

Section 6

MONETARY SECTOR

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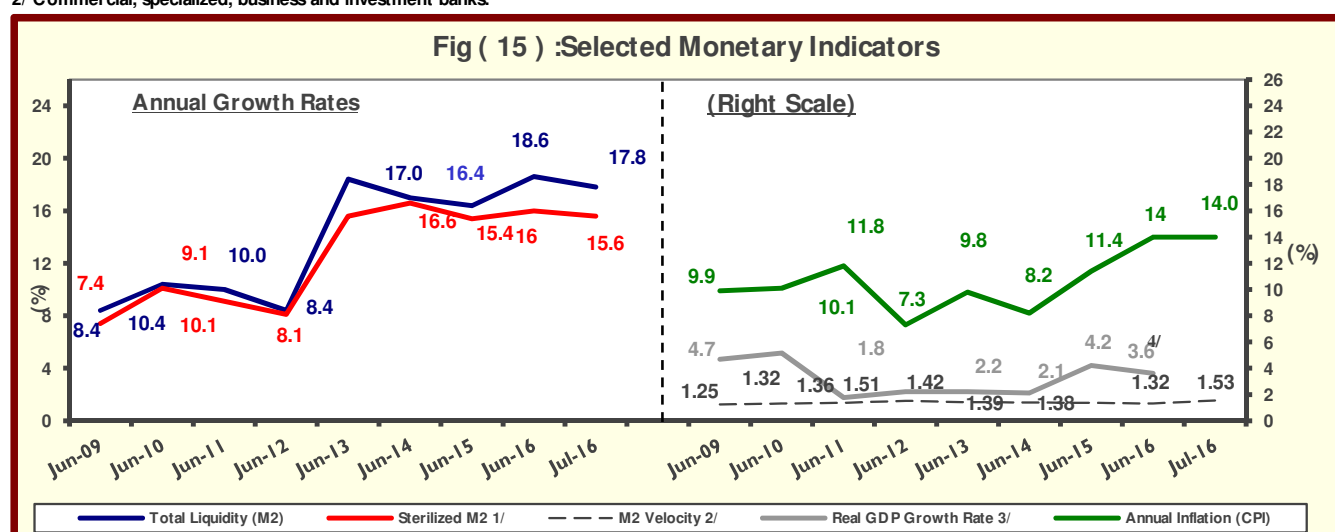
Table (24) : Developments in Main Monetary Aggregates
(July 2016)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	17.1	35.7	-319.0	-174.4
CBENFA	34.6	64.9	-530.1	-202.5
CBENIR	-11.4	-8.4	-4.6	8.8
Banks NFA 2/	-1.4	8.1	-28.2	-159.3
Net Foreign Assets (US dollar terms)	17.0	35.4	-292.4	-165.3
CBENFA	34.6	64.5	-477.8	-190.2
CBENIR	-11.46	-8.7	-16.2	-1.9
Banks NFA 2/	-1.4	7.9	-212.7	-151.9
Net Domestic Assets	1.8	6.7	26.8	26.8
Net Claims on Government and GASC	2.6	7.1	27.8	29.9
Claims on Public Companies	0.5	8.7	45.7	40.5
Claims on Private Sector	-0.2	2.3	13.4	15.4
Total Liquidity (M2)	1.2	5.6	17.8	18.4
Money (M1)	1.0	7.1	15.1	17.1
Quasi Money	1.3	5.1	18.8	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 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
(July 2016)**

(LE Million)

	Jul-11	Jul-12	Jul-13	Jul-14	Jul-15	Apr-16	May-16	Jun-16	Jul-16 [*]
Net Foreign Assets 1/	253,654	156,065	145,832	117,896	46,717	(75,377)	(82,792)	(87,389)	(102,298)
	-(10.5)	-(38.5)	-(6.6)	-(19.2)	-(60.4)	-(239.5)	-(278.2)	-(269.7)	-(319.0)
Central bank (Net)	141,811	69,477	44,731	37,838	14,039	(36,612)	(45,230)	(44,863)	(60,376)
Foreign Assets	150,921	85,598	128,994	116,213	139,820	143,481	149,607	149,943	132,421
Foreign Liabilities	9,110	16,121	84,263	78,375	125,781	180,093	194,837	194,806	192,797
Banks (Net)	111,843	86,588	101,101	80,058	32,678	(38,765)	(37,562)	(42,526)	(41,922)
Foreign Assets	142,545	116,647	133,803	114,716	97,140	83,295	82,985	81,532	80,166
Foreign Liabilities	30,702	30,059	32,702	34,658	64,462	122,060	120,547	124,058	122,088
Net Domestic Assets of which:	765,272	945,809	1,170,222	1,427,135	1,752,773	2,082,009	2,127,085	2,181,889	2,222,013
	(19.7)	(23.6)	(23.7)	(22.0)	(22.8)	(26.5)	(27.1)	(27.3)	(26.8)
Net Claims on Government, and GASC 2/	454,032	599,146	820,459	1,067,210	1,328,614	1,585,696	1,624,511	1,654,910	1,698,606
National Currency	542,249	656,644	875,833	1,049,745	1,285,084	1,502,639	1,487,691	1,500,936	1,540,752
Foreign Currency	(88,217)	(57,498)	(55,374)	17,465	43,530	83,057	136,820	153,974	157,854
Claims on Public Business Sector	33,331	41,177	43,604	45,251	64,178	85,998	87,134	93,073	93,500
National Currency	25,360	32,471	34,798	35,375	44,197	57,461	59,282	65,410	65,854
Foreign Currency	7,971	8,706	8,806	9,876	19,981	28,537	27,852	27,663	27,646
Claims on Private Sector 2/	422,692	451,527	497,300	534,471	626,820	695,014	703,909	712,132	710,830
National Currency	317,129	347,823	374,627	405,380	460,007	526,115	535,447	543,158	540,290
Foreign Currency	105,563	103,704	122,673	129,091	166,813	168,899	168,462	168,974	170,540
Other Items (net) 1/ 2/	(144,783)	(146,041)	(191,141)	(219,797)	(266,839)	(284,699)	(288,469)	(278,226)	(280,923)
Total Liquidity (M2)	1,018,926	1,101,874	1,316,054	1,545,031	1,799,490	2,006,632	2,044,293	2,094,500	2,119,715
	(10.4)	(8.1)	(19.4)	(17.4)	(16.5)	(18.0)	(18.9)	(18.6)	(17.8)
Money (M1) 3/	254,288	278,388	353,844	427,864	502,537	540,172	552,971	572,935	578,502
	(19.2)	(9.5)	(27.1)	(20.9)	(17.5)	(16.0)	(16.0)	(14.8)	(15.1)
Currency in Circulation	171,046	196,361	250,930	285,445	306,870	322,059	329,591	346,853	352,544
Demand Deposits in Local Currency	83,242	82,027	102,914	142,419	195,667	218,113	223,380	226,082	225,958
Quasi Money	764,638	823,486	962,210	1,117,167	1,296,953	1,466,460	1,491,322	1,521,565	1,541,213
	(7.8)	(7.7)	(16.8)	(16.1)	(16.1)	(18.8)	(19.9)	(20.1)	(18.8)
Local Currency Time & Savings Deposits	585,246	637,110	736,195	877,720	1,023,805	1,149,173	1,172,250	1,197,746	1,214,020
Foreign Currency Demand Deposits	43,106	45,224	57,510	64,864	72,065	75,987	76,222	75,910	75,660
Foreign Currency Time and Savings Deposits	136,286	141,152	168,505	174,583	201,083	241,300	242,850	247,909	251,533

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)
(July 2016)

	Jul-11	Jul-12	Jul-13	Jul-14	Jul-15	Apr-16	May-16	Jun-16	Jul-16 [*]
Net Foreign Assets (In Million US\$)^{4/}	42,666	25,807	20,814	16,500	5,989	(8,510)	(9,324)	(9,842)	(11,520)
Central bank NFA	23,853	11,489	6,384	5,296	1,800	(4,134)	(5,094)	(5,053)	(6,799)
Net International Reserves	44,198	28,473	32,840	27,469	22,113	11,823	12,619	12,098	10,191
Central Bank (Gross)	25,706	14,422	18,890	16,737	18,536	17,011	17,521	17,546	15,536
Banks (net)	18,812	14,318	14,430	11,204	4,189	(4,377)	(4,230)	(4,790)	(4,721)
Foreign assets	23,977	19,289	19,097	16,055	12,453	9,404	9,346	9,183	9,028
Foreign Liabilities	5,164	4,971	4,667	4,850	8,264	13,781	13,576	13,972	13,749
<i>In Percent of Beginning of Money Stocks^{5/}</i>									
Net Foreign Assets	0.02%	-0.1%	1.7%	-0.08%	-0.27%	-7.2%	-7.6%	-7.9%	-8.7%
Net Domestic Assets	0.9%	0.8%	-0.2%	2.0%	2.2%	20.8%	23.4%	26.5%	28.8%
Money (M1)	0.6%	0.4%	0.8%	1.1%	0.2%	2.3%	3.1%	4.2%	4.5%
Quasi Money	0.4%	0.3%	0.8%	0.7%	1.7%	11.3%	12.7%	14.5%	15.6%
Dollarization (% of Total Liquidity)^{6/}	0.18	0.17	0.17	0.15	0.15	15.8	15.6	15.5	15.4
M2 Multiplier^{7/}	4.03	4.30	4.04	4.17	4.35	4.54	4.40	4.38	4.71
M2 Velocity^{8/}	1.63	1.67	1.60	1.57	1.54	1.38	1.36	1.32	1.53
M2 (annual percentage change)	10.44	8.14	19.44	17.40	16.47	18.0	18.9	18.6	17.8
Credit to private sector (annual percentage change)^{9/}	0.01	0.1	0.1	0.07	0.2	14.9	13.9	14.2	13.4
Exchange Rate^{10/}	5.95	6.05	7.01	7.15	7.80	8.86	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.

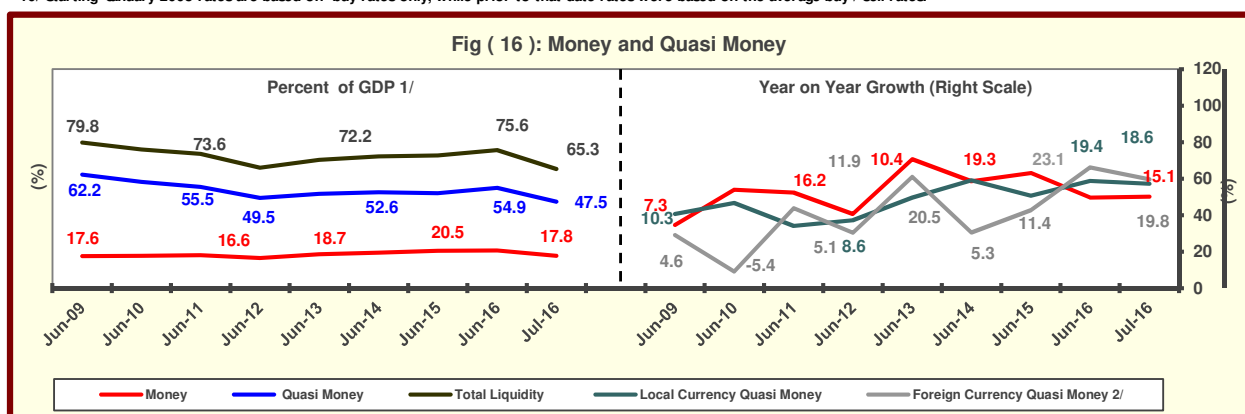
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity. It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

7/ M2 / Reserve Money.

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

	Jul-11	Jul-12	Jul-13	Jul-14	Jul-15	Apr-16	May-16	Jun-16	Jul-16 [*]
Reserve Money	252,873	256,235	325,641	370,588	413,623	442,281	464,664	478,076	449,591
	(20.7)	(1.3)	(27.1)	(13.8)	(11.6)	(15.0)	(16.1)	-(1.6)	(8.7)
Currency in Circulation	182,548	208,398	265,639	303,989	326,705	341,399	351,114	368,459	375,455
	(23.1)	(14.2)	(27.5)	(14.4)	(7.5)	(14.2)	(14.6)	(17.5)	(14.9)
Banks LE Deposits with CBE	70,325	47,837	60,002	66,599	86,918	100,882	113,550	109,617	74,136
	(14.8)	-(32.0)	(25.4)	(11.0)	(30.5)	(17.8)	(21.3)	-(36.4)	-(14.7)
Counter Assets:									
Net Foreign Assets	141,811	69,477	44,731	37,838	14,013	-36,612	-45,230	-44,863	-60,376
	-(25.5)	-(51.0)	-(35.6)	-(15.4)	-(63.0)	-(228.6)	-(312.7)	-(278.2)	-(530.9)
Net Domestic Assets	111,062	186,758	280,910	332,750	399,584	478,893	509,894	522,939	509,967
	(481.8)	(68.2)	(50.4)	(18.5)	(20.1)	(34.5)	(34.6)	(13.5)	(27.6)
Net Claims on Government ^{2/}	127,825	182,962	329,617	445,293	577,178	642,809	611,158	619,410	643,337
	(33.8)	(43.1)	(80.2)	(35.1)	(29.6)	(25.8)	(20.9)	(18.2)	(11.5)
Claims	203,414	263,167	420,790	484,625	665,551	731,101	695,252	706,885	725,881
	(23.1)	(29.4)	(59.9)	(15.2)	(37.3)	(17.8)	(13.5)	(14.0)	(9.1)
Securities	129,097	178,831	240,331	214,330	241,830	461,830	461,830	390,830	390,830
Credit Facilities	74,317	84,336	180,459	270,295	423,721	269,271	233,422	316,055	335,051
Deposits ^{3/}	75,589	80,205	91,173	39,332	88,373	88,292	84,094	87,475	82,544
	(8.4)	(6.1)	(13.7)	-(56.9)	(124.7)	-(19.8)	-(21.2)	-(9.0)	-(6.6)
Net Claims on Banks	1,169	-1,123	1,232	-7,790	-28,516	-14,297	62,432	59,621	59,783
Net Balancing Items ^{4/}	-17,932	4,919	-49,939	-104,753	-149,078	-149,619	-163,696	-156,092	-193,153
Memorandum Items									
Reserve Money Velocity ^{5/, 6/}	6.55	7.20	6.45	6.56	6.70	6.27	5.96	5.80	7.22

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)

	Jul-11	Jul-12	Jul-13	Jul-14	Jul-15	Apr-16	May-16	Jun-16	Jul-16 [*]
Total Deposits	972,788	1,029,584	1,212,014	1,456,749	1,779,543	2,014,089	2,079,282	2,123,069	2,138,526
	(8.0)	(5.8)	(17.7)	(20.2)	(22.2)	(20.2)	(22.3)	(22.0)	(20.2)
In local currency	737,531	785,611	911,740	1,124,441	1,399,902	1,594,413	1,658,362	1,698,255	1,711,055
In foreign currency	235,257	243,973	300,274	332,308	379,641	419,676	420,920	424,814	427,471
Non Government Deposits ^{2/}	854,327	912,570	1,073,703	1,269,049	1,508,117	1,697,873	1,728,423	1,761,009	1,779,938
	(8.3)	(6.8)	(17.7)	(18.2)	(18.8)	(18.5)	(19.3)	(18.3)	(18.0)
In local currency	671,214	722,459	843,588	1,025,432	1,229,829	1,376,365	1,405,085	1,433,387	1,449,249
In foreign currency	183,113	190,111	230,115	243,617	278,288	321,508	323,338	327,622	330,689
Government Deposits	118,461	117,014	138,311	187,700	271,426	316,216	350,859	362,060	358,588
	(5.6)	-(1.2)	(18.2)	(35.7)	(44.61)	(30.3)	(39.7)	(43.6)	(32.1)
In local currency	66,317	63,152	68,152	99,009	170,073	218,048	253,277	264,868	261,806
In foreign currency	52,144	53,862	70,159	88,691	101,353	98,168	97,582	97,192	96,782
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	24.2	23.7	24.8	22.8	21.3	20.8	20.2	20.0	20.0
Dollarization in Non-Government Deposits	21.4	20.8	21.4	19.2	18.5	18.9	18.7	18.6	18.6
Dollarization in Government Deposits	44.0	46.0	50.7	47.3	37.3	31.0	27.8	26.8	27.0

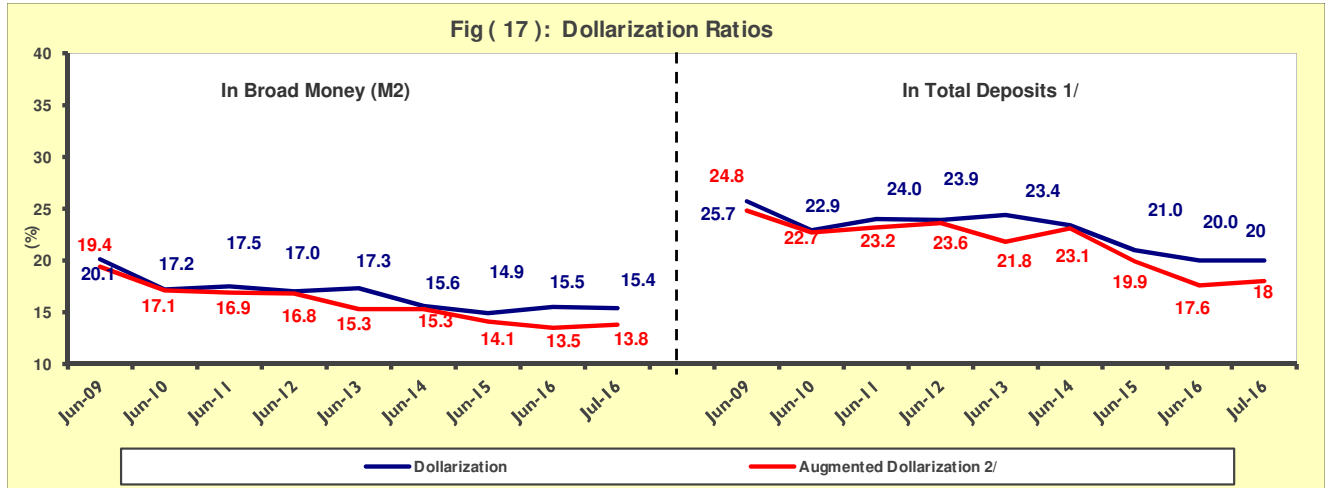
Source: Central bank of Egypt.

() 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)

	Jul-11	Jul-12	Jul-13	Jul-14	Jul-15	Apr-16	May-16	Jun-16	Jul-16 *
Total lending	475,401	505,140	550,319	588,003	726,274	865,443	925,660	942,727	944,343
	(2.3)	(6.3)	(8.9)	(6.8)	(23.5)	(24.4)	(30.4)	(31.3)	(30.0)
To Government ^{2/}	40,317	33,183	36,270	40,769	70,301	121,984	172,047	173,740	176,923
	(1.3)	-(17.7)	(9.3)	(12.4)	(72.4)	(100.4)	(173.1)	(161.6)	(151.7)
In local currency	17,950	14,262	11,135	11,724	10,697	50,644	100,473	100,230	100,589
In foreign currency	22,367	18,921	25,135	29,045	59,604	71,340	71,574	73,510	76,334
To Non-Government	435,084	471,957	514,049	547,234	655,973	743,459	753,613	768,987	767,420
	(2.4)	(8.5)	(8.9)	(6.5)	(19.9)	(17.1)	(16.5)	(18.0)	(17.0)
In local currency	310,380	349,149	375,591	405,167	467,494	545,858	556,967	572,348	569,195
In foreign currency	124,704	122,808	138,458	142,067	188,479	197,601	196,646	196,639	198,225
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	84.6	85.3	85.5	85.4	81.5	76.0	72.0	71.7	71.4
Non Government Loans/ Deposits ^{4/}	50.9	51.7	47.9	43.1	43.5	43.8	43.6	43.7	43.1
Government Loans / Deposits	34.0	28.4	26.2	21.7	25.9	38.6	49.0	48.0	49.3
Foreign currency denominated credit to total credit	30.9	28.1	29.7	29.1	34.2	31.1	29.0	28.7	29.1
Government foreign currency denominated credit to total government credit	55.5	57.0	69.3	71.2	84.8	58.5	41.6	42.3	43.1
Non - government foreign currency denominated credit to total non-government credit	28.7	26.0	26.9	26.0	28.7	26.6	26.1	25.6	25.8

Source: Central Bank of Egypt.

() Percent change over previous year

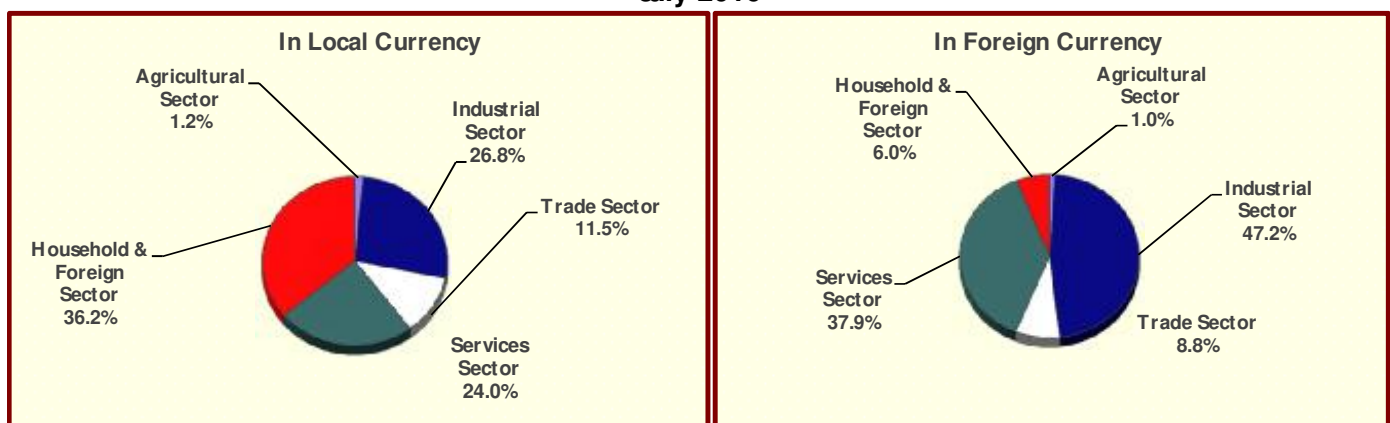
* Preliminary.

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**July-2016**

Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

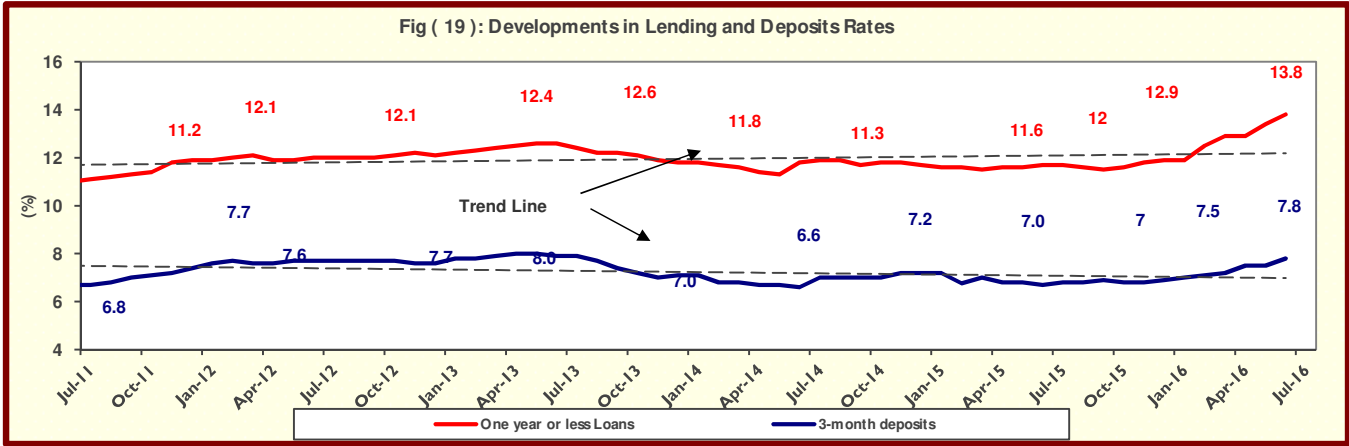
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/ 3/}	Post Office Saving Deposits ^{1/}
Yearly Average						
2005/2006	9.00	12.71	6.53	8.82	9.50	9.50
2006/2007	9.00	12.64	6.01	8.65	10.00	9.50
2007/2008	10.00	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						
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
Oct-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	13.80	7.80	14.12	12.75	8.00
Aug-16	12.25	--	--	14.10	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.

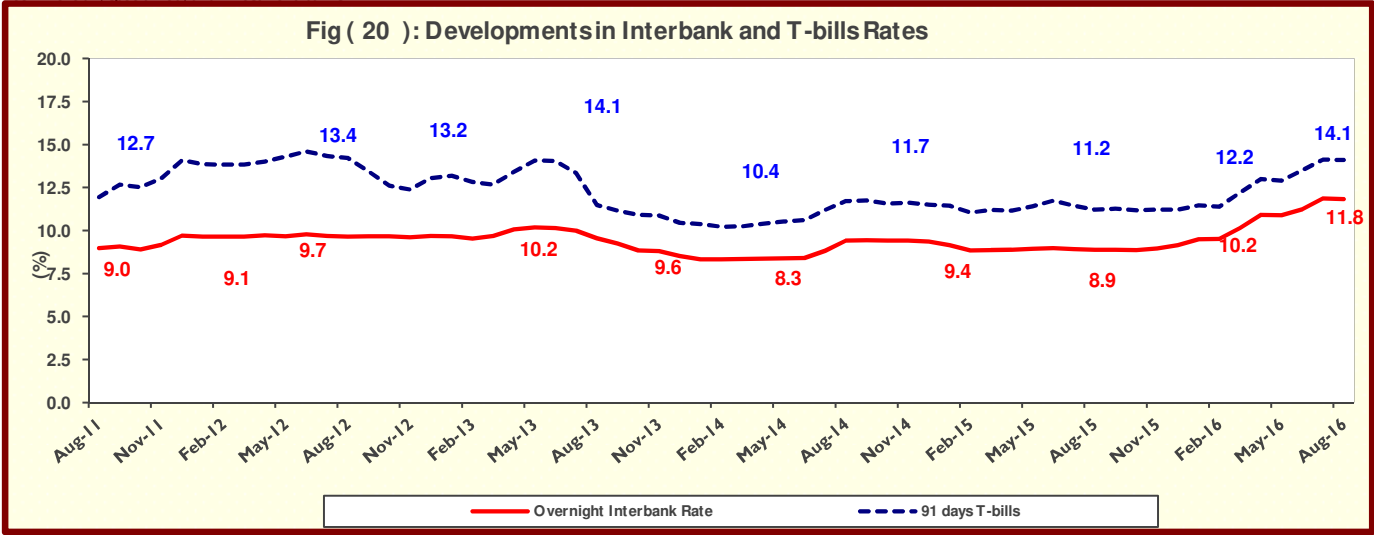
Table (30) : Average Interbank Rates^{1/}

	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				
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
Aug-16	11.83	11.95	--	12.33

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.