

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

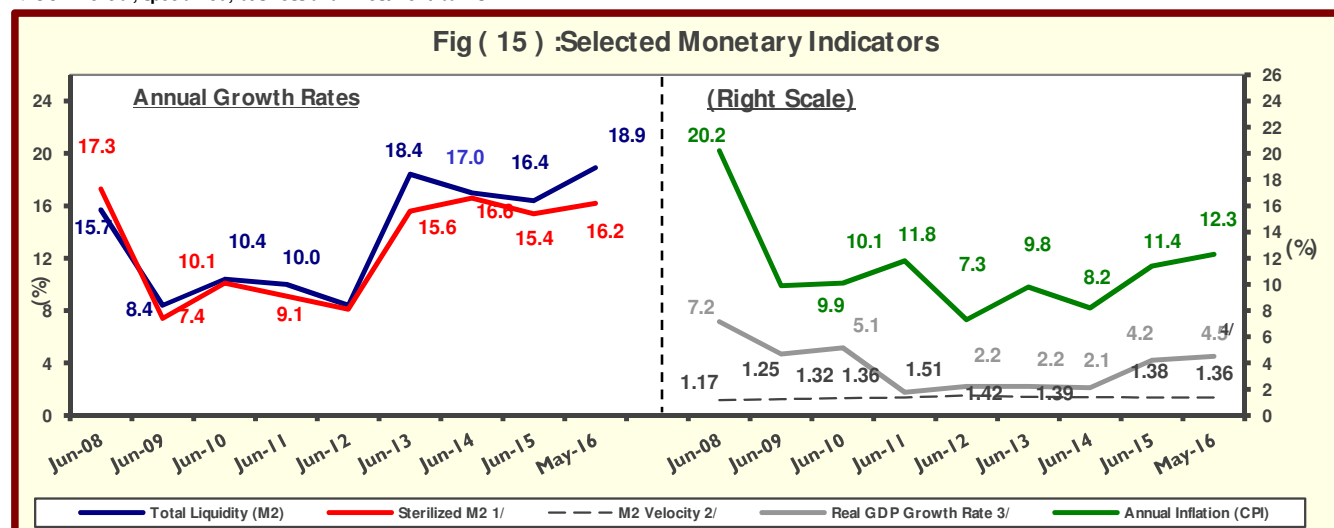
Table (24) : Developments in Main Monetary Aggregates
(May 2016)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	9.8	80.4	-278.2	-135.1
CBE NFA	23.5	99.0	-312.7	-143.2
CBE NIR	3.3	20.5	4.6	13.1
Banks NFA 2/	-3.1	62.1	-30.2	-129.0
Net Foreign Assets (US dollar terms)	9.6	58.6	-252.6	-130.7
CBE NFA	23.2	75.0	-282.2	-137.9
CBE NIR	3.00	6.0	-10.4	3.1
Banks NFA 2/	-3.3	42.6	-227.7	-125.3
Net Domestic Assets	2.2	8.1	27.1	26.1
Net Claims on Government and GASC	2.4	6.6	30.9	29.2
Claims on Public Companies	1.3	10.3	37.0	39.5
Claims on Private Sector	1.3	6.7	13.9	15.9
Total Liquidity (M2)	1.9	6.3	18.9	18.1
Money (M1)	2.4	5.8	16.0	17.9
Quasi Money	1.7	6.5	19.9	18.2

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 FY13/14 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 estimates for FY14/15 have been revised to LE 2429.8 billion in light of these recent developments. Noteworthy, quarterly ratios are calculated based on full year GDP figures. GDP estimates for FY15/16 have been revised recently to reach LE 2771.3 billion compared to a previous estimate of LE 2833.4 billion in light of recent developments in macroeconomic indicators during July-December FY15/16.

3/ Real Growth of GDP at market prices.

4/ Reflects Real GDP growth for July-December FY15/16.

**Table (25) : Monetary Survey
Assets and Liabilities of The Banking Sector
(May 2016)**

(LE Million)

	May-11	May-12	May-13	May-14	May-15	Feb-16	Mar-16	Apr-16	May-16
Net Foreign Assets 1/	253,644	157,609	135,421	126,059	46,462	(45,899)	(63,507)	(75,377)	(82,792)
	-(7.3)	-(37.9)	-(14.1)	-(6.9)	-(63.1)	-(165.2)	-(195.4)	-(239.5)	-(278.2)
Central bank (Net)	150,123	75,449	42,839	41,709	21,265	(22,732)	(40,362)	(36,612)	(45,230)
Foreign Assets	159,314	91,672	105,994	119,991	144,310	124,436	139,651	143,481	149,607
Foreign Liabilities	9,191	16,223	63,155	78,282	123,045	147,168	180,013	180,093	194,837
Banks (Net)	103,521	82,160	92,582	84,350	25,197	(23,167)	(23,145)	(38,765)	(37,562)
Foreign Assets	140,090	114,941	125,707	117,886	86,250	72,976	89,144	83,295	82,985
Foreign Liabilities	36,569	32,781	33,125	33,536	61,053	96,143	112,289	122,060	120,547
Net Domestic Assets of which:	740,787	909,972	1,133,092	1,358,361	1,673,586	1,968,584	2,051,346	2,082,009	2,127,085
	(19.0)	(22.8)	(24.5)	(19.9)	(23.2)	(25.6)	(27.0)	(26.5)	(27.1)
Net Claims on Government, and GASC 2/	434,684	564,769	783,578	993,710	1,241,062	1,524,160	1,567,643	1,585,696	1,624,511
National Currency	518,986	625,854	830,581	986,054	1,204,400	1,467,092	1,486,484	1,502,639	1,487,691
Foreign Currency	(84,302)	(61,085)	(47,003)	7,656	36,662	57,068	81,159	83,057	136,820
Claims on Public Business Sector	33,083	42,025	43,765	46,353	63,610	79,005	83,032	85,998	87,134
National Currency	24,812	33,136	34,412	36,464	43,064	54,852	55,087	57,461	59,282
Foreign Currency	8,271	8,889	9,353	9,889	20,546	24,153	27,945	28,537	27,852
Claims on Private Sector 2/	417,336	447,948	492,823	526,614	617,909	659,814	685,837	695,014	703,909
National Currency	311,908	344,338	373,167	400,333	456,274	502,107	517,296	526,115	535,447
Foreign Currency	105,428	103,610	119,656	126,281	161,635	157,707	168,541	168,899	168,462
Other Items (net) 1/ 2/	(144,316)	(144,770)	(187,074)	(208,316)	(248,995)	(294,395)	(285,166)	(284,699)	(288,469)
Total Liquidity (M2)	994,431	1,067,581	1,268,513	1,484,420	1,720,048	1,922,685	1,987,839	2,006,632	2,044,293
	(11.0)	(7.4)	(18.8)	(17.0)	(15.9)	(17.4)	(18.2)	(18.0)	(18.9)
Money (M1) 3/	244,041	264,626	331,757	401,254	476,647	522,455	529,845	540,172	552,971
	(19.2)	(8.4)	(25.4)	(20.9)	(18.8)	(15.9)	(15.4)	(16.0)	(16.0)
Currency in Circulation	167,450	187,396	231,575	267,732	287,834	305,726	312,214	322,059	329,591
Demand Deposits in Local Currency	76,591	77,230	100,182	133,522	188,813	216,729	217,631	218,113	223,380
Quasi Money	750,390	802,955	936,756	1,083,166	1,243,401	1,400,230	1,457,994	1,466,460	1,491,322
	(8.5)	(7.0)	(16.7)	(15.6)	(14.8)	(18.0)	(19.2)	(18.8)	(19.9)
Local Currency Time & Savings Deposits	571,957	617,905	711,100	846,870	983,420	1,124,883	1,143,494	1,149,173	1,172,250
Foreign Currency Demand Deposits	44,129	46,053	56,298	64,790	66,897	66,976	75,783	75,987	76,222
Foreign Currency Time and Savings Deposits	134,304	138,997	169,358	171,506	193,084	208,371	238,717	241,300	242,850

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)
(May 2016)

	May-11	May-12	May-13	May-14	May-15	Feb-16	Mar-16	Apr-16	May-16 [*]
Net Foreign Assets (In Million US\$) ^{4/}	42,740	26,146	19,447	17,802	6,109	(5,879)	(7,514)	(8,510)	(9,324)
Central bank NFA	25,297	12,516	6,152	5,890	2,796	(2,912)	(4,775)	(4,134)	(5,094)
Net International Reserves	44,289	28,837	28,516	28,858	22,286	12,971	13,784	11,823	12,619
Central Bank (Gross)	27,228	15,515	16,039	17,284	19,560	16,534	16,561	17,011	17,521
Banks (net)	17,444	13,630	13,295	11,912	3,313	(2,967)	(2,738)	(4,377)	(4,230)
Foreign assets	23,606	19,068	18,052	16,648	11,340	9,347	10,547	9,404	9,346
Foreign Liabilities	6,162	5,438	4,757	4,736	8,027	12,314	13,285	13,781	13,576
<i>In Percent of Beginning of Money Stocks ^{5/}</i>									
Net Foreign Assets	-3.1%	-9.5%	-2.0%	0.22%	-4.79%	-5.5%	-6.5%	-7.2%	-7.6%
Net Domestic Assets	11.5%	15.3%	17.9%	14.3%	18.2%	14.4%	19.1%	20.8%	23.4%
Money (M1)	3.3%	1.6%	5.2%	4.4%	4.4%	1.3%	1.7%	2.3%	3.1%
Quasi Money	5.1%	4.2%	10.7%	10.1%	9.1%	7.6%	10.9%	11.3%	12.7%
Dollarization (% of Total Liquidity) ^{6/}	0.18	0.17	0.18	0.16	0.15	14.3	15.8	15.8	15.6
M2 Multiplier ^{7/}	4.02	4.07	4.16	4.27	4.30	4.69	4.62	4.54	4.40
M2 Velocity ^{8/}	1.38	1.55	1.45	1.42	1.41	1.44	1.39	1.38	1.36
M2 (annual percentage change)	10.98	7.36	18.82	17.02	15.87	17.4	18.2	18.0	18.9
Credit to private sector (annual percentage change) ^{9/}	0.03	0.1	0.1	0.07	0.2	14.5	15.6	14.9	13.9
Exchange Rate ^{10/}	5.93	6.03	6.96	7.08	7.61	7.81	8.45	8.86	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.

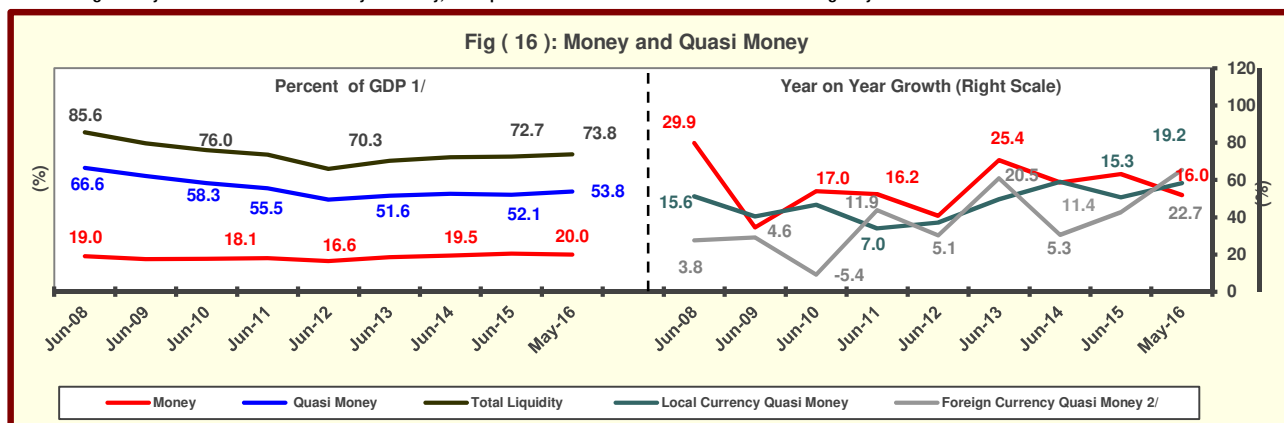
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity. It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

7/ M2 / Reserve Money.

8/ The Ministry of Planning Monitoring and Administrative Reform has revised the time series of GDP starting FY11/12 until FY13/14 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 estimates for FY14/15 have been revised to LE 2429.8 billion in light of these recent developments. Noteworthy, quarterly ratios are calculated based on full year GDP figures. GDP estimates for FY15/16 have been revised recently to reach LE 2771.3 billion compared to a previous estimate of LE 2833.4 billion in light of recent developments in macroeconomic indicators during July-December FY15/16.

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 FY13/14 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 estimates for FY14/15 have been revised to LE 2429.8 billion in light of these recent developments. Noteworthy, quarterly ratios are calculated based on full year GDP figures. GDP estimates for FY15/16 have been revised recently to reach LE 2771.3 billion compared to a previous estimate of LE 2833.4 billion in light of recent developments in macroeconomic indicators during July-December FY15/16.

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

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

(LE Million)

	May-11	May-12	May-13	May-14	May-15	Feb-16	Mar-16	Apr-16	May-16 [*]
Reserve Money	247,102	262,213	304,620	347,865	400,058	410,150	430,378	442,281	464,664
	(28.5)	(6.1)	(16.2)	(14.2)	(15.0)	(12.6)	(13.1)	(15.0)	(16.1)
Currency in Circulation	178,632	197,071	243,402	282,461	306,476	323,832	330,831	341,399	351,114
	(25.9)	(10.3)	(23.5)	(16.0)	(8.5)	(10.4)	(12.2)	(14.2)	(14.6)
Banks LE Deposits with CBE	68,470	65,142	61,218	65,404	93,582	86,318	99,547	100,882	113,550
	(35.9)	-(4.9)	-(6.0)	(6.8)	(43.1)	(21.8)	(16.3)	(17.8)	(21.3)
Counter Assets:									
Net Foreign Assets	150,123	75,449	42,839	41,709	21,265	-22,732	-40,362	-36,612	-45,230
	-(20.3)	-(49.7)	-(43.2)	-(2.6)	-(49.0)	-(164.4)	-(217.7)	-(228.6)	-(312.7)
Net Domestic Assets	96,979	186,764	261,781	306,156	378,793	432,882	470,740	478,893	509,894
	(2402.7)	(92.6)	(40.2)	(17.0)	(23.7)	(31.6)	(36.0)	(34.5)	(34.6)
Net Claims on Government ^{2/}	117,198	175,688	296,911	382,536	505,590	662,216	643,584	642,809	611,158
	(55.6)	(49.9)	(69.0)	(28.8)	(32.2)	(40.3)	(29.2)	(25.8)	(20.9)
Claims	201,543	257,741	396,779	432,015	612,346	746,791	729,477	731,101	695,252
	(30.9)	(27.9)	(53.9)	(8.9)	(41.7)	(29.1)	(20.8)	(17.8)	(13.5)
Securities	130,597	129,097	178,831	240,331	290,330	241,830	461,830	461,830	461,830
Credit Facilities	70,946	128,644	217,948	191,684	322,016	504,961	267,647	269,271	233,422
Deposits ^{3/}	84,345	82,053	99,868	49,479	106,756	84,575	85,893	88,292	84,094
	(7.3)	-(2.7)	(21.7)	-(50.5)	(115.8)	-(20.5)	-(18.7)	-(19.8)	-(21.2)
Net Claims on Banks	-1,544	-1,767	-1,860	-9,132	-26,733	-18,594	-3,853	-14,297	62,432
Net Balancing Items ^{4/}	-18,675	12,843	-33,270	-67,248	-100,064	-210,740	-168,991	-149,619	-163,696
Memorandum Items									
Reserve Money Velocity ^{5/, 6/}	5.55	6.32	6.05	6.04	6.07	6.76	6.44	6.27	5.96

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 FY13/14 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 estimates for FY14/15 have been revised to LE 2429.8 billion in light of these recent developments. Noteworthy, quarterly ratios are calculated based on full year GDP figures. GDP estimates for FY15/16 have been revised recently to reach LE 2771.3 billion compared to a previous estimate of LE 2833.4 billion in light of recent developments in macroeconomic indicators during July-December FY15/16.

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

(LE Million)

	May-11	May-12	May-13	May-14	May-15	Feb-16	Mar-16	Apr-16	May-16 [*]
Total Deposits	951,703 (7.8)	1,011,174 (6.2)	1,169,613 (15.7)	1,403,339 (20.0)	1,699,465 (21.1)	1,934,458 (19.7)	2,006,363 (20.6)	2,014,089 (20.2)	2,079,282 (22.3)
In local currency	718,499	768,418	879,706	1,067,067	1,337,965	1,568,815	1,587,754	1,594,413	1,658,362
In foreign currency	233,204	242,756	289,907	336,272	361,500	365,643	418,609	419,676	420,920
Non Government Deposits ^{2/}	833,286 (8.5)	887,341 (6.5)	1,045,752 (17.9)	1,225,376 (17.2)	1,448,226 (18.2)	1,631,375 (18.8)	1,691,668 (19.1)	1,697,873 (18.5)	1,728,423 (19.3)
In local currency	651,450	698,633	815,591	985,101	1,183,197	1,351,554	1,371,171	1,376,365	1,405,085
In foreign currency	181,836	188,708	230,161	240,275	265,029	279,821	320,497	321,508	323,338
Government Deposits	118,417 (3.3)	123,833 (4.6)	123,861 (0.0)	177,963 (43.7)	251,239 (41.17)	303,083 (25.0)	314,695 (29.0)	316,216 (30.3)	350,859 (39.7)
In local currency	67,049	69,785	64,115	81,966	154,768	217,261	216,583	218,048	253,277
In foreign currency	51,368	54,048	59,746	95,997	96,471	85,822	98,112	98,168	97,582
Memorandum Items (In Percent):									
Dollarization in Total Deposits	24.5	24.0	24.8	24.0	21.3	18.9	20.9	20.8	20.2
Dollarization in Non-Government Deposits	21.8	21.3	22.0	19.6	18.3	17.2	18.9	18.9	18.7
Dollarization in Government Deposits	43.4	43.6	48.2	53.9	38.4	28.3	31.2	31.0	27.8

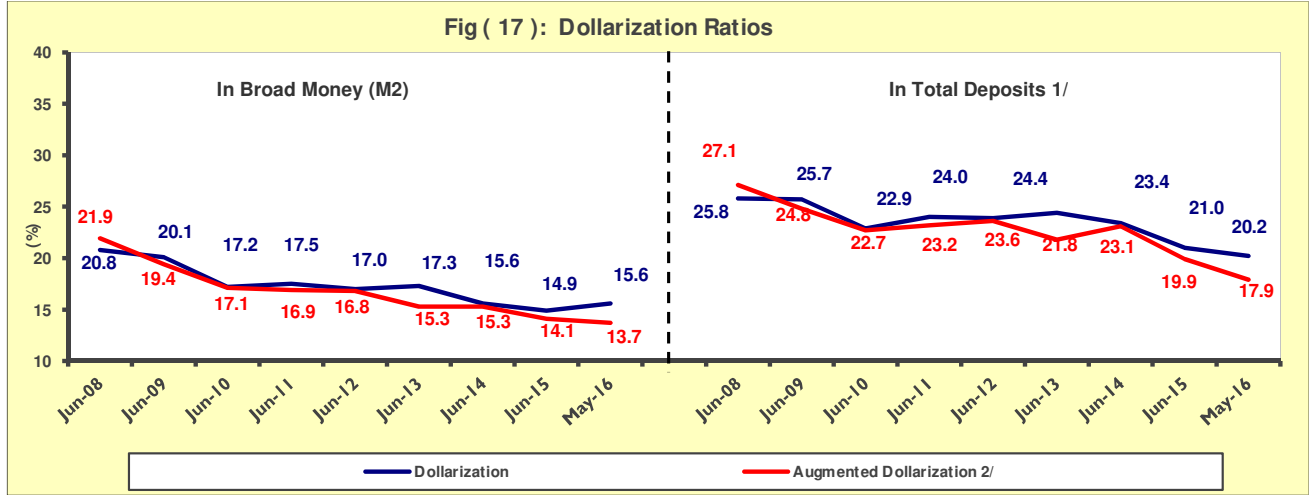
Source: Central bank of Egypt.

() 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)

	May-11	May-12	May-13	May-14	May-15	Feb-16	Mar-16	Apr-16	May-16 [*]
Total lending	470,933	502,274	545,640	579,499	709,932	804,378	852,323	865,443	925,660
	(3.0)	(6.7)	(8.6)	(6.2)	(22.5)	(22.6)	(25.5)	(24.4)	(30.4)
To Government ^{2/}	40,389	32,660	35,475	39,117	62,990	102,289	121,303	121,984	172,047
	(3.7)	-(19.1)	(8.6)	(10.3)	(61.0)	(96.8)	(116.1)	(100.4)	(173.1)
In local currency	18,327	15,562	11,579	12,095	10,935	40,888	50,730	50,644	100,473
In foreign currency	22,062	17,098	23,896	27,022	52,055	61,401	70,573	71,340	71,574
To Non-Government	430,544	469,614	510,165	540,382	646,942	702,089	731,020	743,459	753,613
	(2.9)	(9.1)	(8.6)	(5.9)	(19.7)	(16.2)	(17.3)	(17.1)	(16.5)
In local currency	304,727	346,445	373,260	400,471	462,375	519,722	534,362	545,858	556,967
In foreign currency	125,817	123,169	136,905	139,911	184,567	182,367	196,658	197,601	196,646
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	84.5	85.2	85.5	85.3	82.2	77.5	76.1	76.0	72.0
Non Government Loans/ Deposits ^{4/}	51.7	52.9	48.8	44.1	44.7	43.0	43.2	43.8	43.6
Government Loans / Deposits	34.1	26.4	28.6	22.0	25.1	33.7	38.5	38.6	49.0
Foreign currency denominated credit to total credit	31.4	27.9	29.5	28.8	33.3	30.3	31.4	31.1	29.0
Government foreign currency denominated credit to total government credit	54.6	52.4	67.4	69.1	82.6	60.0	58.2	58.5	41.6
Non - government foreign currency denominated credit to total non-government credit	29.2	26.2	26.8	25.9	28.5	26.0	26.9	26.6	26.1

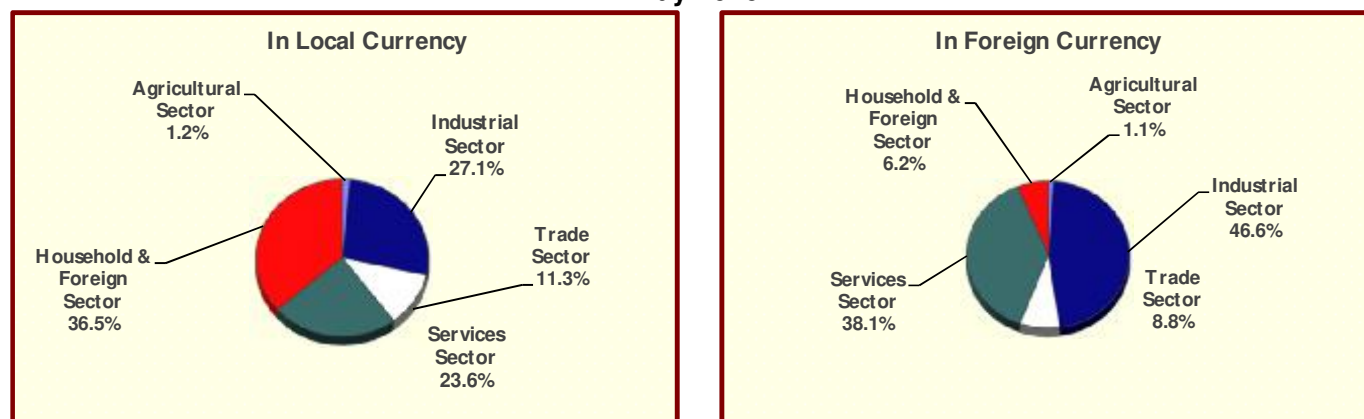
Source: Central Bank of Egypt.

() 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

May-2016



Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

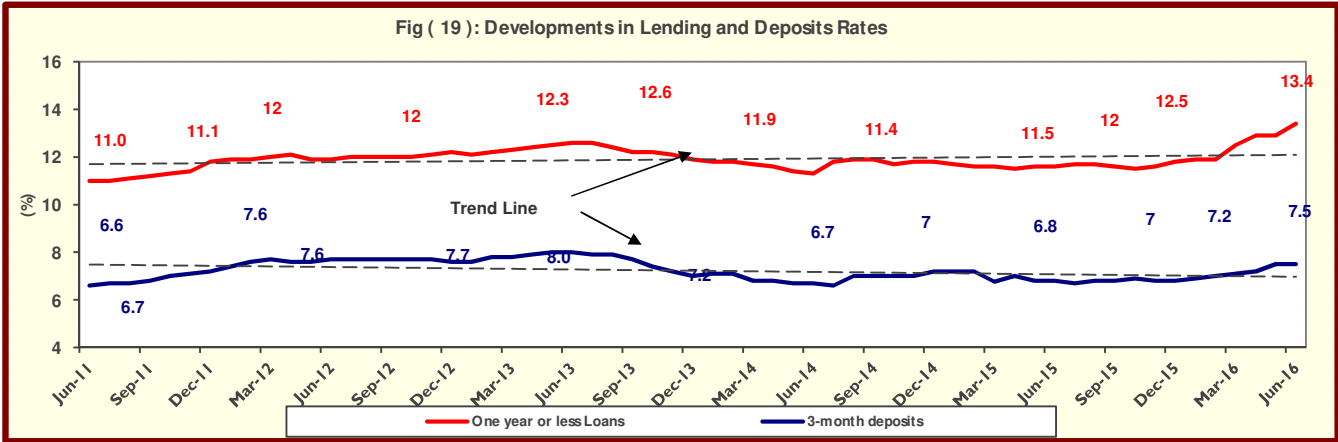
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/ 3/}	Post Office Saving Deposits ^{1/}
Yearly Average						
2005/2006	9.00	12.71	6.53	8.82	9.50	9.50
2006/2007	9.00	12.64	6.01	8.65	10.00	9.50
2007/2008	10.00	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						
Jun-15	9.25	11.60	6.80	11.73	10.25	8.00
Jul-15	9.25	11.70	6.70	11.44	10.25	8.00
Aug-15	9.25	11.70	6.80	11.21	10.25	8.00
Sep-15	9.25	11.60	6.80	11.28	10.25	8.00
O ct-15	9.25	11.50	6.90	11.17	10.25	8.00
N ov-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

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.

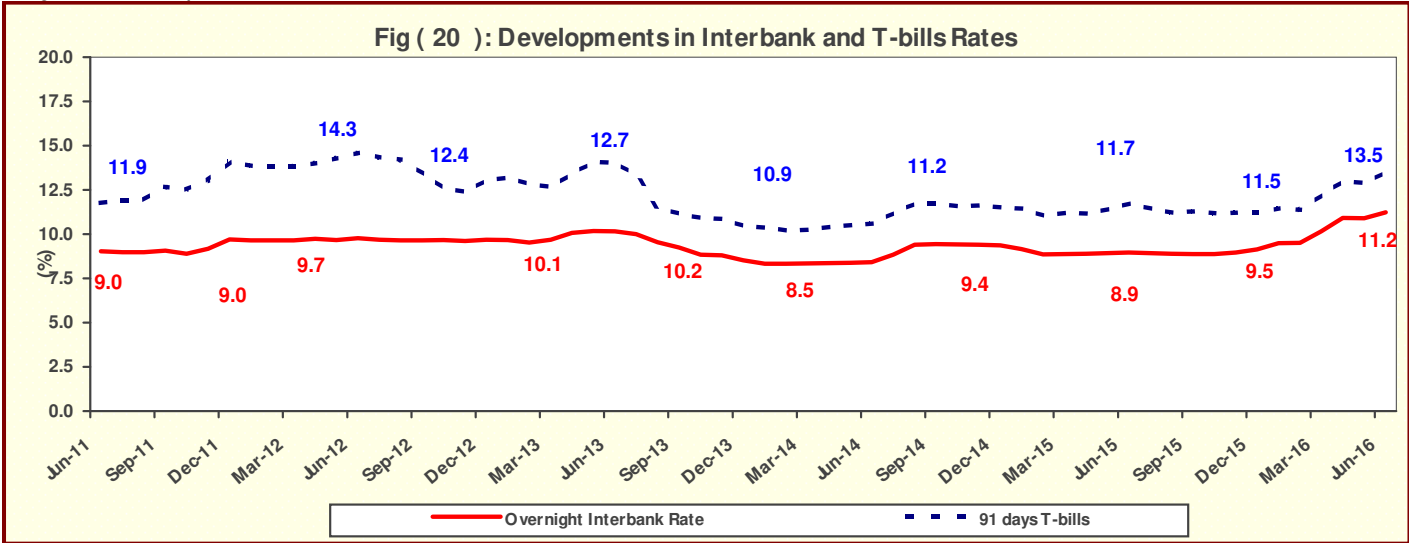
Table (30) : Average Interbank Rates^{1/}

	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				
Jun-15	8.97	9.23	--	--
Jul-15	8.92	9.25	--	--
Aug-15	8.89	9.23	--	--
Sep-15	8.88	9.12	--	--
O ct-15	8.87	8.95	--	--
N ov-15	8.96	8.98	--	--
D ec-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	--	--

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.