

Section 6

MONETARY SECTOR

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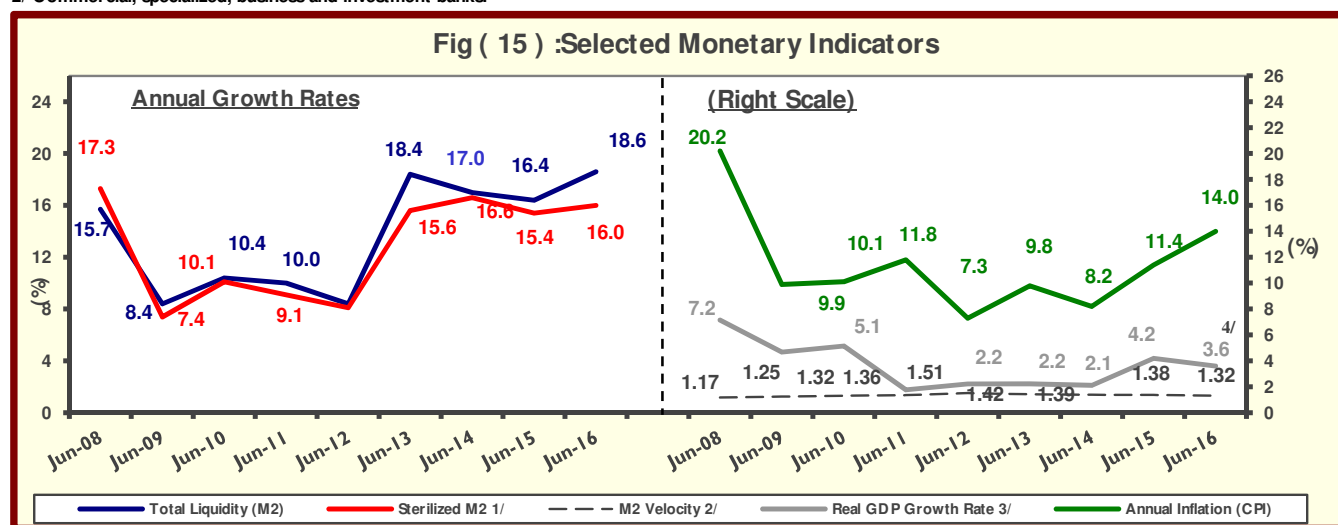
Table (24) : Developments in Main Monetary Aggregates
(June 2016)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	5.6	37.6	-269.7	-152.9
CBE NFA	-0.8	11.2	-277.5	-163.6
CBE NIR	0.1	11.3	2.0	10.9
Banks NFA 2/	13.2	83.7	-14.1	-145.2
Net Foreign Assets (US dollar terms)	5.6	31.0	-245.4	-146.2
CBE NFA	-0.8	5.8	-252.0	-155.8
CBE NIR	0.14	5.9	-12.6	0.4
Banks NFA 2/	13.2	74.9	-239.0	-139.4
Net Domestic Assets	2.6	6.4	27.3	26.5
Net Claims on Government and GASC	2.5	6.2	28.9	29.7
Claims on Public Companies	6.8	12.1	47.2	40.2
Claims on Private Sector	1.2	3.8	14.2	15.7
Total Liquidity (M2)	2.5	5.4	18.6	18.3
Money (M1)	3.6	8.1	14.8	17.3
Quasi Money	2.0	4.4	20.1	18.6

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-March FY15/16.

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

(LE Million)

	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Mar-16	Apr-16	May-16	Jun-16 [*]
Net Foreign Assets 1/	253,500	157,624	123,198	119,162	51,487	(63,507)	(75,377)	(82,792)	(87,389)
	-(10.2)	-(37.8)	-(21.8)	-(3.3)	-(56.8)	-(195.4)	-(239.5)	-(278.2)	-(269.7)
Central bank (Net)	147,197	76,059	38,235	37,395	25,278	(40,362)	(36,612)	(45,230)	(44,863)
Foreign Assets	156,331	92,169	101,685	115,770	148,098	139,651	143,481	149,607	149,943
Foreign Liabilities	9,134	16,110	63,450	78,375	122,820	180,013	180,093	194,837	194,806
Banks (Net)	106,303	81,565	84,963	81,767	26,209	(23,145)	(38,765)	(37,562)	(42,526)
Foreign Assets	139,150	114,796	118,354	115,838	86,214	89,144	83,295	82,985	81,532
Foreign Liabilities	32,846	33,231	33,391	34,071	60,005	112,289	122,060	120,547	124,058
Net Domestic Assets of which:	755,911	936,784	1,172,888	1,397,439	1,714,005	2,051,346	2,082,009	2,127,085	2,181,889
	(19.0)	(23.9)	(25.2)	(19.1)	(22.7)	(27.0)	(26.5)	(27.1)	(27.3)
Net Claims on Government, and GASC 2/	437,337	578,654	802,539	1,045,186	1,291,427	1,567,643	1,585,696	1,624,511	1,664,819
National Currency	524,335	638,492	851,425	1,034,569	1,251,096	1,486,484	1,502,639	1,487,691	1,510,845
Foreign Currency	(86,998)	(59,838)	(48,886)	10,617	40,331	81,159	83,057	136,820	153,974
Claims on Public Business Sector	32,981	40,620	42,866	45,417	63,218	83,032	85,998	87,134	93,073
National Currency	24,853	31,784	33,873	35,424	43,989	55,087	57,461	59,282	65,410
Foreign Currency	8,128	8,836	8,993	9,993	19,229	27,945	28,537	27,852	27,663
Claims on Private Sector 2/	422,448	453,292	497,735	534,538	623,566	685,837	695,014	703,909	712,132
National Currency	316,938	348,849	376,211	407,230	461,561	517,296	526,115	535,447	543,158
Foreign Currency	105,510	104,443	121,524	127,308	162,005	168,541	168,899	168,462	168,974
Other Items (net) 1/ 2/	(136,855)	(135,782)	(170,252)	(227,702)	(264,206)	(285,166)	(284,699)	(288,469)	(288,135)
Total Liquidity (M2)	1,009,411	1,094,408	1,296,086	1,516,601	1,765,492	1,987,839	2,006,632	2,044,293	2,094,500
	(10.0)	(8.4)	(18.4)	(17.0)	(16.4)	(18.2)	(18.0)	(18.9)	(18.6)
Money (M1) 3/	248,707	274,510	344,100	410,554	499,065	529,845	540,172	552,971	572,935
	(16.2)	(10.4)	(25.4)	(19.3)	(21.6)	(15.4)	(16.0)	(16.0)	(14.8)
Currency in Circulation	167,887	194,027	241,011	270,856	292,699	312,214	322,059	329,591	346,853
Demand Deposits in Local Currency	80,820	80,483	103,089	139,698	206,366	217,631	218,113	223,380	226,082
Quasi Money	760,704	819,898	951,986	1,106,047	1,266,427	1,457,994	1,466,460	1,491,322	1,521,565
	(8.1)	(7.8)	(16.1)	(16.2)	(14.5)	(19.2)	(18.8)	(19.9)	(20.1)
Local Currency Time & Savings Deposits	583,732	633,858	727,778	869,976	1,003,432	1,143,494	1,149,173	1,172,250	1,197,746
Foreign Currency Demand Deposits	41,298	44,965	55,152	62,214	68,631	75,783	75,987	76,222	75,910
Foreign Currency Time and Savings Deposits	135,674	141,075	169,056	173,857	194,364	238,717	241,300	242,850	247,909

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)

(June 2016)

	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Mar-16	Apr-16	May-16	Jun-16 *
Net Foreign Assets (In Million US\$) ^{4/}	42,698	26,126	17,623	16,682	6,770	(7,514)	(8,510)	(9,324)	(9,842)
Central bank NFA	24,793	12,607	5,469	5,235	3,324	(4,775)	(4,134)	(5,094)	(5,053)
Net International Reserves	44,236	28,796	26,700	27,655	22,918	13,784	11,823	12,619	12,098
Central Bank (Gross)	26,564	15,534	14,936	16,687	20,082	16,561	17,011	17,521	17,546
Banks (net)	17,905	13,519	12,154	11,447	3,446	(2,738)	(4,377)	(4,230)	(4,790)
Foreign assets	23,437	19,027	16,930	16,217	11,336	10,547	9,404	9,346	9,183
Foreign Liabilities	5,532	5,508	4,777	4,770	7,890	13,285	13,781	13,576	13,972
<i>In Percent of Beginning of Money Stocks ^{5/}</i>									
Net Foreign Assets	-3.2%	-9.5%	-3.1%	-0.31%	-4.46%	-6.5%	-7.2%	-7.6%	-7.9%
Net Domestic Assets	13.2%	17.9%	21.6%	17.3%	20.9%	19.1%	20.8%	23.4%	26.5%
Money (M1)	3.8%	2.6%	6.4%	5.1%	5.8%	1.7%	2.3%	3.1%	4.2%
Quasi Money	6.2%	5.9%	12.1%	11.9%	10.6%	10.9%	11.3%	12.7%	14.5%
Dollarization (% of Total Liquidity) ^{6/}	0.18	0.17	0.17	0.16	0.15	15.8	15.8	15.6	15.5
M2 Multiplier ^{7/}	4.02	4.15	4.08	4.16	3.63	4.62	4.54	4.40	4.38
M2 Velocity ^{8/}	1.36	1.51	1.42	1.39	1.38	1.39	1.38	1.36	1.32
M2 (annual percentage change)	10.02	8.42	18.43	17.01	16.41	18.2	18.0	18.9	18.6
Credit to private sector (annual percentage change) ^{9/}	0.01	0.1	0.1	0.07	0.2	15.6	14.9	13.9	14.2
Exchange Rate ^{10/}	5.94	6.03	6.99	7.14	7.61	8.45	8.86	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.

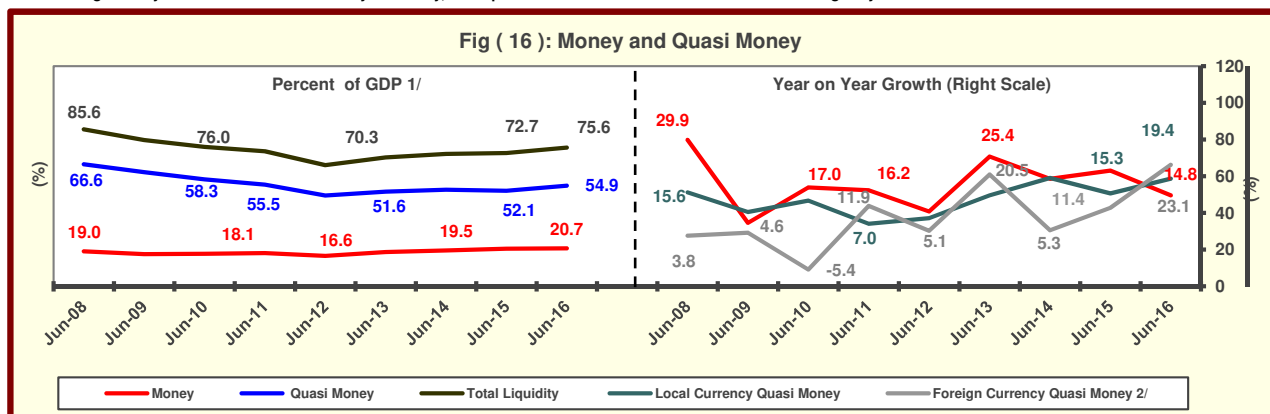
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity. It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

7/ M2 / Reserve Money.

8/ The Ministry of Planning Monitoring and Administrative Reform has revised the time series of GDP starting FY11/12 until 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)

	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Mar-16	Apr-16	May-16	Jun-16 *
Reserve Money	250,992	263,668	317,944	364,473	485,876	430,378	442,281	464,664	478,082
	(23.6)	(5.1)	(20.6)	(14.6)	(33.3)	(13.1)	(15.0)	(16.1)	-(1.6)
Currency in Circulation	179,096	204,870	260,849	288,651	313,468	330,831	341,399	351,114	368,458
	(24.2)	(14.4)	(27.3)	(10.7)	(8.6)	(12.2)	(14.2)	(14.6)	(17.5)
Banks LE Deposits with CBI	71,896	58,798	57,095	75,822	172,408	99,547	100,882	113,550	109,624
	(22.2)	-(18.2)	-(2.9)	(32.8)	(127.4)	(16.3)	(17.8)	(21.3)	-(36.4)
Counter Assets:									
Net Foreign Assets	147,197	76,059	38,235	37,395	25,171	-40,362	-36,612	-45,230	-44,864
	-(22.6)	-(48.3)	-(49.7)	-(2.2)	-(32.7)	-(217.7)	-(228.6)	-(312.7)	-(278.2)
Net Domestic Assets	103,795	187,609	279,709	327,078	460,598	470,740	478,893	509,894	522,946
	(708.6)	(80.7)	(49.1)	(16.9)	(40.8)	(36.0)	(34.5)	(34.6)	(13.5)
Net Claims on Government	102,562	165,374	299,806	419,218	523,893	643,584	642,809	611,158	629,270
	(27.2)	(61.2)	(81.3)	(39.8)	(25.0)	(29.2)	(25.8)	(20.9)	(20.1)
Claims	189,621	256,605	404,837	463,724	620,003	729,477	731,101	695,252	706,885
	(26.2)	(35.3)	(57.8)	(14.5)	(33.7)	(20.8)	(17.8)	(13.5)	(14.0)
Securities	130,597	178,831	238,831	240,331	240,330	461,830	461,830	461,830	390,830
Credit Facilities	59,024	77,774	166,006	223,393	379,673	267,647	269,271	233,422	316,055
Deposits ^{3/}	87,059	91,231	105,031	44,506	96,110	85,893	88,292	84,094	77,615
	(24.9)	(4.8)	(15.1)	-(57.6)	(115.9)	-(18.7)	-(19.8)	-(21.2)	-(19.2)
Net Claims on Banks	147	-2,706	-5,811	-9,045	-26,334	-3,853	-14,297	62,432	59,740
Net Balancing Items ^{4/}	1,086	24,941	-14,286	-83,095	-36,961	-168,991	-149,619	-163,696	-166,064
Memorandum Items									
Reserve Money Velocity ^{5/, 6/}	5.46	6.28	5.80	5.77	5.00	6.44	6.27	5.96	5.80

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)

	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Mar-16	Apr-16	May-16	Jun-16 [*]
Total Deposits	965,339	1,026,686	1,190,819	1,433,728	1,740,158	2,006,363	2,014,089	2,079,282	2,123,020
	(7.2)	(6.4)	(16.0)	(20.4)	(21.4)	(20.6)	(20.2)	(22.3)	(22.0)
In local currency	733,246	780,886	900,076	1,097,729	1,375,369	1,587,754	1,594,413	1,658,362	1,698,206
In foreign currency	232,093	245,800	290,743	335,999	364,789	418,609	419,676	420,920	424,814
Non Government Deposits ^{2/}	848,116	908,070	1,063,832	1,254,882	1,488,006	1,691,668	1,697,873	1,728,423	1,761,009
	(7.7)	(7.1)	(17.2)	(18.0)	(18.6)	(19.1)	(18.5)	(19.3)	(18.3)
In local currency	667,426	718,217	835,422	1,014,712	1,219,985	1,371,171	1,376,365	1,405,085	1,433,387
In foreign currency	180,690	189,853	228,410	240,170	268,021	320,497	321,508	323,338	327,622
Government Deposits	117,223	118,616	126,987	178,846	252,152	314,695	316,216	350,859	362,011
	(4.0)	(1.2)	(7.1)	(40.8)	(40.99)	(29.0)	(30.3)	(39.7)	(43.6)
In local currency	65,820	62,669	64,654	83,017	155,384	216,583	218,048	253,277	264,819
In foreign currency	51,403	55,947	62,333	95,829	96,768	98,112	98,168	97,582	97,192
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	24.0	23.9	24.4	23.4	21.0	20.9	20.8	20.2	20.0
Dollarization in Non-Government Deposits	21.3	20.9	21.5	19.1	18.0	18.9	18.9	18.7	18.6
Dollarization in Government Deposits	43.9	47.2	49.1	53.6	38.4	31.2	31.0	27.8	26.8

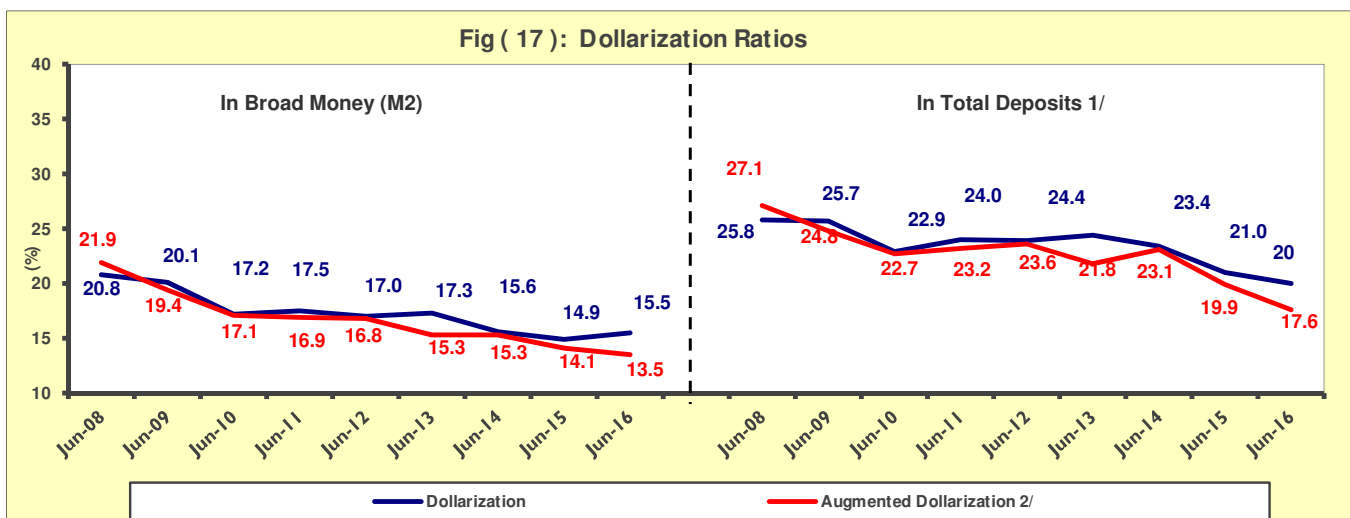
Source: Central bank of Egypt.

() 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)

	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Mar-16	Apr-16	May-16	Jun-16 *
Total lending	474,139	506,736	549,120	587,852	717,999	852,323	865,443	925,660	942,727
	(1.7)	(6.9)	(8.4)	(7.1)	(22.1)	(25.5)	(24.4)	(30.4)	(31.3)
To Government ^{2/}	39,802	33,589	35,780	40,802	66,421	121,303	121,984	172,047	173,740
	(1.1)	-(15.6)	(6.5)	(14.0)	(62.8)	(116.1)	(100.4)	(173.1)	(161.6)
In local currency	18,191	14,615	11,401	11,872	10,855	50,730	50,644	100,473	100,230
In foreign currency	21,611	18,974	24,379	28,930	55,566	70,573	71,340	71,574	73,510
To Non-Government	434,337	473,147	513,340	547,050	651,578	731,020	743,459	753,613	768,987
	(1.8)	(8.9)	(8.5)	(6.6)	(19.1)	(17.3)	(17.1)	(16.5)	(18.0)
In local currency	309,573	349,560	376,479	406,499	468,502	534,362	545,858	556,967	572,348
In foreign currency	124,764	123,587	136,861	140,551	183,076	196,658	197,601	196,646	196,639
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	84.7	85.4	85.7	85.4	82.0	76.1	76.0	72.0	71.7
Non Government Loans/ Deposits ^{4/}	51.2	52.1	48.3	43.6	43.8	43.2	43.8	43.6	43.7
Government Loans / Deposits	34.0	28.3	28.2	22.8	26.3	38.5	38.6	49.0	48.0
Foreign currency denominated credit to total credit	30.9	28.1	29.4	28.8	33.2	31.4	31.1	29.0	28.7
Government foreign currency denominated credit to total government credit	54.3	56.5	68.1	70.9	83.7	58.2	58.5	41.6	42.3
Non - government foreign currency denominated credit to total non-government credit	28.7	26.1	26.7	25.7	28.1	26.9	26.6	26.1	25.6

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

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

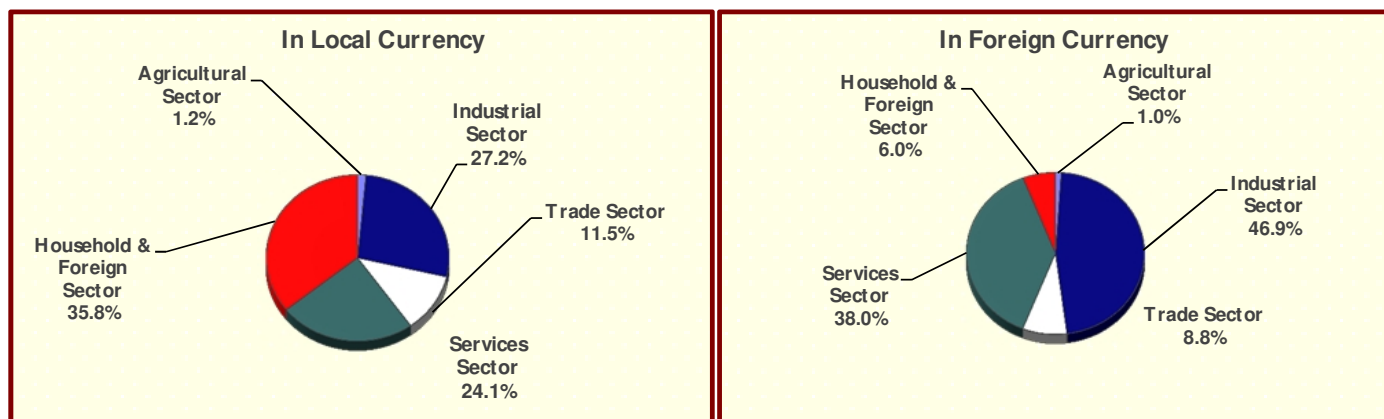
2/ Includes central government and economic authorities.

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

June-2016



Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

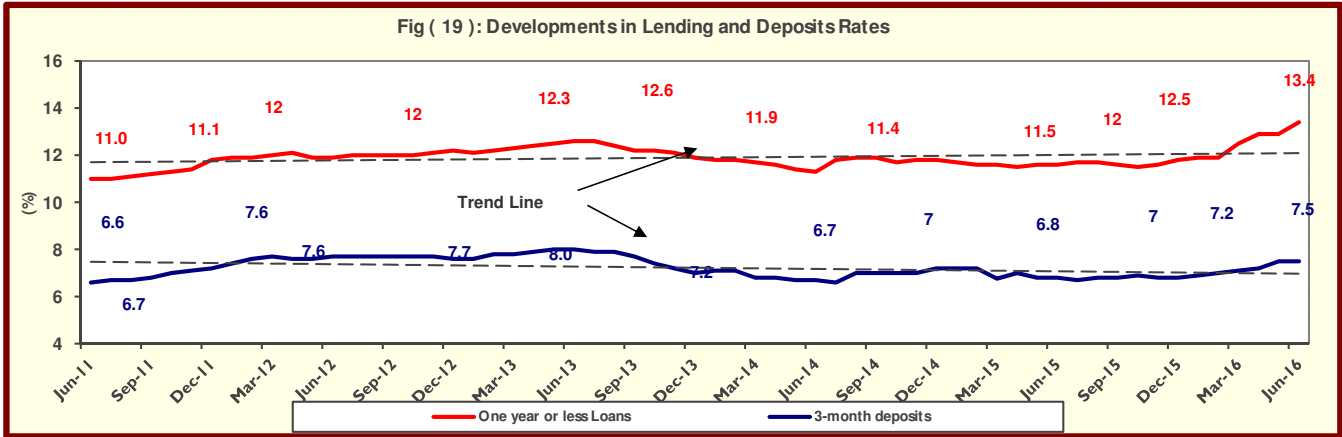
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/ 3/}	Post Office Saving Deposits ^{1/}
Yearly Average						
2005/2006	9.00	12.71	6.53	8.82	9.50	9.50
2006/2007	9.00	12.64	6.01	8.65	10.00	9.50
2007/2008	10.00	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						
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
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	--	--	14.12	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.

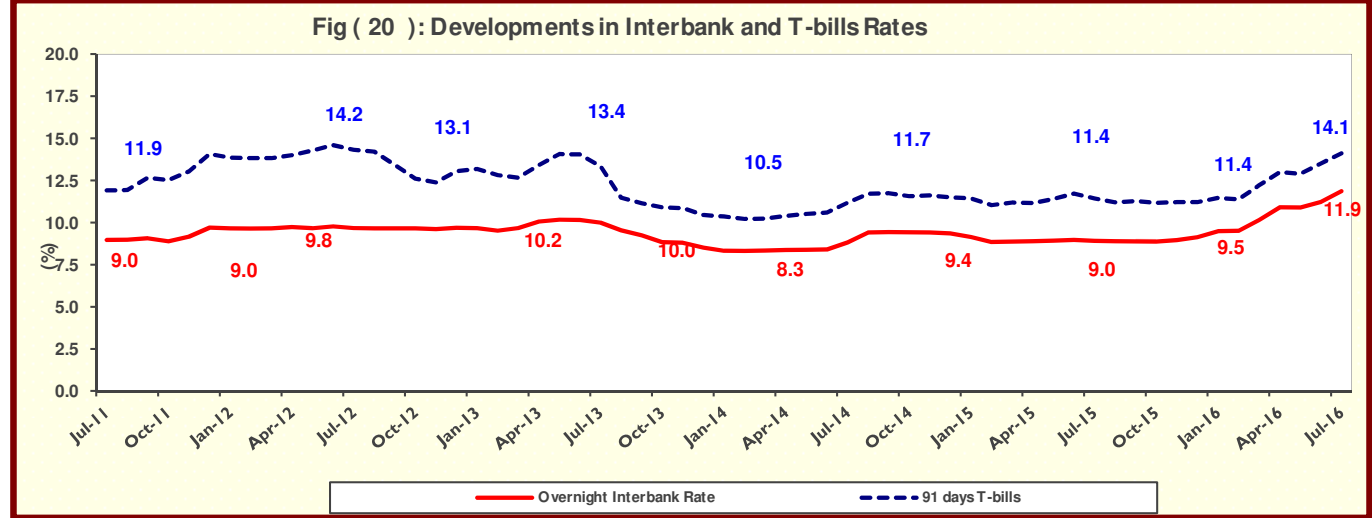
Table (30) : Average Interbank Rates ^{1/}

	Overnight	One 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				
Jul-15	8.92	9.25	--	--
Aug-15	8.89	9.23	--	--
Sep-15	8.88	9.12	--	--
Oct-15	8.87	8.95	--	--
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

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.