

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

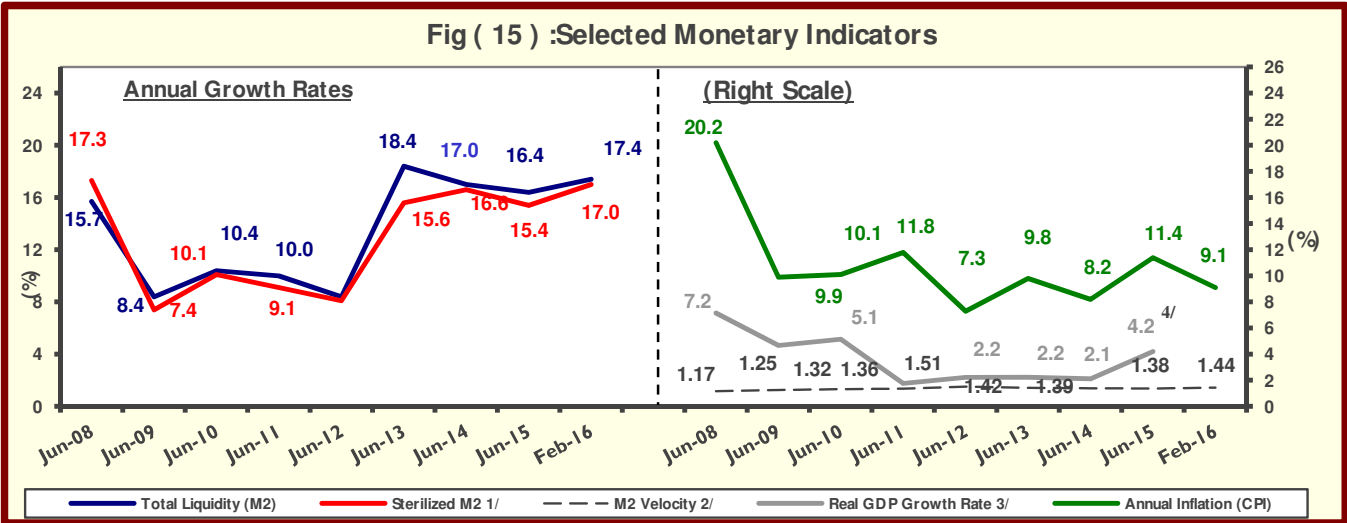
Table (24) : Developments in Main Monetary Aggregates
(February 2016)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	67.7	362.0	-165.2	-89.5
CBE NFA	72.1	145.1	-164.4	-88.1
CBE NIR	0.3	-0.2	9.9	15.1
Banks NFA 2/	63.5	3404.8	-166.1	-89.6
Net Foreign Assets (US dollar terms)	67.7	366.3	-163.5	-90.6
CBE NFA	72.2	147.4	-162.7	-89.2
CBE NIR	0.34	0.7	7.0	6.3
Banks NFA 2/	63.5	3437.2	-164.3	-90.8
Net Domestic Assets	1.6	4.3	25.6	25.1
Net Claims on Government and GASC	2.4	5.6	31.0	28.2
Claims on Public Companies	2.1	3.8	34.1	40.5
Claims on Private Sector	0.6	2.8	14.5	16.4
Total Liquidity (M2)	0.7	2.4	17.4	17.6
Money (M1)	0.9	1.4	15.9	18.5
Quasi Money	0.6	2.8	18.0	17.3

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
(February 2016)**

(LE Million)

	Feb-11	Feb-12	Feb-13	Feb-14	Feb-15	Nov-15	Dec-15	Jan-16	Feb-16 [*]
Net Foreign Assets 1/	274,549	177,927	133,126	126,847	70,355	(9,935)	(17,207)	(27,376)	(45,899)
	(1.4)	-(35.2)	-(25.2)	-(4.7)	-(44.5)	-(109.7)	-(120.4)	-(136.3)	-(165.2)
Central bank (Net)	184,740	82,411	41,558	40,475	35,294	(9,274)	(13,633)	(13,205)	(22,732)
Foreign Assets	192,784	92,741	85,304	117,011	113,445	123,739	123,768	124,133	124,436
Foreign Liabilities	8,044	10,330	43,746	76,536	78,151	133,013	137,401	137,338	147,168
Banks (Net)	89,809	95,516	91,568	86,372	35,061	(661)	(3,574)	(14,171)	(23,167)
Foreign Assets	132,332	123,722	122,433	120,454	87,805	80,754	76,281	74,287	72,976
Foreign Liabilities	42,523	28,206	30,865	34,082	52,744	81,415	79,855	88,458	96,143
Net Domestic Assets of which:	707,998	872,201	1,078,191	1,290,777	1,567,023	1,886,763	1,922,671	1,936,798	1,968,584
	(17.0)	(23.2)	(23.6)	(19.7)	(21.4)	(28.3)	(26.3)	(24.8)	(25.6)
Net Claims on Government, and GASC 2/	401,928	539,371	717,808	937,043	1,163,632	1,443,503	1,478,748	1,488,456	1,524,160
National Currency	485,646	602,406	771,686	925,374	1,141,102	1,381,034	1,418,603	1,432,653	1,467,092
Foreign Currency	-83,718	-63,035	-53,878	11,669	22,530	62,469	60,145	55,803	57,068
Claims on Public Business Sector	33,296	40,350	44,319	43,522	58,902	76,095	76,981	77,412	79,005
National Currency	24,516	31,627	35,107	34,680	42,137	53,322	53,678	53,833	54,852
Foreign Currency	8,780	8,723	9,212	8,842	16,765	22,773	23,303	23,579	24,153
Claims on Private Sector 2/	416,371	437,918	478,167	504,547	576,319	642,119	651,253	655,793	659,814
National Currency	304,294	334,405	363,684	383,297	427,118	482,236	494,210	498,442	502,107
Foreign Currency	112,077	103,513	114,483	121,250	149,201	159,883	157,043	157,351	157,707
Other Items (net) 1/ 2/	-143,597	-145,438	-162,103	-194,335	-231,830	-274,954	-284,311	-284,863	-294,395
Total Liquidity (M2)	982,547	1,050,128	1,211,317	1,417,624	1,637,378	1,876,828	1,905,464	1,909,422	1,922,685
	(12.2)	(6.9)	(15.3)	(17.0)	(15.5)	(19.3)	(18.6)	(17.3)	(17.4)
Money (M1) 3/	239,401	258,736	308,786	378,314	450,816	515,069	520,592	517,932	522,455
	(19.9)	(8.1)	(19.3)	(22.5)	(19.2)	(18.6)	(16.8)	(15.9)	(15.9)
Currency in Circulation	161,818	179,176	218,585	255,111	278,661	303,779	305,061	305,973	305,726
Demand Deposits in Local Currency	77,583	79,560	90,201	123,203	172,155	211,290	215,531	211,959	216,729
Quasi Money	743,146	791,392	902,531	1,039,310	1,186,562	1,361,759	1,384,872	1,391,490	1,400,230
	(9.9)	(6.5)	(14.0)	(15.2)	(14.2)	(19.6)	(19.3)	(17.9)	(18.0)
Local Currency Time & Savings Deposits	568,572	604,981	683,998	814,422	943,417	1,086,608	1,108,338	1,114,203	1,124,883
Foreign Currency Demand Deposits	45,829	44,869	53,436	61,067	63,547	69,302	68,950	68,656	66,976
Foreign Currency Time and Savings Deposits	128,745	141,542	165,097	163,821	179,598	205,849	207,584	208,631	208,371

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)
(February 2016)

	Feb-11	Feb-12	Feb-13	Feb-14	Feb-15	Nov-15	Dec-15	Jan-16	Feb-16 *
Net Foreign Assets (In Million US\$) ^{4/}	46,693	29,543	19,829	18,235	9,258	(1,261)	(2,204)	(3,506)	(5,879)
Central bank NFA	31,419	13,684	6,190	5,819	4,644	(1,177)	(1,746)	(1,691)	(2,912)
Net International Reserves	48,062	31,258	26,344	29,238	19,541	15,620	15,394	14,084	12,971
Central Bank (Gross)	33,321	15,718	13,508	17,307	15,456	16,423	16,445	16,478	16,534
Banks (net)	15,274	15,860	13,639	12,417	4,614	(84)	(458)	(1,815)	(2,967)
Foreign assets	22,506	20,543	18,236	17,316	11,554	10,249	9,770	9,515	9,347
Foreign Liabilities	7,232	4,683	4,597	4,900	6,940	10,333	10,228	11,330	12,314
In Percent of Beginning of Money Stocks ^{5/}									
Net Foreign Assets	-0.9%	-7.5%	-2.2%	0.3%	-3.22%	-3.5%	-3.9%	-4.5%	-5.5%
Net Domestic Assets	8.0%	11.5%	12.9%	9.1%	11.2%	9.8%	11.8%	12.6%	14.4%
Money (M1)	2.8%	1.0%	3.1%	2.6%	2.7%	0.9%	1.2%	1.1%	1.3%
Quasi Money	4.3%	3.0%	7.6%	6.7%	5.3%	5.4%	6.7%	7.1%	7.6%
Dollarization (% of Total Liquidity) ^{6/}	0.18	0.18	0.18	0.16	0.15	14.7	14.5	14.5	14.3
M2 Multiplier ^{7/}	3.98	4.15	4.39	4.33	4.49	4.35	4.53	4.56	4.69
M2 Velocity ^{8/}	1.40	1.58	1.52	1.48	1.48	1.48	1.45	1.45	1.44
M2 (annual percentage change)	12.22	6.88	15.35	17.03	15.50	19.3	18.6	17.3	17.4
Credit to private sector (annual percentage change) ^{9/}	0.08	0.05	0.09	0.06	0.14	16.3	17.5	15.3	14.5
Exchange Rate ^{10/}	5.88	6.02	6.71	6.96	7.60	7.88	7.81	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.

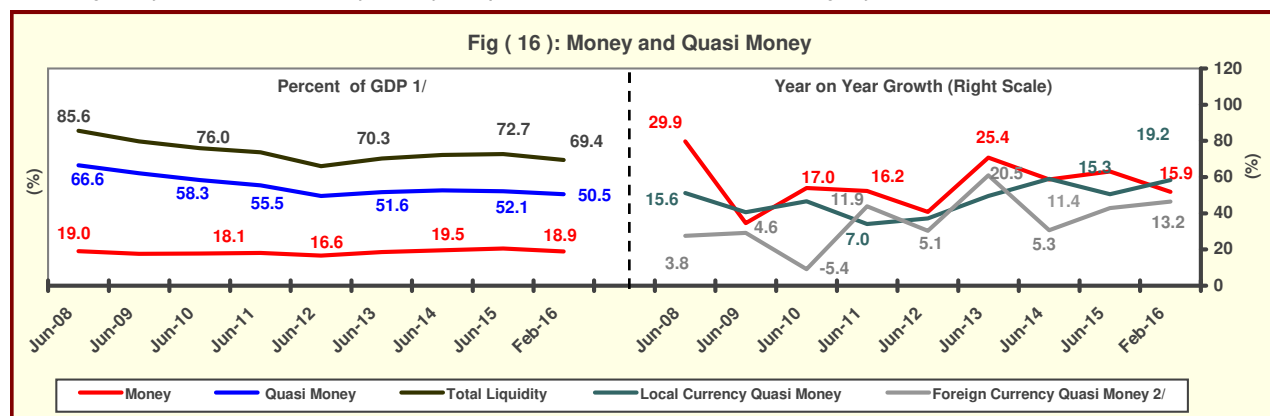
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity. It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

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.



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)

	Feb-11	Feb-12	Feb-13	Feb-14	Feb-15	Nov-15	Dec-15	Jan-16	Feb-16 [*]
Reserve Money	246,961	252,926	275,706	327,171	364,271	431,665	420,638	418,881	410,150
	(32.0)	(2.4)	(9.0)	(18.7)	(11.3)	(18.8)	(15.9)	(12.6)	(12.6)
Currency in Circulation	177,017	189,413	229,457	267,726	293,428	322,474	323,373	324,961	323,832
	(30.6)	(7.0)	(21.1)	(16.7)	(9.6)	(10.6)	(10.5)	(10.2)	(10.4)
Banks LE Deposits with CBE	69,944	63,513	46,249	59,445	70,843	109,191	97,265	93,920	86,318
	(35.8)	-(9.2)	-(27.2)	(28.5)	(19.2)	(52.2)	(38.6)	(21.3)	(21.8)
Counter Assets:									
Net Foreign Assets	184,740	82,411	41,558	40,475	35,294	-9,274	-13,633	-13,205	-22,732
	(3.7)	-(55.4)	-(49.6)	-(2.6)	-(12.8)	-(125.5)	-(142.1)	-(138.0)	-(164.4)
Net Domestic Assets	62,221	170,515	234,148	286,696	328,977	440,939	434,271	432,086	432,882
	(591.9)	(174.0)	(37.3)	(22.4)	(14.7)	(34.9)	(31.4)	(28.0)	(31.6)
Net Claims on Government ^{2/}	106,555	177,316	256,832	375,350	471,960	626,452	633,098	638,754	662,216
	(11.2)	(66.4)	(44.8)	(46.1)	(25.7)	(43.0)	(38.8)	(34.3)	(40.3)
Claims	187,983	256,735	351,706	422,171	578,307	706,909	711,253	722,063	746,791
	(10.5)	(36.6)	(37.0)	(20.0)	(37.0)	(30.6)	(27.5)	(25.9)	(29.1)
Securities	130,597	129,097	178,831	240,331	300,330	241,830	241,830	241,830	241,830
Credit Facilities	57,386	127,638	172,875	181,840	277,977	465,079	469,423	480,233	504,961
Deposits ^{3/}	81,428	79,419	94,874	46,821	106,347	80,457	78,155	83,309	84,575
	(9.4)	-(2.5)	(19.5)	-(50.6)	(127.1)	-(22.0)	-(23.2)	-(15.1)	-(20.5)
Net Claims on Banks	2,169	-1,685	-1,338	361	-26,735	-177	-16,977	-22,510	-18,594
Net Balancing Items ^{4/}	-46,503	-5,116	-21,346	-89,015	-116,248	-185,336	-181,850	-184,158	-210,740
Memorandum Items									
Reserve Money Velocity ^{5/, 6/}	5.55	6.55	6.69	6.42	6.67	6.42	6.59	6.62	6.76

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)

	Feb-11	Feb-12	Feb-13	Feb-14	Feb-15	Nov-15	Dec-15	Jan-16	Feb-16 [*]
Total Deposits	943,706	999,354	1,128,608	1,341,979	1,615,696	1,880,860	1,914,552	1,923,515	1,934,458
	(9.4)	(5.9)	(12.9)	(18.9)	(20.4)	(23.5)	(22.7)	(20.7)	(19.7)
In local currency	716,017	757,012	849,475	1,022,583	1,272,084	1,516,287	1,547,357	1,554,778	1,568,815
In foreign currency	227,689	242,342	279,133	319,396	343,612	364,573	367,195	368,737	365,643
Non Government Deposits ^{2/}	827,056	877,462	1,000,543	1,171,575	1,373,303	1,587,950	1,615,135	1,617,984	1,631,375
	(9.9)	(6.1)	(14.0)	(17.1)	(17.2)	(21.4)	(20.5)	(18.7)	(18.8)
In local currency	648,989	687,531	777,687	942,806	1,125,335	1,307,614	1,333,575	1,335,626	1,351,554
In foreign currency	178,067	189,931	222,856	228,769	247,968	280,336	281,560	282,358	279,821
Government Deposits	116,650	121,892	128,065	170,404	242,393	292,910	299,417	305,531	303,083
	(6.0)	(4.5)	(5.1)	(33.1)	(42.25)	(36.3)	(36.5)	(32.3)	(25.0)
In local currency	67,028	69,481	71,788	79,777	146,749	208,673	213,782	219,152	217,261
In foreign currency	49,622	52,411	56,277	90,627	95,644	84,237	85,635	86,379	85,822
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	24.1	24.2	24.7	23.8	21.3	19.4	19.2	19.2	18.9
Dollarization in Non-Government Deposits	21.5	21.6	22.3	19.5	18.1	17.7	17.4	17.5	17.2
Dollarization in Government Deposits	42.5	43.0	43.9	53.2	39.5	28.8	28.6	28.3	28.3

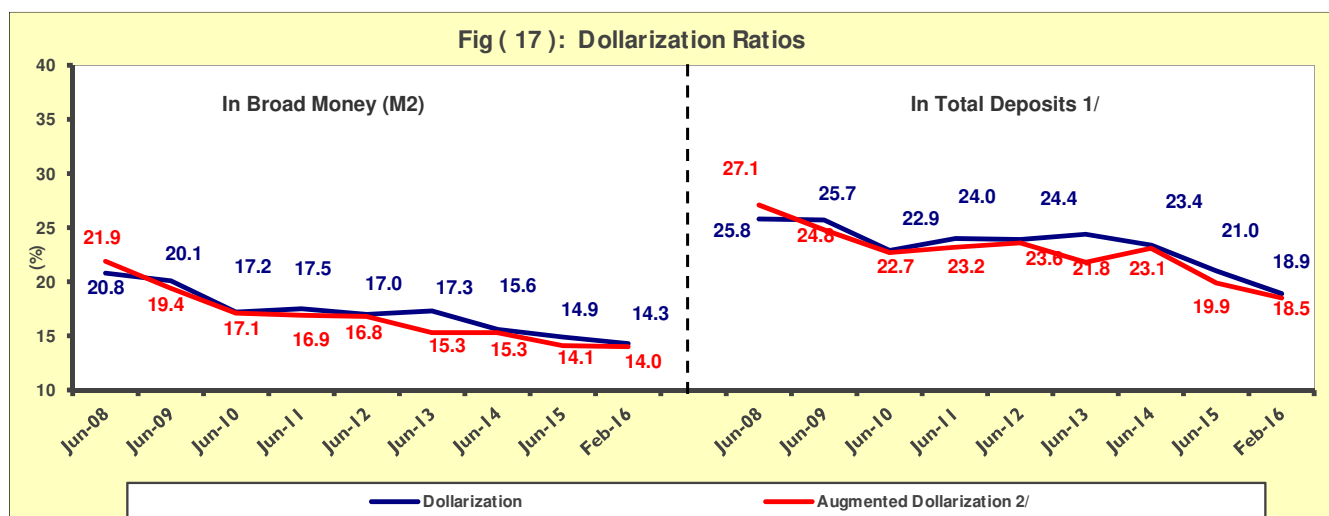
Source: Central bank of Egypt.

() 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)

	Feb-11	Feb-12	Feb-13	Feb-14	Feb-15	Nov-15	Dec-15	Jan-16	Feb-16 [*]
Total lending	469,496	495,125	530,492	556,014	656,043	784,836	791,499	797,666	804,378
	(7.4)	(5.5)	(7.1)	(4.8)	(18.0)	(26.9)	(25.8)	(23.4)	(22.6)
To Government ^{2/}	38,821	36,303	34,559	39,874	51,979	100,749	100,718	101,171	102,289
	(19.0)	-(1.6)	-(4.8)	(15.4)	(30.4)	(124.3)	(112.5)	(103.7)	(96.8)
In local currency	18,956	12,280	11,995	11,839	11,178	40,687	40,429	40,400	40,888
In foreign currency	19,865	24,001	22,564	28,035	40,801	60,062	60,289	60,771	61,401
To Non-Government	430,675	458,822	495,933	516,140	604,064	684,087	690,781	696,495	702,089
	(6.5)	(6.5)	(8.1)	(4.1)	(17.0)	(19.3)	(18.7)	(16.7)	(16.2)
In local currency	295,812	335,156	363,388	381,217	431,559	499,480	509,597	514,945	519,722
In foreign currency	134,863	123,666	132,545	134,923	172,505	184,607	181,184	181,550	182,367
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	84.7	84.6	85.2	85.0	83.1	77.5	77.6	77.6	77.5
Non Government Loans/ Deposits ^{4/}	52.1	52.3	49.6	44.1	44.0	43.1	42.8	43.0	43.0
Government Loans / Deposits	33.3	29.8	27.0	23.4	21.4	34.4	33.6	33.1	33.7
Foreign currency denominated credit to total credit	33.0	29.1	29.2	29.3	32.5	31.2	30.5	30.4	30.3
Government foreign currency denominated credit to total government credit	51.2	55.6	65.3	70.3	78.5	59.6	59.9	60.1	60.0
Non - government foreign currency denominated credit to total non-government credit	31.3	27.0	26.7	26.1	28.6	27.0	26.2	26.1	26.0

Source: Central Bank of Egypt.

() Percent change over previous year

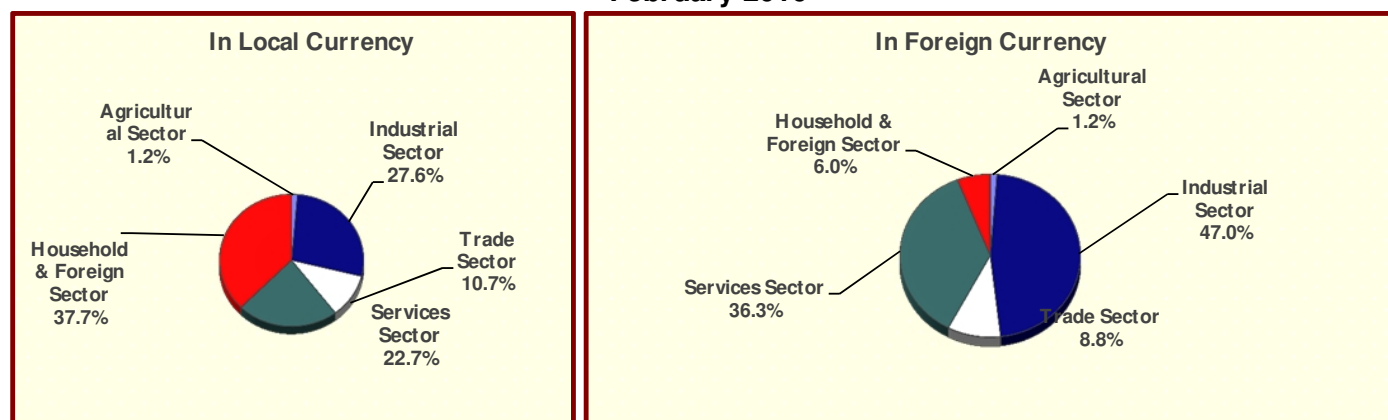
* Preliminary.

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
February-2016**

Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

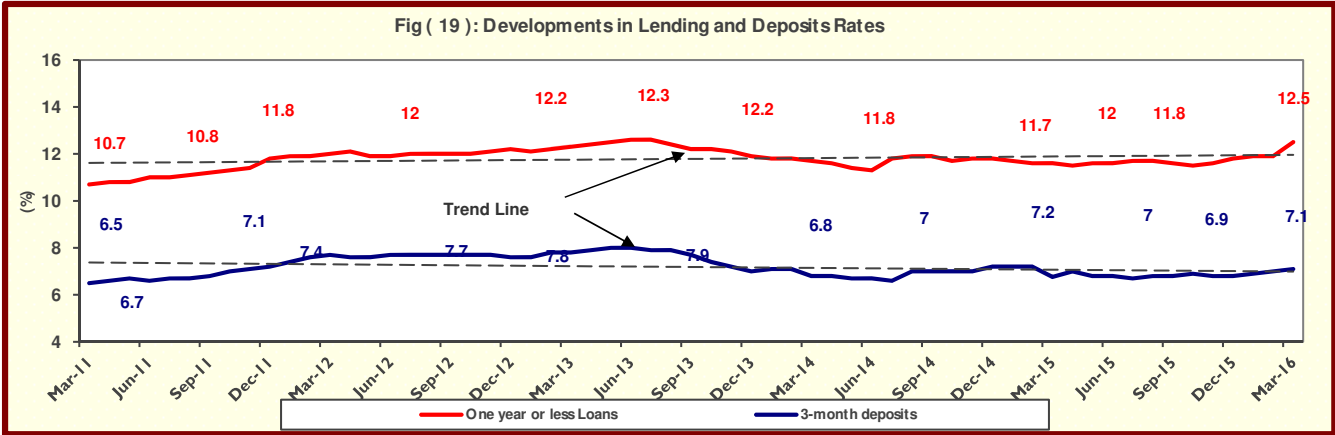
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/ 3/}	Post Office Saving Deposits ^{1/}
Yearly Average						
2005/2006	9.00	12.71	6.53	8.82	9.50	9.50
2006/2007	9.00	12.64	6.01	8.65	10.00	9.50
2007/2008	10.00	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						
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
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
D ec-15	9.75	11.80	6.80	11.22	12.75	8.00
J an-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

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.

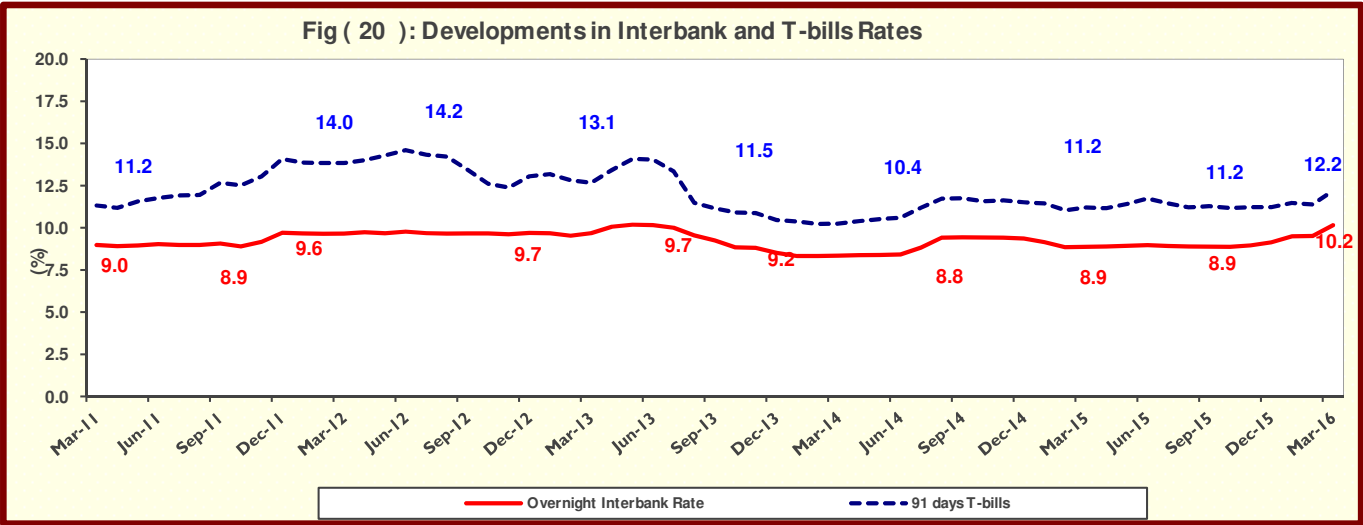
Table (30) : Average Interbank Rates ^{1/}

	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				
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	--	--
Mar-16	10.15	10.16	--	--

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.