

Section 6

MONETARY SECTOR

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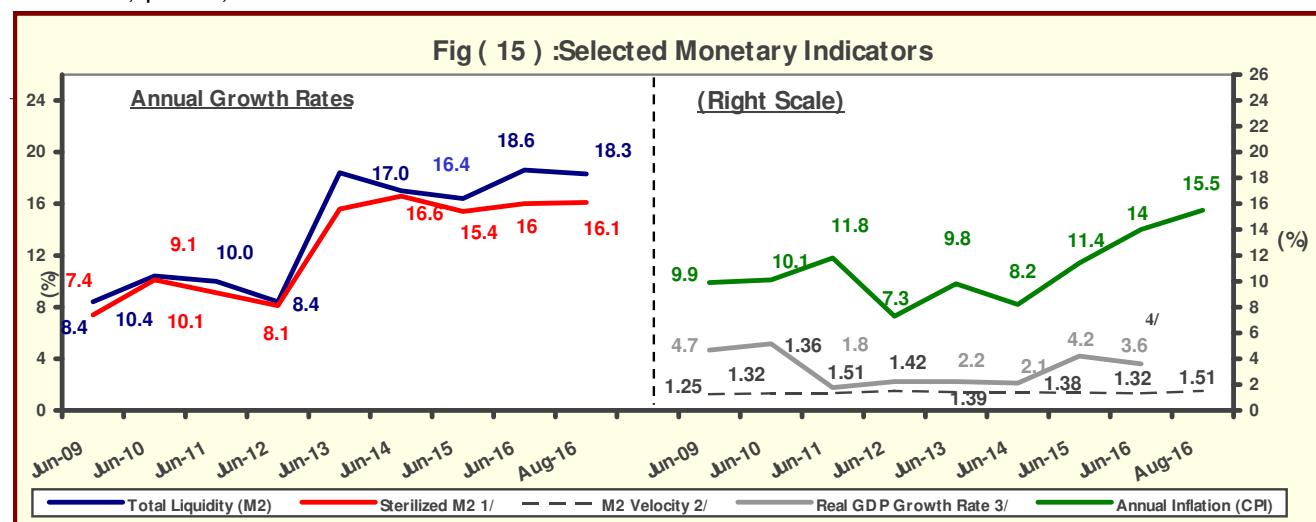
Table (24) : Developments in Main Monetary Aggregates
(August 2016)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	9.7	35.5	-474.3	-207.7
CBE N FA	9.8	46.6	-730.1	-257.3
CBE N IR	6.6	-5.5	4.1	7.7
Banks N FA 2/	9.5	22.2	-17.0	-181.0
Net Foreign Assets (US dollar terms)	9.7	35.5	-429.1	-194.6
CBE N FA	9.8	46.6	-654.0	-238.4
CBE N IR	6.61	-5.5	-8.5	-3.2
Banks N FA 2/	9.5	22.2	-307.4	-171.1
Net Domestic Assets	1.9	6.4	26.5	27.0
Net Claims on Government and GASC	3.0	7.7	28.7	30.2
Claims on Public Companies	0.6	7.9	29.6	38.1
Claims on Private Sector	1.4	2.4	14.5	15.1
Total Liquidity (M2)	1.5	5.3	18.3	18.5
Money (M1)	2.7	7.4	17.2	17.0
Quasi Money	1.1	4.4	18.7	19.1

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 to LE 2771.3 billion. However GDP figures for FY15/16 are still under revision by the Ministry of Planning.

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
(August 2016)

	Aug-11	Aug-12	Aug-13	Aug-14	Aug-15	May-16	Jun-16	Jul-16	Aug-16*
Net Foreign Assets 1/	242,729	153,731	134,825	119,732	29,980	(82,792)	(87,389)	(102,298)	(112,206)
	-(20.6)	-(36.7)	-(12.3)	-(11.2)	-(75.0)	-(278.2)	-(269.7)	-(319.0)	-(474.3)
Central bank (Net)	137,597	70,843	44,884	38,711	10,523	(45,230)	(44,863)	(60,376)	(66,308)
Foreign Assets	146,765	89,976	128,980	117,084	136,307	149,607	149,943	132,421	141,330
Foreign Liabilities	9,168	19,133	84,096	78,373	125,784	194,837	194,806	192,797	207,638
Banks(Net)	105,132	82,888	89,941	81,021	19,457	(37,562)	(42,526)	(41,922)	(45,898)
Foreign Assets	134,860	113,778	123,707	116,833	82,320	82,985	81,532	80,166	83,461
Foreign Liabilities	29,728	30,890	33,766	35,812	62,863	120,547	124,058	122,088	129,359
Net Domestic Assets of which:	781,630	961,536	1,194,667	1,437,647	1,789,138	2,127,085	2,181,889	2,222,013	2,263,854
	(24.2)	(23.0)	(24.2)	(20.3)	(24.4)	(27.1)	(27.3)	(26.8)	(26.5)
Net Claims on Government, and GASC 2/	463,579	615,055	833,351	1,085,964	1,359,796	1,624,511	1,654,910	1,698,606	1,749,664
National Currency	552,703	667,566	887,815	1,071,154	1,308,870	1,487,691	1,500,936	1,540,752	1,590,647
Foreign Currency	(89,124)	(52,511)	(54,464)	14,810	50,926	136,820	153,974	157,854	159,017
Claims on Public Business Sector	34,231	41,662	44,135	45,901	72,542	87,134	93,073	93,500	94,023
National Currency	26,094	33,043	35,271	36,118	50,591	59,282	65,410	65,854	66,356
Foreign Currency	8,137	8,619	8,864	9,783	21,951	27,852	27,663	27,646	27,667
Claims on Private Sector 2/	424,924	453,497	496,117	534,344	629,157	703,909	712,132	710,830	720,653
National Currency	318,334	349,115	374,220	404,499	462,267	535,447	543,158	540,290	547,486
Foreign Currency	106,590	104,382	121,897	129,845	166,890	168,462	168,974	170,540	173,167
Other Items (net) 1/ 2/	(141,104)	(148,678)	(178,936)	(228,562)	(272,357)	(288,469)	(278,226)	(280,923)	(300,486)
Total Liquidity (M2)	1,024,359	1,115,267	1,329,492	1,557,379	1,819,118	2,044,293	2,094,500	2,119,715	2,151,648
	(9.5)	(8.9)	(19.2)	(17.1)	(16.8)	(18.9)	(18.6)	(17.8)	(18.3)
Money (M1) 3/	260,197	283,817	362,971	425,822	506,834	552,971	572,935	578,502	594,095
	(19.1)	(9.1)	(27.9)	(17.3)	(19.0)	(16.0)	(14.8)	(15.1)	(17.2)
Currency in Circulation	178,363	202,586	258,602	280,412	301,090	329,591	346,853	352,544	362,916
Demand Deposits in Local Currency	81,834	81,231	104,369	145,410	205,744	223,380	226,082	225,958	231,179
Quasi Money	764,162	831,450	966,521	1,131,557	1,312,284	1,491,322	1,521,565	1,541,213	1,557,553
	(6.6)	(8.8)	(16.2)	(17.1)	(16.0)	(19.9)	(20.1)	(18.8)	(18.7)
Local Currency Time & Savings Deposits	587,523	643,869	744,064	893,249	1,039,136	1,172,250	1,197,746	1,214,020	1,229,595
Foreign Currency Demand Deposits	40,848	45,318	54,833	63,901	71,904	76,222	75,910	75,660	75,181
Foreign Currency Time and Savings Deposits	135,791	142,263	167,624	174,407	201,244	242,850	247,909	251,533	252,777

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)

(August 2016)

	Aug-11	Aug-12	Aug-13	Aug-14	Aug-15	May-16	Jun-16	Jul-16	Aug-16 [*]
Net Foreign Assets (In Million US\$)^{4/}	40,801	25,342	19,298	16,758	3,840	(9,324)	(9,842)	(11,520)	(12,636)
Central bank NFA	23,129	11,678	6,424	5,418	1,348	(5,094)	(5,053)	(6,799)	(7,467)
Net International Reserves	42,342	28,496	31,335	27,727	19,950	12,619	12,098	10,191	10,747
Central Bank (Gross)	25,008	15,127	18,924	16,836	18,096	17,521	17,546	15,537	16,564
Banks (net)	17,672	13,664	12,873	11,340	2,492	(4,230)	(4,790)	(4,721)	(5,169)
Foreign assets	22,669	18,756	17,706	16,352	10,544	9,346	9,183	9,028	9,399
Foreign Liabilities	4,997	5,092	4,833	5,012	8,052	13,576	13,972	13,749	14,567
<i>In Percent of Beginning of Money Stocks</i>^{5/}									
Net Foreign Assets	-1.07%	-0.4%	0.9%	0.04%	-1.22%	-7.6%	-7.9%	-8.7%	-9.3%
Net Domestic Assets	2.5%	2.3%	1.7%	2.7%	4.3%	23.4%	26.5%	28.8%	31.1%
Money (M1)	1.1%	0.9%	1.5%	1.0%	0.4%	3.1%	4.2%	4.5%	5.4%
Quasi Money	0.3%	1.1%	1.1%	1.7%	2.6%	12.7%	14.5%	15.6%	16.5%
Dollarization (% of Total Liquidity)^{6/}	0.17	0.17	0.17	0.15	0.15	15.6	15.5	15.4	15.2
M2 Multiplier^{7/}	4.05	4.34	3.97	4.20	4.55	4.40	4.38	4.71	4.32
M2 Velocity^{8/}	1.62	1.65	1.58	1.56	1.52	1.36	1.32	1.53	1.51
M2 (annual percentage change)	9.53	8.87	19.21	17.14	16.81	18.9	18.6	17.8	18.3
Credit to private sector (annual percentage change)^{9/}	0.01	0.1	0.1	0.08	0.2	13.9	14.2	13.4	14.5
Exchange Rate^{10/}	5.95	6.07	6.99	7.14	7.81	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.

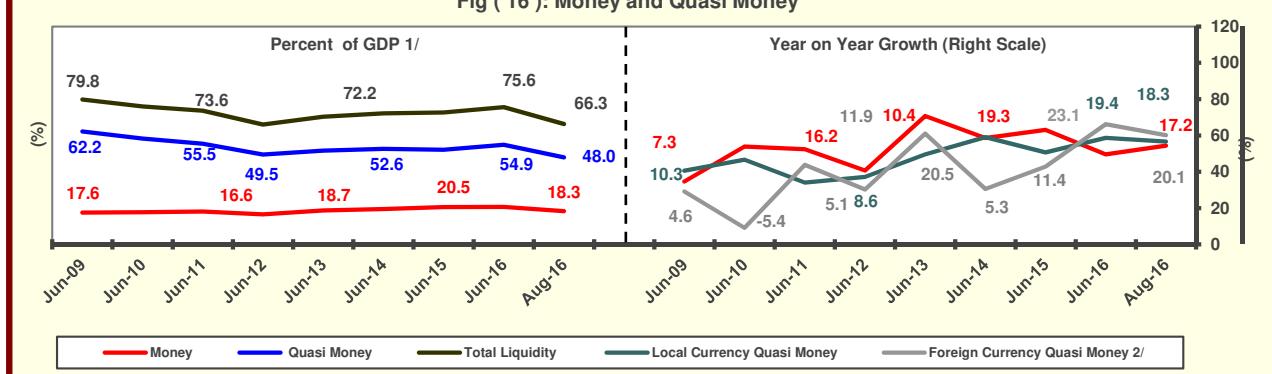
7/ M2 / Reserve Money.

8/The Ministry of Planning, Monitoring and Administrative Reform has revised the time series of GDP starting FY11/12 until 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 to LE 2771.3 billion. However GDP figures for FY15/16 are still under revision by the Ministry of Planning.

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, 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 to LE 2771.3 billion. However GDP figures for FY15/16 are still under revision by the Ministry of Planning.

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

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

(LE Million)

	Aug-11	Aug-12	Aug-13	Aug-14	Aug-15	May-16	Jun-16	Jul-16	Aug-16 [*]
Reserve Money	253,221	256,705	334,549	370,901	399,916	464,664	478,076	449,591	498,438
	(16.2)	(1.4)	(30.3)	(10.9)	(7.8)	(16.1)	-(1.6)	(8.7)	(24.6)
Currency in Circulation	190,086	214,650	271,407	297,587	320,917	351,114	368,459	375,455	386,462
	(25.3)	(12.9)	(26.4)	(9.6)	(7.8)	(14.6)	(17.5)	(14.9)	(20.4)
Banks LE Deposits with CBI	63,135	42,055	63,142	73,314	78,999	113,550	109,617	74,136	111,976
	-(4.7)	-(33.4)	(50.1)	(16.1)	(7.8)	(21.3)	-(36.4)	-(14.7)	(41.7)
Counter Assets:									
Net Foreign Assets	137,597	70,843	44,884	38,711	10,523	-45,230	-44,863	-60,376	-66,308
	-(28.3)	-(48.5)	-(36.6)	-(13.8)	-(72.8)	-(312.7)	-(278.2)	-(530.9)	-(730.1)
Net Domestic Assets	115,624	185,862	289,665	332,190	389,393	509,894	522,939	509,967	564,746
	(344.3)	(60.7)	(55.8)	(14.7)	(17.2)	(34.6)	(13.5)	(27.6)	(45.0)
Net Claims on Government	131,209	192,668	325,546	453,435	594,258	611,158	619,410	643,337	652,097
	(18.8)	(46.8)	(69.0)	(39.3)	(31.1)	(20.9)	(18.2)	(11.5)	(9.7)
Claims	207,266	271,473	419,240	496,511	679,776	695,252	706,885	725,881	719,070
	(13.6)	(31.0)	(54.4)	(18.4)	(36.9)	(13.5)	(14.0)	(9.1)	(5.8)
Securities	129,097	178,831	240,331	210,330	241,830	461,830	390,830	390,830	390,830
Credit Facilities	78,169	92,642	178,909	286,181	437,946	233,422	316,055	335,051	328,240
Deposits^{3/}	76,057	78,805	93,694	43,076	85,518	84,094	87,475	82,544	66,973
	(5.7)	(3.6)	(18.9)	-(54.0)	(98.5)	-(21.2)	-(9.0)	-(6.6)	-(21.7)
Net Claims on Banks	-1,585	-1,105	-3,356	-7,793	-27,370	62,432	59,621	59,783	90,189
Net Balancing Items^{4/}	-14,000	-5,701	-32,525	-113,452	-177,495	-163,696	-156,092	-193,153	-177,540
Memorandum Items									
Reserve Money Velocity^{5/, 6/}	6.54	7.18	6.28	6.55	6.93	5.96	5.80	7.22	6.51

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 to LE 2771.3 billion. However GDP figures for FY15/16 are still under revision by the Ministry of Planning.

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

	(LE Million)								
	Aug-11	Aug-12	Aug-13	Aug-14	Aug-15	May-16	Jun-16	Jul-16	Aug-16 *
Total Deposits	972,435	1,035,884	1,217,286	1,479,165	1,809,086	2,079,282	2,123,069	2,138,526	2,172,930
	(6.7)	(6.5)	(17.5)	(21.5)	(22.3)	(22.3)	(22.0)	(20.2)	(20.1)
In local currency	740,195	791,422	919,409	1,145,390	1,437,107	1,658,362	1,698,255	1,711,055	1,742,001
In foreign currency	232,240	244,462	297,877	333,775	371,979	420,920	424,814	427,471	430,929
Non Government Deposits ^{2/}	852,414	920,047	1,079,702	1,286,903	1,533,430	1,728,423	1,761,009	1,779,938	1,803,002
	(6.6)	(7.9)	(17.4)	(19.2)	(19.2)	(19.3)	(18.3)	(18.0)	(17.6)
In local currency	672,118	728,530	853,200	1,044,465	1,255,089	1,405,085	1,433,387	1,449,249	1,471,014
In foreign currency	180,296	191,517	226,502	242,438	278,341	323,338	327,622	330,689	331,988
Government Deposits	120,021	115,837	137,584	192,262	275,656	350,859	362,060	358,588	369,928
	(7.9)	-(3.5)	(18.8)	(39.7)	(43.38)	(39.7)	(43.6)	(32.1)	(34.2)
In local currency	68,077	62,892	66,209	100,925	182,018	253,277	264,868	261,806	270,987
In foreign currency	51,944	52,945	71,375	91,337	93,638	97,582	97,192	96,782	98,941
<u>Memorandum Items</u>									
(In Percent):									
Dollarization in Total Deposits	23.9	23.6	24.5	22.6	20.6	20.2	20.0	20.0	19.8
Dollarization in Non-Government Deposits	21.2	20.8	21.0	18.8	18.2	18.7	18.6	18.6	18.4
Dollarization in Government Deposits	43.3	45.7	51.9	47.5	34.0	27.8	26.8	27.0	26.7

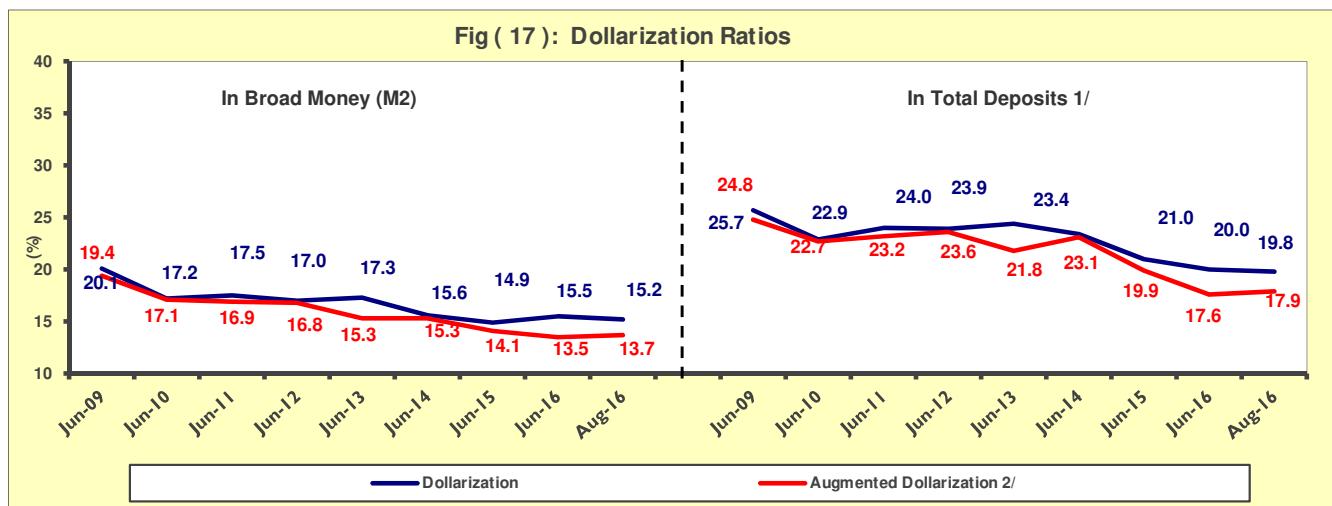
Source: Central bank of Egypt.

() 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)

	Aug-11	Aug-12	Aug-13	Aug-14	Aug-15	May-16	Jun-16	Jul-16	Aug-16*
Total lending	476,596	505,501	550,393	587,986	736,914	925,660	942,727	944,343	956,638
	(2.1)	(6.1)	(8.9)	(6.8)	(25.3)	(30.4)	(31.3)	(30.0)	(29.8)
To Government ^{2/}	38,635	33,807	37,137	41,017	69,740	172,047	173,740	176,923	181,962
	(8.9)	-(12.5)	(9.9)	(10.4)	(70.0)	(173.1)	(161.6)	(151.7)	(160.9)
In local currency	17,739	13,902	10,963	11,735	10,637	100,473	100,230	100,589	102,189
In foreign currency	20,896	19,905	26,174	29,282	59,103	71,574	73,510	76,334	79,773
To Non-Government	437,961	471,694	513,256	546,969	667,174	753,613	768,987	767,420	774,676
	(1.5)	(7.7)	(8.8)	(6.6)	(22.0)	(16.5)	(18.0)	(17.0)	(16.1)
In local currency	312,316	349,778	375,758	404,461	476,392	556,967	572,348	569,195	574,206
In foreign currency	125,645	121,916	137,498	142,508	190,782	196,646	196,639	198,225	200,470
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	84.8	85.1	85.3	85.3	80.7	72.0	71.7	71.4	71.2
Non Government Loans/ Deposits ^{4/}	51.4	51.3	47.5	42.5	43.5	43.6	43.7	43.1	43.0
Government Loans / Deposits	32.2	29.2	27.0	21.3	25.3	49.0	48.0	49.3	49.2
Foreign currency denominated credit to total credit	30.7	28.1	29.7	29.2	33.9	29.0	28.7	29.1	29.3
Government foreign currency denominated credit to total government credit	54.1	58.9	70.5	71.4	84.7	41.6	42.3	43.1	43.8
Non - government foreign currency denominated credit to total non-government credit	28.7	25.8	26.8	26.1	28.6	26.1	25.6	25.8	25.9

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

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

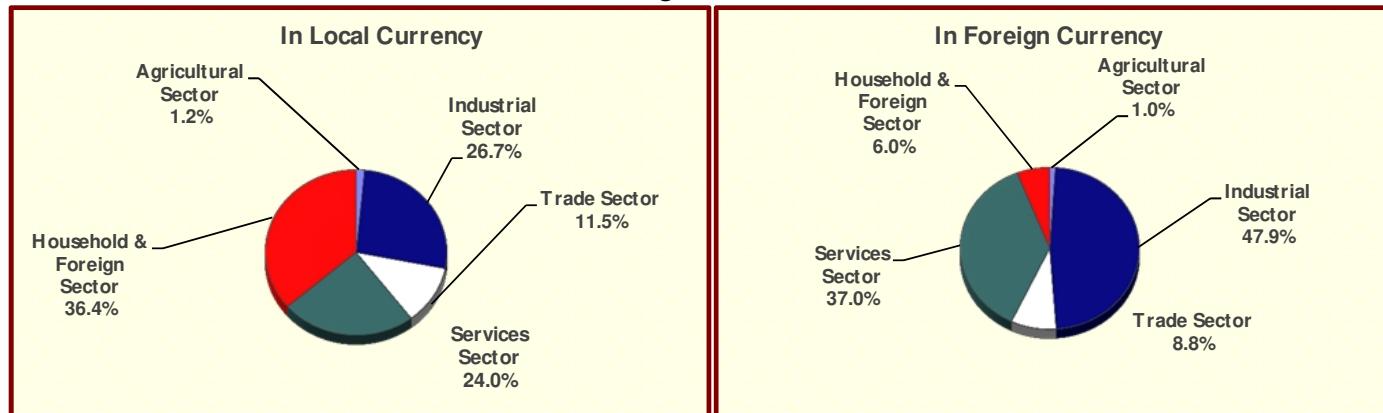
2/ Includes central government and economic authorities.

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

August-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						
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	13.80	7.90	14.10	12.75	8.00
Sep-16	12.25	13.90	8.10	14.10	12.75	8.00

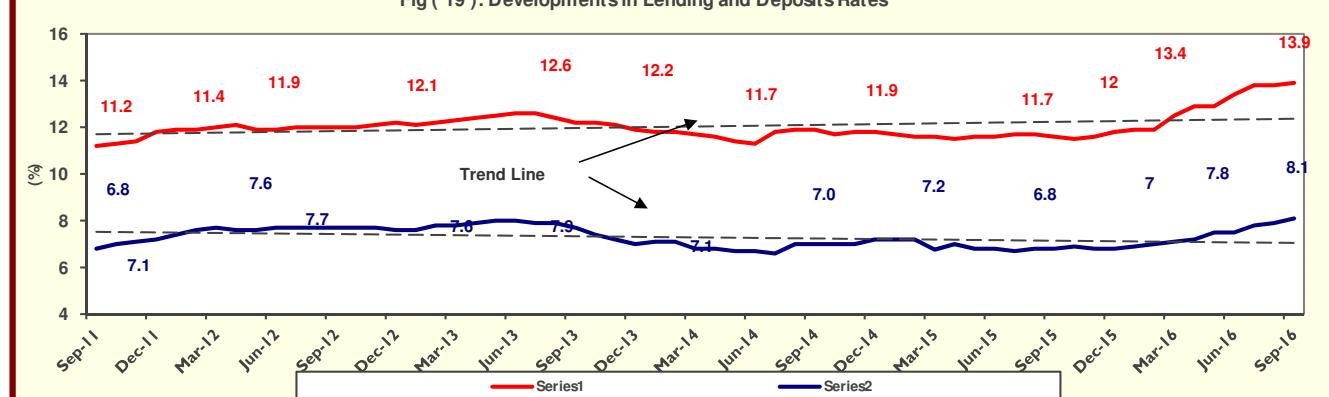
Source: Central Bank of Egypt.

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.

Fig (19) : Developments in Lending and Deposits Rates



Source: Central Bank of Egypt.

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

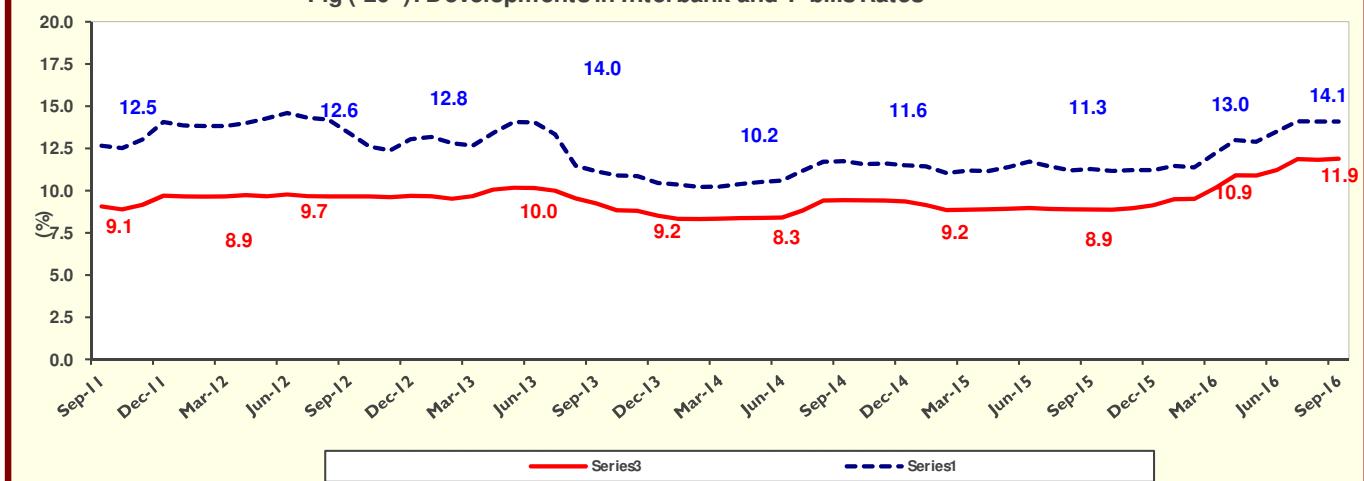
	Overnight	One Week	Month	More than One Month
Yearly Average				
2005	9.5	10.1	10.4	10.7
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
2011	9.0	9.1	9.4	9.5
2012	9.4	9.8	10.1	10.2
2013	9.5	9.8	10.2	10.5
2014	8.8	9.1	--	--
2015	8.9	9.2	--	--
Monthly Average				
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
Sep-16	11.89	11.94	--	--

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.