

Section 6

MONETARY SECTOR

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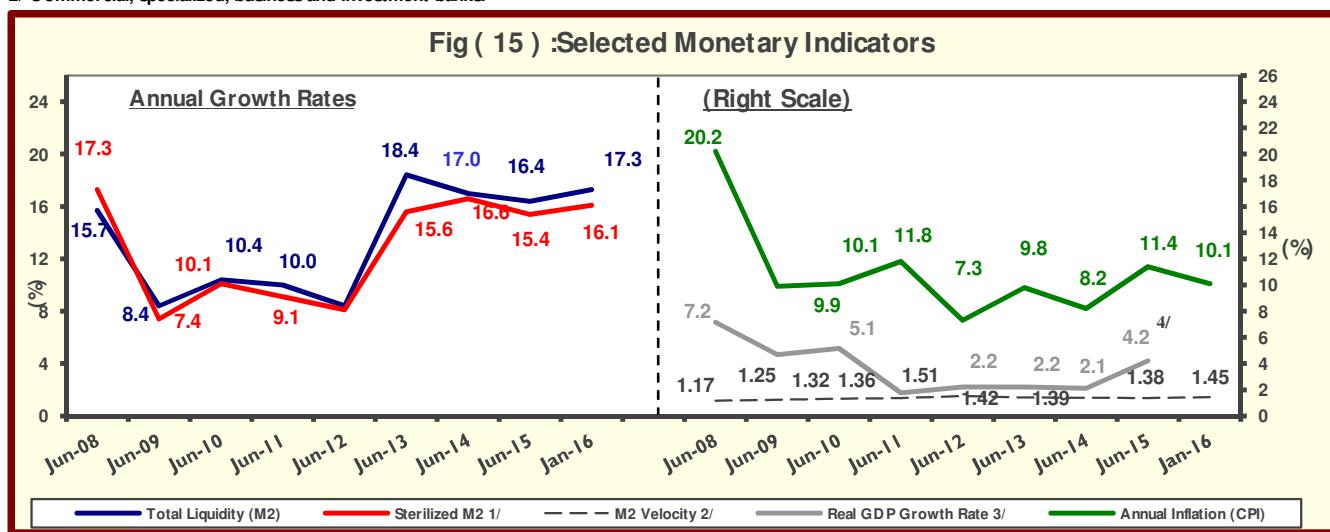
Table (24) : Developments in Main Monetary Aggregates
(January 2016)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	59.1	-466.9	-136.3	-79.4
CBE NFA	-3.1	229.4	-138.0	-75.4
CBE NIR	0.2	-1.0	14.9	14.1
Banks NFA 2/	296.5	-223.5	-134.8	-80.7
Net Foreign Assets (US dollar terms)	59.1	-472.0	-133.8	-81.1
CBE NFA	-3.1	233.9	-135.4	-77.3
CBE NIR	0.20	0.4	6.8	4.8
Banks NFA 2/	296.5	-225.3	-132.4	-82.3
Net Domestic Assets	0.7	4.1	24.8	24.8
Net Claims on Government and GASC	0.7	6.1	29.5	27.7
Claims on Public Companies	0.6	1.8	31.3	40.6
Claims on Private Sector	0.7	2.7	15.3	16.4
Total Liquidity (M2)	0.2	2.2	17.3	17.4
Money (M1)	-0.5	-0.3	15.9	18.8
Quasi Money	0.5	3.2	17.9	16.9

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 FY14/15.

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

(LE Million)

	Jan-11	Jan-12	Jan-13	Jan-14	Jan-15	Oct-15	Nov-15	Dec-15	Jan-16 *
Net Foreign Assets 1/	286,196	179,716	138,054	122,631	75,402	7,461	(9,935)	(17,207)	(27,376)
	(9.6)	-(37.2)	-(23.2)	-(11.2)	-(38.5)	-(93.3)	-(109.7)	-(120.4)	-(136.3)
Central bank (Net)	193,507	86,205	41,831	39,137	34,721	(4,009)	(9,274)	(13,633)	(13,205)
Foreign Assets	201,551	96,580	85,199	115,684	111,969	126,278	123,739	123,768	124,133
Foreign Liabilities	8,044	10,375	43,368	76,547	77,248	130,287	133,013	137,401	137,338
Banks (Net)	92,689	93,511	96,223	83,494	40,681	11,470	(661)	(3,574)	(14,171)
Foreign Assets	132,870	122,600	127,486	117,271	91,180	82,155	80,754	76,281	74,287
Foreign Liabilities	40,181	29,089	31,263	33,777	50,499	70,685	81,415	79,855	88,458
Net Domestic Assets of which:	683,516	864,161	1,060,041	1,275,624	1,552,145	1,860,713	1,886,763	1,922,671	1,936,798
	(12.7)	(26.4)	(22.7)	(20.3)	(21.7)	(28.4)	(28.3)	(26.3)	(24.8)
Net Claims on Government, and GASC 2/	368,796	535,955	701,800	929,836	1,149,711	1,402,879	1,443,503	1,478,748	1,488,456
National Currency	449,599	601,645	748,946	918,829	1,128,600	1,342,283	1,381,034	1,418,603	1,432,653
Foreign Currency	-80,803	-65,690	-47,146	11,007	21,111	60,596	62,469	60,145	55,803
Claims on Public Business Sector	32,840	38,830	44,494	43,352	58,979	76,059	76,095	76,981	77,412
National Currency	24,322	30,163	35,167	34,504	41,994	52,795	53,322	53,678	53,833
Foreign Currency	8,518	8,667	9,327	8,848	16,985	23,264	22,773	23,303	23,579
Claims on Private Sector 2/	413,103	435,446	474,222	499,948	568,816	638,328	642,119	651,253	655,793
National Currency	301,213	331,620	361,151	380,606	423,957	466,557	482,236	494,210	498,442
Foreign Currency	111,890	103,826	113,071	119,342	144,859	171,771	159,883	157,043	157,351
Other Items (net) 1/ 2/	-131,223	-146,070	-160,475	-197,512	-225,361	-256,553	-274,954	-284,311	-284,863
Total Liquidity (M2)	969,712	1,043,877	1,198,095	1,398,255	1,627,547	1,868,174	1,876,828	1,905,464	1,909,422
	(11.8)	(7.6)	(14.8)	(16.7)	(16.4)	(19.7)	(19.3)	(18.6)	(17.3)
Money (M1) 3/	229,528	258,977	304,502	377,041	447,004	519,344	515,069	520,592	517,932
	(16.4)	(12.8)	(17.6)	(23.8)	(18.6)	(20.4)	(18.6)	(16.8)	(15.9)
Currency in Circulation	145,857	179,598	215,999	255,208	279,570	308,321	303,779	305,061	305,973
Demand Deposits in Local Currency	83,671	79,379	88,503	121,833	167,434	211,023	211,290	215,531	211,959
Quasi Money	740,184	784,900	893,593	1,021,214	1,180,543	1,348,830	1,361,759	1,384,872	1,391,490
	(10.4)	(6.0)	(13.8)	(14.3)	(15.6)	(19.5)	(19.6)	(19.3)	(17.9)
Local Currency Time & Savings Deposits	579,119	600,277	674,962	804,462	938,260	1,068,254	1,086,608	1,108,338	1,114,203
Foreign Currency Demand Deposits	38,134	43,051	53,928	54,195	64,700	71,245	69,302	68,950	68,656
Foreign Currency Time and Savings Deposits	122,931	141,572	164,703	162,557	177,583	209,331	205,849	207,584	208,631

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)

(January 2016)

	Jan-11	Jan-12	Jan-13	Jan-14	Jan-15	Oct-15	Nov-15	Dec-15	Jan-16*
Net Foreign Assets (In Million US\$)^{4/}	49,367	29,840	21,091	17,629	10,387	943	(1,261)	(2,204)	(3,506)
Central bank NFA	33,379	14,314	6,391	5,626	4,783	(506)	(1,177)	(1,746)	(1,691)
Net International Reserves	50,754	31,563	27,717	28,632	21,028	17,402	15,620	15,394	14,084
Central Bank (Gross)	35,007	16,354	13,613	17,105	15,429	16,415	16,423	16,445	16,478
Banks (net)	15,988	15,527	14,700	12,003	5,604	1,449	(84)	(458)	(1,815)
Foreign assets	22,919	20,357	19,477	16,858	12,560	10,379	10,249	9,770	9,515
Foreign Liabilities	6,931	4,830	4,776	4,856	6,956	8,930	10,333	10,228	11,330
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	0.4%	-7.3%	-1.8%	0.0%	-2.89%	-2.5%	-3.5%	-3.9%	-4.5%
Net Domestic Assets	5.3%	10.7%	11.3%	7.9%	10.2%	8.3%	9.8%	11.8%	12.6%
Money (M1)	1.7%	1.0%	2.7%	2.5%	2.4%	1.1%	0.9%	1.2%	1.1%
Quasi Money	4.0%	2.4%	6.7%	5.3%	4.9%	4.7%	5.4%	6.7%	7.1%
Dollarization (% of Total Liquidity)^{6/}	0.17	0.18	0.18	0.16	0.15	15.0	14.7	14.5	14.5
M2 Multiplier^{7/}	4.20	4.01	4.49	4.17	4.37	4.39	4.35	4.53	4.56
M2 Velocity^{8/}	1.41	1.59	1.54	1.50	1.49	1.48	1.48	1.45	1.45
M2 (annual percentage change)	11.75	7.65	14.77	16.71	16.40	19.7	19.3	18.6	17.3
Credit to private sector (annual percentage change)^{9/}	0.07	0.05	0.09	0.05	0.14	16.1	16.3	17.5	15.3
Exchange Rate^{10/}	5.80	6.02	6.55	6.96	7.26	7.92	7.88	7.81	7.81

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.

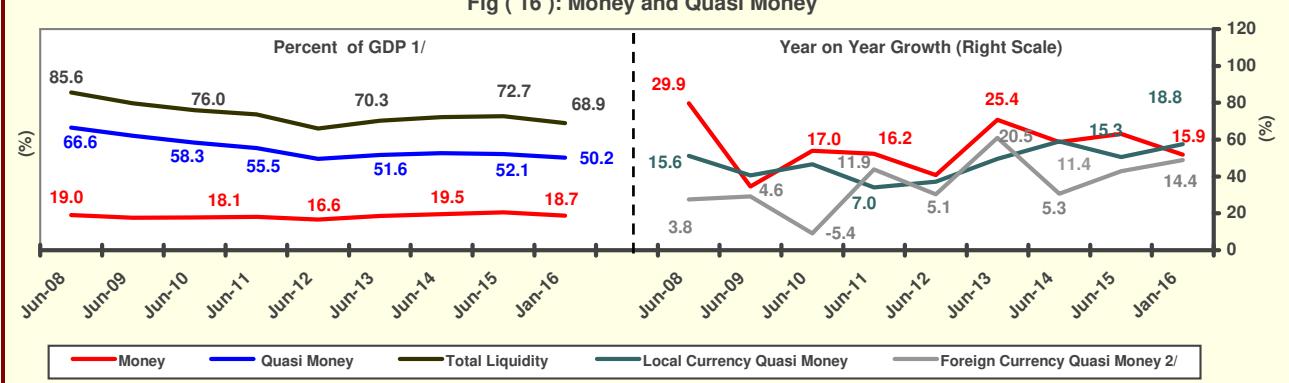
7/ M2 / Reserve Money.

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.

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 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)

	Jan-11	Jan-12	Jan-13	Jan-14	Jan-15	Oct-15	Nov-15	Dec-15 [#]	Jan-16 [*]
Reserve Money	230,862	260,619	266,657	335,195	372,158	425,386	431,665	420,638	418,881
	(20.1)	(12.9)	(2.3)	(25.7)	(11.0)	(15.4)	(18.8)	(15.9)	(12.6)
Currency in Circulation	154,156	190,978	226,911	269,130	294,756	325,495	322,474	323,373	324,961
	(15.0)	(23.9)	(18.8)	(18.6)	(9.5)	(10.7)	(10.6)	(10.5)	(10.2)
Banks LE Deposits with CBE	76,706	69,641	39,746	66,065	77,402	99,891	109,191	97,265	93,920
	(31.9)	-(9.2)	-(42.9)	(66.2)	(17.2)	(34.0)	(52.2)	(38.6)	(21.3)
Counter Assets:									
Net Foreign Assets	193,507	86,205	41,831	39,137	34,721	-4,009	-9,274	-13,633	-13,205
	(9.6)	-(55.5)	-(51.5)	-(6.4)	-(11.3)	-(109.3)	-(125.5)	-(142.1)	-(138.0)
Net Domestic Assets	37,355	174,414	224,826	296,058	337,437	429,395	440,939	434,271	432,086
	(137.8)	(366.9)	(28.9)	(31.7)	(14.0)	(31.9)	(34.9)	(31.4)	(28.0)
Net Claims on Government ^{2/}	104,468	183,836	246,631	381,540	475,558	605,246	626,452	633,098	638,754
	(5.7)	(76.0)	(34.2)	(54.7)	(24.6)	(47.2)	(43.0)	(38.8)	(34.3)
Claims	183,667	263,563	338,326	423,964	573,648	686,774	706,909	711,253	722,063
	(7.3)	(43.5)	(28.4)	(25.3)	(35.3)	(33.2)	(30.6)	(27.5)	(25.9)
Securities	130,597	129,097	178,831	240,331	300,330	241,830	241,830	241,830	241,830
Credit Facilities	53,070	134,466	159,495	183,633	273,318	444,944	465,079	469,423	480,233
Deposits ^{3/}	79,199	79,727	91,695	42,424	98,090	81,528	80,457	78,155	83,309
	(9.5)	(0.7)	(15.0)	-(53.7)	(131.2)	-(21.9)	-(22.0)	-(23.2)	-(15.1)
Net Claims on Banks	17,936	-1,918	-116	1,258	-21,852	3,926	-177	-16,977	-22,510
Net Balancing Items ^{4/}	-85,049	-7,504	-21,689	-86,740	-116,269	-179,777	-185,336	-181,850	-184,158
Memorandum Items									
Reserve Money Velocity ^{5/ , 6/}	5.94	6.36	6.91	6.27	6.53	6.51	6.42	6.59	6.62

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 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/}

	Jan-11	Jan-12	Jan-13	Jan-14	Jan-15	Oct-15	Nov-15	Dec-15	Jan-16 *
Total Deposits	944,700	992,356	1,113,974	1,325,049	1,593,582	1,872,685	1,880,860	1,914,552	1,923,515
	(10.1)	(5.0)	(12.3)	(18.9)	(20.3)	(25.2)	(23.5)	(22.7)	(20.7)
In local currency	733,513	753,886	833,269	1,012,747	1,251,328	1,496,608	1,516,287	1,547,357	1,554,778
In foreign currency	211,187	238,470	280,705	312,302	342,254	376,077	364,573	367,195	368,737
Non Government Deposits^{2/}	830,359	870,998	989,727	1,151,877	1,362,663	1,575,056	1,587,950	1,615,135	1,617,984
	(11.3)	(4.9)	(13.6)	(16.4)	(18.3)	(21.8)	(21.4)	(20.5)	(18.7)
In local currency	666,004	682,651	766,899	930,993	1,115,124	1,289,199	1,307,614	1,333,575	1,335,626
In foreign currency	164,355	188,347	222,828	220,884	247,539	285,857	280,336	281,560	282,358
Government Deposits	114,341	121,358	124,247	173,172	230,919	297,629	292,910	299,417	305,531
	(2.5)	(6.1)	(2.4)	(39.4)	(33.35)	(46.6)	(36.3)	(36.5)	(32.3)
In local currency	67,509	71,235	66,370	81,754	136,204	207,409	208,673	213,782	219,152
In foreign currency	46,832	50,123	57,877	91,418	94,715	90,220	84,237	85,635	86,379
<u>Memorandum Items</u>									
(In Percent):									
Dollarization in Total Deposits	22.4	24.0	25.2	23.6	21.5	20.1	19.4	19.2	19.2
Dollarization in Non-Government Deposits	19.8	21.6	22.5	19.2	18.2	18.1	17.7	17.4	17.5
Dollarization in Government Deposits	41.0	41.3	46.6	52.8	41.0	30.3	28.8	28.6	28.3

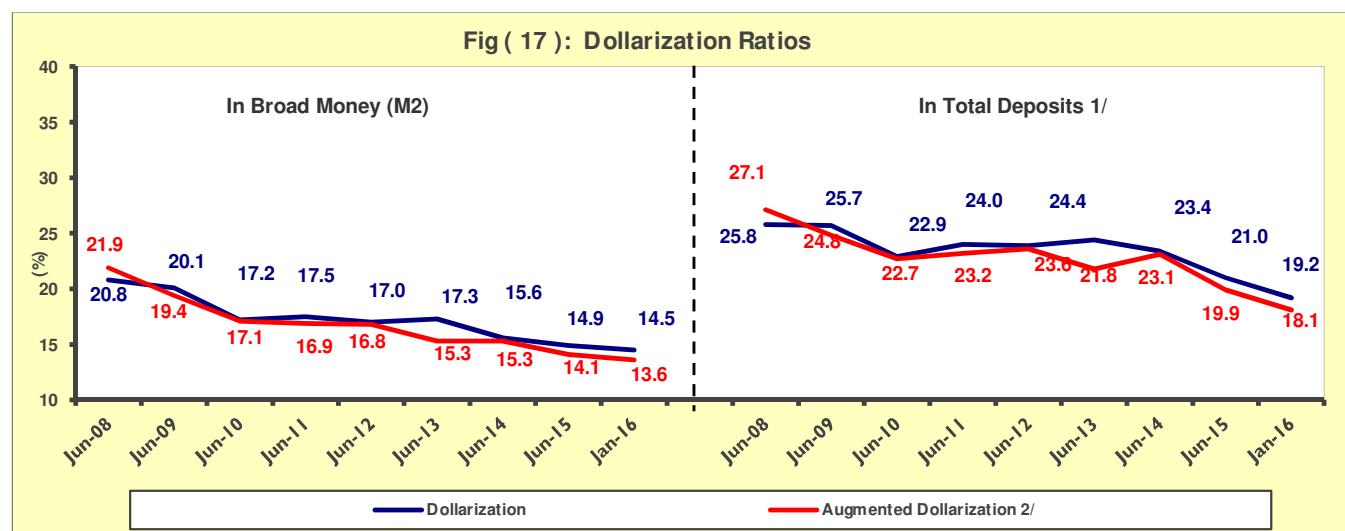
Source: Central bank of Egypt.

() 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)

	Jan-11	Jan-12	Jan-13	Jan-14	Jan-15	Oct-15	Nov-15	Dec-15	Jan-16 *
Total lending	465,109	492,290	528,012	552,457	646,253	782,393	784,836	791,499	797,666
	(6.8)	(5.8)	(7.3)	(4.6)	(17.0)	(27.1)	(26.9)	(25.8)	(23.4)
To Government ^{2/}	38,782	36,880	36,281	40,613	49,655	102,449	100,749	100,718	101,171
	(17.6)	-(4.9)	-(1.6)	(11.9)	(22.3)	(134.8)	(124.3)	(112.5)	(103.7)
In local currency	19,175	16,120	12,280	12,075	11,341	40,784	40,687	40,429	40,400
In foreign currency	19,607	20,760	24,001	28,538	38,314	61,665	60,062	60,289	60,771
To Non-Government	426,327	455,410	491,731	511,844	596,598	679,944	684,087	690,781	696,495
	(6.0)	(6.8)	(8.0)	(4.1)	(16.6)	(18.9)	(19.3)	(18.7)	(16.7)
In local currency	292,360	331,549	360,891	378,815	428,281	482,874	499,480	509,597	514,945
In foreign currency	133,967	123,861	130,840	133,029	168,317	197,070	184,607	181,184	181,550
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	84.6	84.7	84.7	84.8	83.2	77.2	77.5	77.6	77.6
Non Government Loans/ Deposits ^{4/}	51.3	52.3	49.7	44.4	43.8	43.2	43.1	42.8	43.0
Government Loans / Deposits	33.9	30.4	29.2	23.5	21.5	34.4	34.4	33.6	33.1
Foreign currency denominated credit to total credit	33.0	29.4	29.3	29.2	32.0	33.1	31.2	30.5	30.4
Government foreign currency denominated credit to total government credit	50.6	56.3	66.2	70.3	77.2	60.2	59.6	59.9	60.1
Non - government foreign currency denominated credit to total non-government credit	31.4	27.2	26.6	26.0	28.2	29.0	27.0	26.2	26.1

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

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

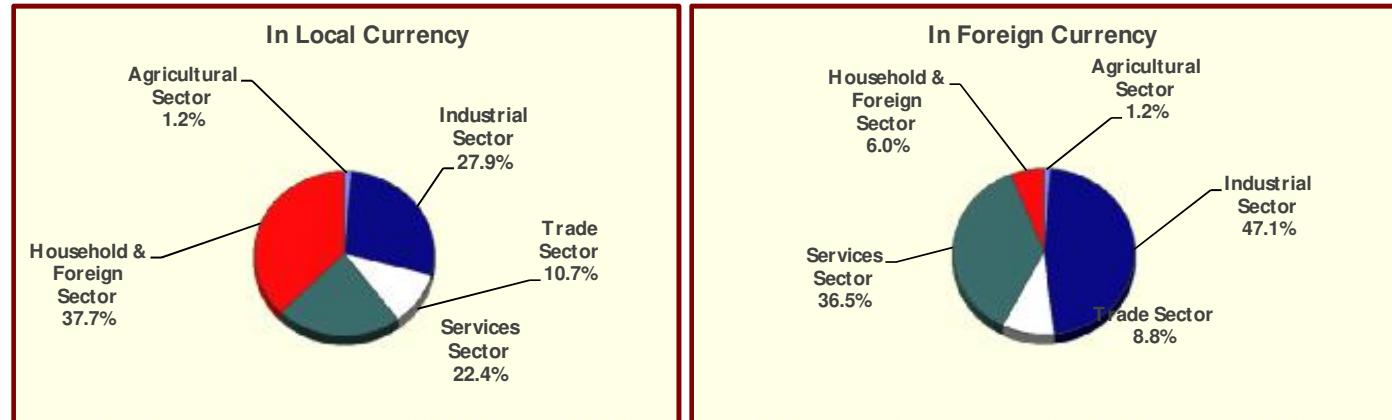
2/ Includes central government and economic authorities.

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

January-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
Monthly Average						
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	8.00
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
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

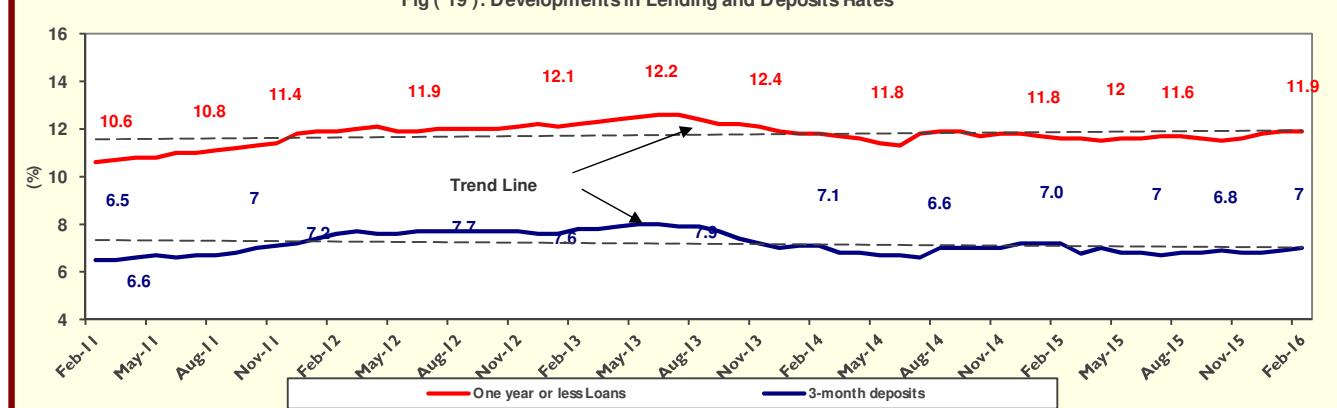
Source: Central Bank of Egypt.

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				
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	--	--
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	--	--

Source: Central Bank of Egypt.

-- Data not available.

1/ Starting March 2003, average interbank rate replaced CAIBO R 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.