^{2/}	110,475	131,209	192,668	325,546	453,435	505,590	523,893	577,178	594,258
	(14.5)	(18.8)	(46.8)	(69.0)	(39.3)	(32.2)	(25.0)	(29.6)	(31.1)
Claims	182,424	207,266	271,473	419,240	496,511	612,346	620,003	665,551	679,776
	(8.9)	(13.6)	(31.0)	(54.4)	(18.4)	(41.7)	(33.7)	(37.3)	(36.9)
Securities	130,597	129,097	178,831	240,331	210,330	290,330	240,330	241,830	241,830
Credit Facilities	51,827	78,169	92,642	178,909	286,181	322,016	379,673	423,721	437,946
Deposits ^{3/}	71,949	76,057	78,805	93,694	43,076	106,756	96,110	88,373	85,518
	(1.4)	(5.7)	(3.6)	(18.9)	-(54.0)	(115.8)	(115.9)	(124.7)	(98.5)
Net Claims on Banks	46,309	-1,585	-1,105	-3,356	-7,793	-26,733	-26,334	-28,516	-27,370
Net Balancing Items ^{4/}	943	-103	30	-204	-132	-100,064	-36,961	-149,078	-177,495
<u>Memorandum Items</u>									
Reserve Money Velocity ^{5/ , 6/}	6.29	7.28	8.19	6.28	6.55	6.08	5.00	6.85	7.08

Source: Central Bank of Egypt.

() Percent change over same period in previous year.

* Preliminary.

Revised.

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 has revised the time series of GDP starting in FY 11/12 until FY 13/14 in accordance with the economic census, to reach LE 1657 billion and LE 1844 billion and LE 2102 billion respectively. It is worthy to highlight that quarterly data are still under preparation and will be published once officially announced by the Ministry of Planning. It is also worthy to note that GDP estimates for 2014/2015 have been revised to LE 2431.1 billion in light of these recent developments.

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

(LE Million)

	Aug-10	Aug-11	Aug-12	Aug-13	Aug-14	May-15	Jun-15 #	Jul-15 #	Aug-15*
Total Deposits	911,246	972,435	1,035,884	1,217,286	1,479,165	1,699,465	1,740,158	1,779,543	1,809,086
	(10.5)	(6.7)	(6.5)	(17.5)	(21.5)	(21.1)	(21.4)	(22.2)	(22.3)
In local currency	704,789	740,195	791,422	919,409	1,145,390	1,337,965	1,375,369	1,399,902	1,437,107
In foreign currency	206,457	232,240	244,462	297,877	333,775	361,500	364,789	379,641	371,979
Non Government Deposits ^{2/}	800,012	852,414	920,047	1,079,702	1,286,903	1,448,226	1,488,006	1,508,117	1,533,430
	(11.1)	(6.6)	(7.9)	(17.4)	(19.2)	(18.2)	(18.6)	(18.8)	(19.2)
In local currency	638,565	672,118	728,530	853,200	1,044,465	1,183,197	1,219,985	1,229,829	1,255,089
In foreign currency	161,447	180,296	191,517	226,502	242,438	265,029	268,021	278,288	278,341
Government Deposits	111,234	120,021	115,837	137,584	192,262	251,239	252,152	271,426	275,656
	(6.3)	(7.9)	(-3.5)	(18.8)	(39.74)	(41.2)	(41.0)	(44.6)	(43.4)
In local currency	66,224	68,077	62,892	66,209	100,925	154,768	155,384	170,073	182,018
In foreign currency	45,010	51,944	52,945	71,375	91,337	96,471	96,768	101,353	93,638
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	22.7	23.9	23.6	24.5	22.6	21.3	21.0	21.3	20.6
Dollarization in Non-Government Deposits	20.2	21.2	20.8	21.0	18.8	18.3	18.0	18.5	18.2
Dollarization in Government Deposits	40.5	43.3	45.7	51.9	47.5	38.4	38.4	37.3	34.0

Source: Central bank of Egypt.

() Percent change over same period in previous year.

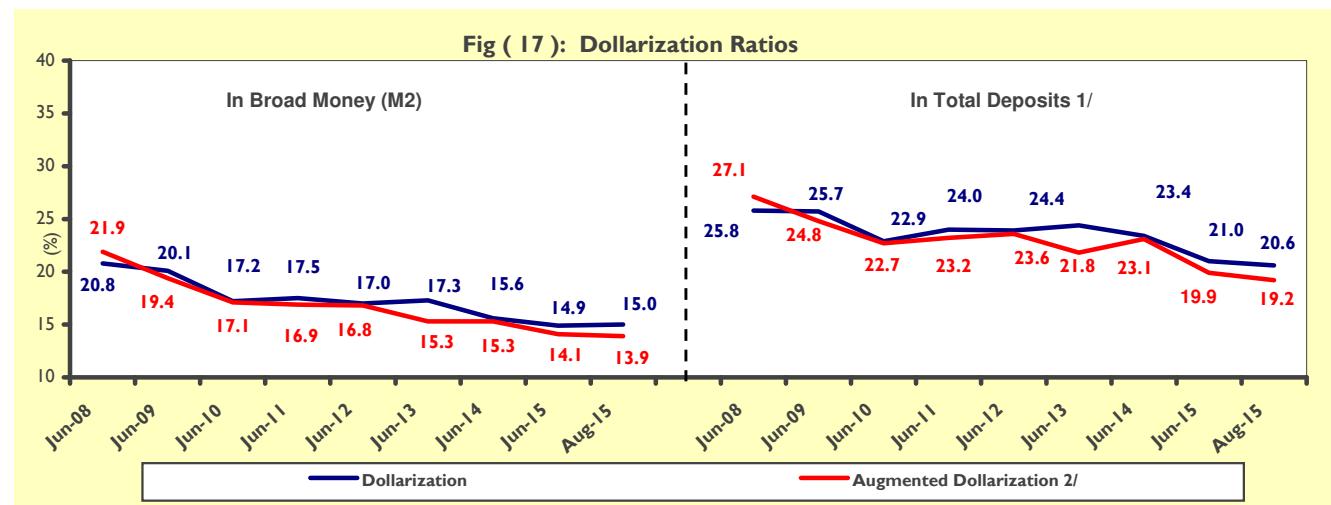
* Preliminary.

Revised

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)

	Aug-10	Aug-11	Aug-12	Aug-13	Aug-14	May-15	Jun-15 [#]	Jul-15 [#]	Aug-15 [*]
Total lending	466,853	476,596	505,501	550,393	587,986	709,932	717,999	726,274	736,914
	(9.2)	(2.1)	(6.1)	(8.9)	(6.8)	(22.5)	(22.1)	(23.5)	(25.3)
To Government ^{2/}	35,475	38,635	33,807	37,137	41,017	62,990	66,421	70,301	69,740
	(11.9)	(8.9)	-(12.5)	(9.9)	(10.4)	(61.0)	(62.8)	(72.4)	(70.0)
In local currency	18,452	17,739	13,902	10,963	11,735	10,935	10,855	10,697	10,637
In foreign currency	17,023	20,896	19,905	26,174	29,282	52,055	55,566	59,604	59,103
To Non-Government	431,378	437,961	471,694	513,256	546,969	646,942	651,578	655,973	667,174
	(9.0)	(1.5)	(7.7)	(8.8)	(6.6)	(19.7)	(19.1)	(19.9)	(22.0)
In local currency	297,195	312,316	349,778	375,758	404,461	462,375	468,502	467,494	476,392
In foreign currency	134,183	125,645	121,916	137,498	142,508	184,567	183,076	188,479	190,782
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	85.8	84.8	85.1	85.3	85.3	82.2	82.0	81.5	80.7
Non Government Loans/ Deposits ^{4/}	53.9	51.4	51.3	47.5	42.5	44.7	43.8	43.5	43.5
Government Loans / Deposits	31.9	32.2	29.2	27.0	21.3	25.1	26.3	25.9	25.3
Foreign currency denominated credit to total credit	32.4	30.7	28.1	29.7	29.2	33.3	33.2	34.2	33.9
Government foreign currency denominated credit to total government credit	48.0	54.1	58.9	70.5	71.4	82.6	83.7	84.8	84.7
Non - government foreign currency denominated credit to total non-government credit	31.1	28.7	25.8	26.8	26.1	28.5	28.1	28.7	28.6

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

Revised

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

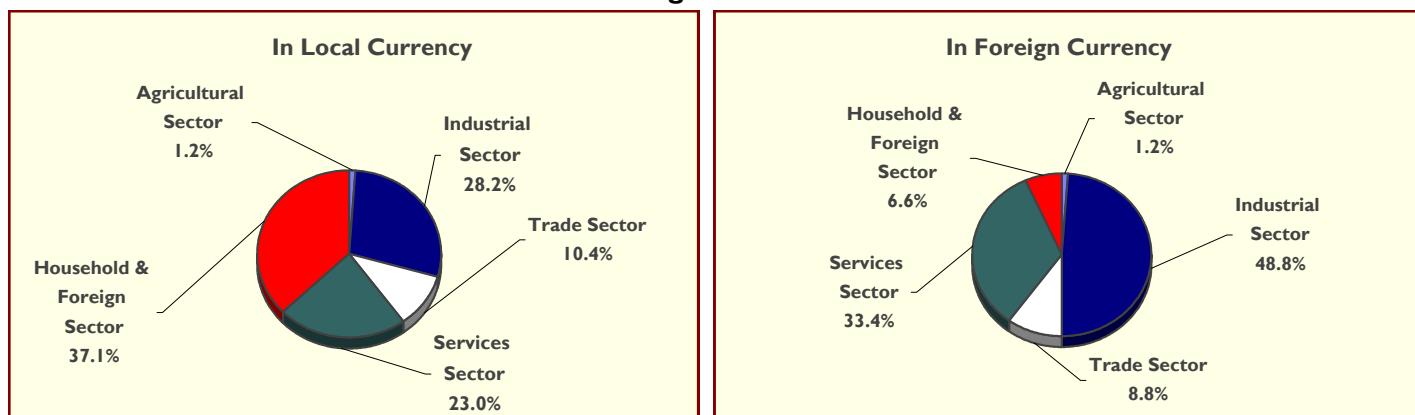
2/ Includes central government and economic authorities.

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

August-2015



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	8.50
Monthly Average						
Sep-14	9.75	11.90	7.00	11.75	9.75	8.50
Oct-14	9.75	11.70	7.00	11.57	9.75	8.50
Nov-14	9.75	11.80	7.00	11.62	9.75	8.50
Dec-14	9.75	11.80	7.20	11.51	9.75	8.50
Jan-15	9.25	11.70	7.20	11.44	9.75	8.50
Feb-15	9.25	11.60	7.20	11.04	9.75	8.50
Mar-15	9.25	11.60	7.10	11.20	9.75	8.50
Apr-15	9.25	11.50	7.00	11.16	9.75	8.50
May-15	9.25	11.60	6.80	11.41	10.25	8.50
Jun-15	9.25	11.60	6.80	11.73	10.25	8.50
Jul-15	9.25	11.70	6.70	11.44	10.25	8.50
Aug-15	9.25	11.70	6.80	11.21	10.25	8.50
Sep-15	9.25	--	--	11.28	10.25	8.50

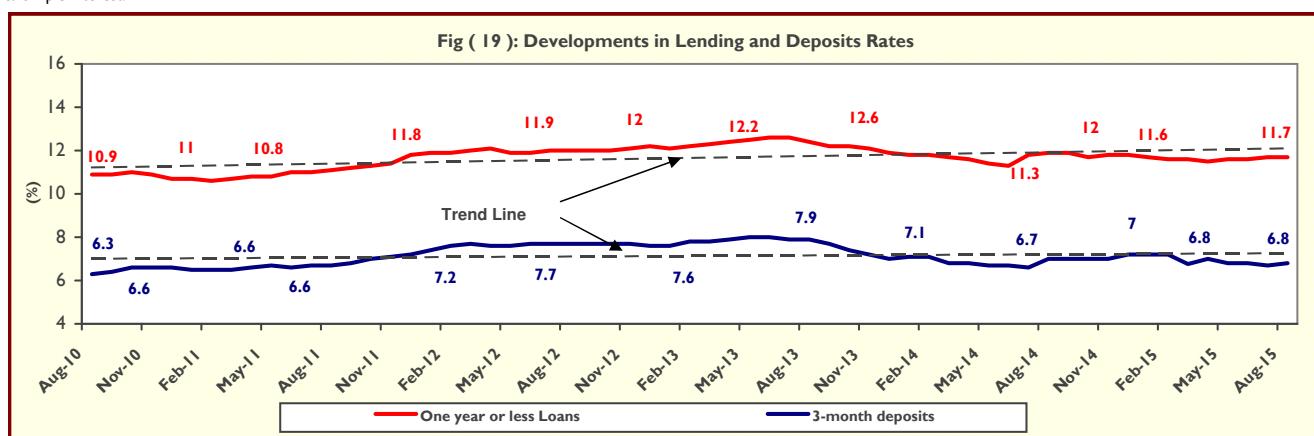
Source: Central Bank of Egypt.

-- Data unavailable.

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/}

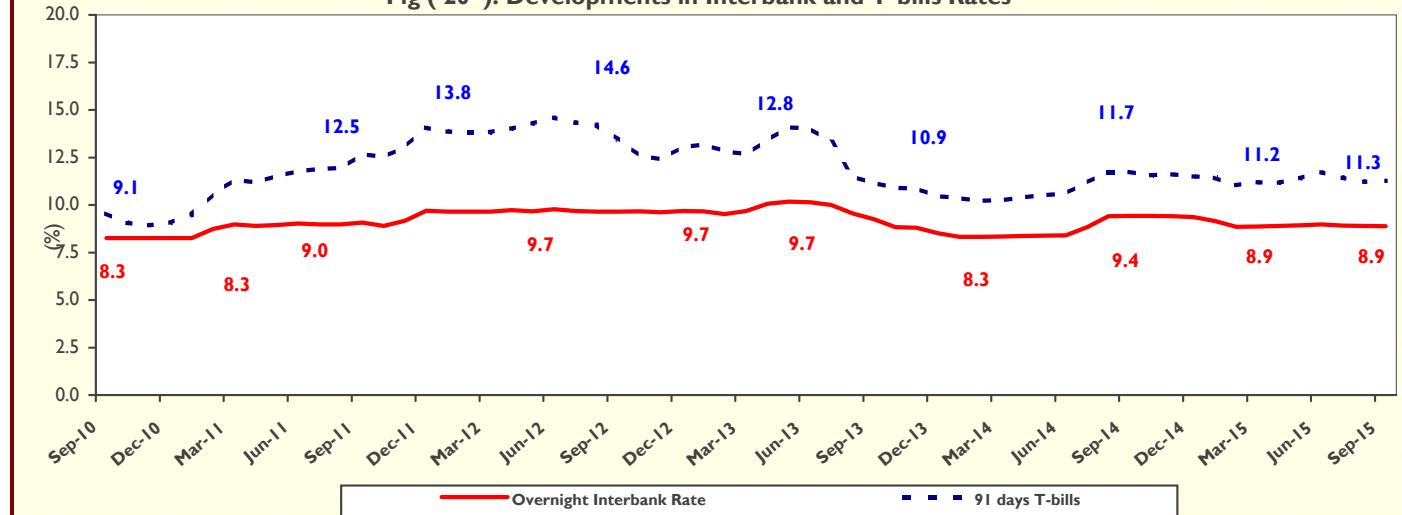
	Overnight	One Week	Month	More than One Month
Yearly Average				
2005	9.5	10.1	10.4	10.7
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
2011	9.0	9.1	9.4	9.5
2012	9.4	9.8	10.1	10.2
2013	9.5	9.8	10.2	10.5
2014	8.8	9.1	--	--
Monthly Average				
Sep-14	9.43	9.67	--	--
Oct-14	9.42	9.64	--	--
Nov-14	9.41	9.63	--	--
Dec-14	9.36	9.64	--	--
Jan-15	9.15	9.51	--	--
Feb-15	8.85	9.18	9.53	8.85
Mar-15	8.87	9.16	--	8.85
Apr-15	8.89	9.08	--	--
May-15	8.93	9.19	--	--
Jun-15	8.97	9.23	--	--
Jul-15	8.92	9.25	--	--
Aug-15	8.89	9.23	--	--
Sep-15	8.88	9.12	--	--

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.