

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

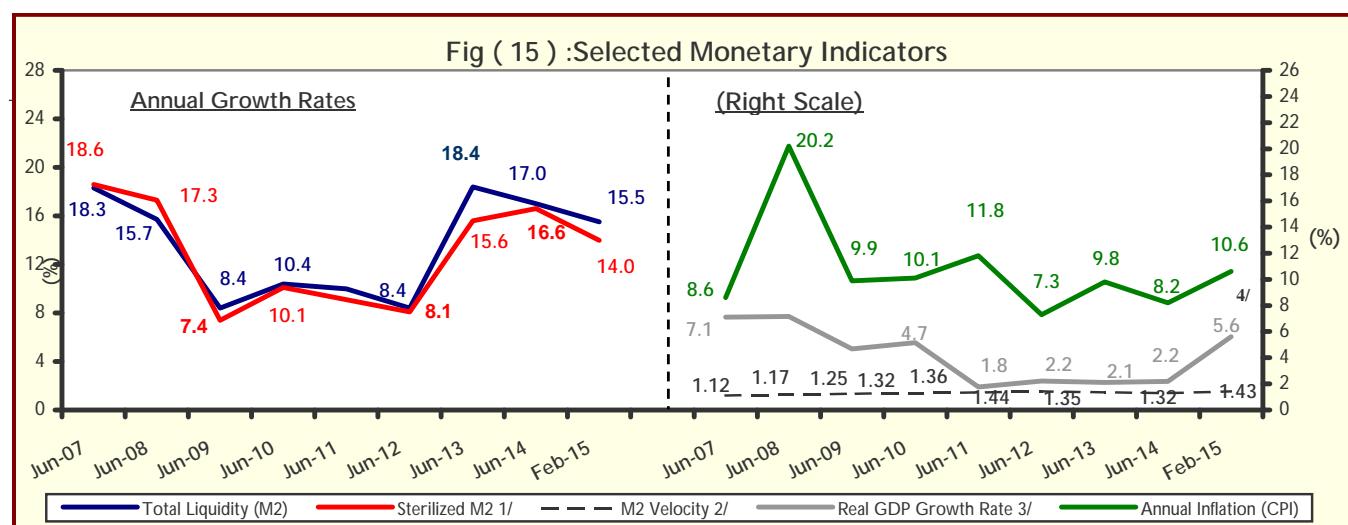
Table (24) : Developments in Main Monetary Aggregates
(February 2015)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-6.7	-31.2	-44.5	-15.0
CBE NFA	1.7	-3.0	-12.8	-5.8
CBE NIR	4.9	3.5	-2.4	2.2
Banks NFA 2/	-13.8	-46.8	-59.4	-19.3
Net Foreign Assets (US dollar terms)	-10.9	-35.3	-49.2	-17.6
CBE NFA	-2.9	-8.8	-20.2	-8.8
CBE NIR	0.2	-2.7	-10.7	-1.0
Banks NFA 2/	-17.7	-50.0	-62.8	-12.6
Net Domestic Assets	1.0	6.6	21.4	19.6
Net Claims on Government and GASC	1.2	6.7	24.2	25.6
Claims on Public Companies	-0.1	5.6	35.3	16.2
Claims on Private Sector	1.3	4.4	14.2	9.3
Total Liquidity (M2)	0.6	4.1	15.5	16.3
Money (M1)	0.9	3.8	19.2	18.8
Quasi Money	0.5	4.2	14.2	15.4

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/ According to the Ministry of Planning, GDP (at market prices) for 2013/2014 was revised to reach LE 1997.6 billion compared to LE 1753 billion in 2012/2013. It is also worthy to note that GDP estimates for 2014/2015 have been revised to LE 2321.1 billion in light of 2013/2014 actuals.

3/ Real Growth of GDP at market prices.

4/ Reflects Real GDP growth for the period July - December 2014/2015.

Table (25) : Monetary Survey
Assets and Liabilities of The Banking Sector
(February 2015)

	Feb-10	Feb-11	Feb-12	Feb-13	Feb-14	Nov-14	Dec-14	Jan-15	Feb-15 *
Net Foreign Assets 1/	270,647	274,549	177,927	133,126	126,847	102,305	84,362	75,402	70,355
	(9.5)	(1.4)	-(35.2)	-(25.2)	-(4.7)	-(12.2)	-(28.3)	-(38.5)	-(44.5)
Central bank (Net)	178,084	184,740	82,411	41,558	40,475	36,382	32,419	34,721	35,294
Foreign Assets	186,532	192,784	92,741	85,304	117,011	110,821	107,035	111,969	113,445
Foreign Liabilities	8,448	8,044	10,330	43,746	76,536	74,439	74,616	77,248	78,151
Banks (Net)	92,563	89,809	95,516	91,568	86,372	65,923	51,943	40,681	35,061
Foreign Assets	116,134	132,332	123,722	122,433	120,454	102,593	93,620	91,180	87,805
Foreign Liabilities	23,571	42,523	28,206	30,865	34,082	36,670	41,677	50,499	52,744
Net Domestic Assets of which:	604,939	707,998	872,201	1,078,191	1,290,777	1,470,645	1,522,143	1,552,145	1,567,023
	(9.5)	(17.0)	(23.2)	(23.6)	(19.7)	(18.2)	(19.8)	(21.7)	(21.4)
Net Claims on Government, and GASC 1/	318,754	401,928	539,371	717,808	937,043	1,090,777	1,126,838	1,149,711	1,163,632
National Currency	379,922	485,646	602,406	771,686	925,374	1,076,371	1,106,967	1,128,600	1,141,102
Foreign Currency	-61,168	-83,718	-63,035	-53,878	11,669	14,406	19,871	21,111	22,530
Claims on Public Business Sector	37,919	33,296	40,350	44,319	43,522	55,776	58,557	58,979	58,902
National Currency	28,972	24,516	31,627	35,107	34,680	42,238	42,444	41,994	42,137
Foreign Currency	8,947	8,780	8,723	9,212	8,842	13,538	16,113	16,985	16,765
Claims on Private Sector 2/	386,986	416,371	437,918	478,167	504,547	552,048	554,356	568,816	576,319
National Currency	286,580	304,294	334,405	363,684	383,297	418,303	418,504	423,957	427,118
Foreign Currency	100,406	112,077	103,513	114,483	121,250	133,745	135,852	144,859	149,201
Other Items (net) 1/ 3/	-138,720	-143,597	-145,438	-162,103	-194,335	-227,956	-217,608	-225,361	-231,830
Total Liquidity (M2)	875,586	982,547	1,050,128	1,211,317	1,417,624	1,572,950	1,606,505	1,627,547	1,637,378
	(9.5)	(12.2)	(6.9)	(15.3)	(17.0)	(15.6)	(15.8)	(16.4)	(15.5)
Money (M1) 4/	199,684	239,401	258,736	308,786	378,314	434,117	445,733	447,004	450,816
	(16.6)	(19.9)	(8.1)	(19.3)	(22.5)	(17.5)	(19.3)	(18.6)	(19.2)
Currency in Circulation	127,972	161,818	179,176	218,585	255,111	275,224	277,159	279,570	278,661
Demand Deposits in Local Currency	71,712	77,583	79,560	90,201	123,203	158,893	168,574	167,434	172,155
Quasi Money	675,902	743,146	791,392	902,531	1,039,310	1,138,833	1,160,772	1,180,543	1,186,562
	(7.5)	(9.9)	(6.5)	(14.0)	(15.2)	(15.0)	(14.5)	(15.6)	(14.2)
Local Currency Time & Savings Deposits	517,521	568,572	604,981	683,998	814,422	903,002	928,318	938,260	943,417
Foreign Currency Demand Deposits	33,314	45,829	44,869	53,436	61,067	63,356	60,775	64,700	63,547
Foreign Currency Time and Savings Deposits	125,067	128,745	141,542	165,097	163,821	172,475	171,679	177,583	179,598

Source: Central Bank of Egypt.

() Percent change over previous year.

* Preliminary.

1/ The agreement between CBE and Ministry of Finance to use part of the blocked account balance to retire part of the bonds outstanding on government to CBE became effective as of June 2008.

2/ Includes claims on private business sector and household sector.

3/ Includes capital accounts, unclassified net assets and liabilities, net interbank debt, and credit positions.

4/ Excludes drafts and checks under collection.

Table (25) : Monetary Survey (continued)
 (Memorandum Items)
 (February 2015)

	Feb-10	Feb-11	Feb-12	Feb-13	Feb-14	Nov-14	Dec-14	Jan-15	Feb-15*
Net Foreign Assets (In Million US\$) ^{4/}	49,464	46,693	29,543	19,829	18,235	14,318	11,807	10,387	9,258
Central bank NFA	32,547	31,419	13,684	6,190	5,819	5,092	4,537	4,783	4,644
Net International Reserves	51,008	48,062	31,258	26,344	29,238	24,736	22,250	21,028	19,541
Central Bank (Gross)	34,324	33,321	15,718	13,508	17,307	15,882	15,333	15,429	15,456
Banks (net)	16,917	15,274	15,860	13,639	12,417	9,226	7,270	5,604	4,614
Foreign assets	21,225	22,506	20,543	18,236	17,316	14,358	13,103	12,560	11,554
Foreign Liabilities	4,308	7,232	4,683	4,597	4,900	5,132	5,833	6,956	6,940
<i>In Percent of Beginning of Money Stocks</i> ^{5/}									
Net Foreign Assets	2.0%	-0.9%	-7.49%	-2.2%	0.3%	-1.1%	-2.3%	-2.9%	-3.2%
Net Domestic Assets	3.4%	8.0%	11.5%	12.9%	9.1%	4.8%	8.2%	10.2%	11.2%
Money (M1)	2.0%	2.8%	1.0%	3.1%	2.6%	1.6%	2.3%	2.4%	2.7%
Quasi Money	3.3%	4.3%	3.0%	7.6%	6.7%	2.2%	3.6%	4.9%	5.3%
Dollarization (% of Total Liquidity) ^{6/}	18.1	17.8	17.8	18.0	15.9	15.0	14.5	14.9	14.8
M2 Multiplier ^{7/}	4.68	3.98	4.15	4.39	4.33	4.33	4.43	4.37	4.49
M2 Velocity ^{8/}	1.38	1.40	1.50	1.45	1.41	1.48	1.44	1.43	1.42
M2 (annual percentage change)	9.5	12.2	6.9	15.3	17.0	15.6	15.8	16.4	15.5
Credit to private sector (annual percentage change) ^{9/}	-0.3	7.6	5.2	9.2	5.5	10.7	11.9	13.8	14.2
Exchange Rate ^{10/}	5.47	5.88	6.02	6.71	6.96	7.15	7.14	7.26	7.60

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.

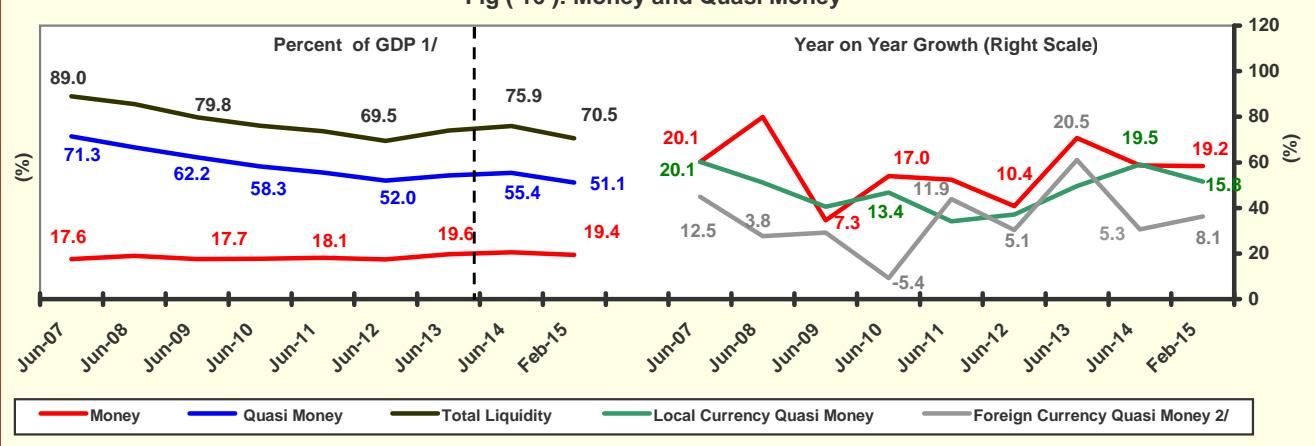
7/ M2 / Reserve Money.

8/ GDP / M2. According to the Ministry of Planning, GDP (at market prices) for 2013/2014 was revised to reach LE 1997.6 billion compared to LE 1753 billion in 2012/2013. It is also worthy to note that GDP estimates for 2014/2015 have been revised to LE 2321.1 billion in light of 2013/2014 actuals.

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/ According to the Ministry of Planning, GDP (at market prices) for 2013/2014 was revised to reach LE 1997.6 billion compared to LE 1753 billion in 2012/2013. It is also worthy to note that GDP estimates for 2014/2015 have been revised to LE 2321.1 billion in light of 2013/2014 actuals.

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

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

(LE Million)

	Feb-10	Feb-11	Feb-12	Feb-13	Feb-14	Nov-14	Dec-14	Jan-15	Feb-15*
Reserve Money	187,077	246,961	252,926	275,706	327,171	363,202	362,922	372,158	364,271
	(11.5)	(32.0)	(2.4)	(9.0)	(18.7)	(7.5)	(7.9)	(11.0)	(11.3)
Currency in Circulation	135,578	177,017	189,413	229,457	267,726	291,458	292,739	294,756	293,428
	(14.1)	(30.6)	(7.0)	(21.1)	(16.7)	(9.2)	(10.5)	(9.5)	(9.6)
Banks LE Deposits with CBE	51,499	69,944	63,513	46,249	59,445	71,744	70,183	77,402	70,843
	(5.3)	(35.8)	-(9.2)	-(27.2)	(28.5)	(0.8)	-(1.8)	(17.2)	(19.2)
Counter Assets:									
Net Foreign Assets ^{2/}	178,084	184,740	82,411	41,558	40,475	36,382	32,419	34,721	35,294
	-(1.9)	(3.7)	-(55.4)	-(49.6)	-(2.6)	-(9.5)	-(15.7)	-(11.3)	-(12.8)
Net Domestic Assets ^{2/}	8,993	62,221	170,515	234,148	286,696	326,820	330,503	337,437	328,977
	(165.2)	(591.9)	(174.0)	(37.3)	(22.4)	(9.8)	(10.9)	(14.0)	(14.7)
Net Claims on Government ^{3/}	95,783	106,555	177,316	256,832	375,350	438,165	456,063	475,558	471,960
	(23.5)	(11.2)	(66.4)	(44.8)	(46.1)	(20.2)	(20.1)	(24.6)	(25.7)
Claims	170,187	187,983	256,735	351,706	422,171	541,314	557,849	573,648	578,307
	(11.0)	(10.5)	(36.6)	(37.0)	(20.0)	(34.4)	(33.1)	(35.3)	(37.0)
Securities	124,559	130,597	129,097	178,831	240,331	300,330	300,330	300,330	300,330
Credit Facilities	45,628	57,386	127,638	172,875	181,840	240,984	257,519	273,318	277,977
Deposits ^{4/}	74,404	81,428	79,419	94,874	46,821	103,149	101,786	98,090	106,347
	-(1.8)	(9.4)	-(2.5)	(19.5)	-(50.6)	(167.9)	(158.7)	(131.2)	(127.1)
Net Claims on Banks	16,137	2,169	-1,685	-1,338	361	-14,130	-13,483	-21,852	-26,735
Net Balancing Items ^{5/}	-102,927	-46,503	-5,116	-21,346	-89,015	-97,215	-112,077	-116,269	-116,248
Memorandum Items									
Reserve Money Velocity ^{6/ 7/}	6.45	5.55	6.58	6.36	6.11	6.39	6.40	6.24	6.37

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/ The agreement between CBE and Ministry of Finance to use part of the blocked account balance to retire part of the bonds outstanding on government to CBE became effective as of June 2008.

3/ Includes net claims on public economic authorities and National Investment Bank (NIB).

4/ 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.

5/ Includes net unidentified assets and liabilities and open market operations.

6/ GDP / Reserve Money (M0).

7/ According to the Ministry of Planning, GDP (at market prices) for 2013/2014 was revised to reach LE 1997.6 billion compared to LE 1753 billion in 2012/2013. It is also worthy to note that GDP estimates for 2014/2015 have been revised to LE 2321.1 billion in light of 2013/2014 actuals.

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

(LE Million)

	Feb-10	Feb-11	Feb-12	Feb-13	Feb-14	Nov-14	Dec-14	Jan-15	Feb-15 [*]
Total Deposits	862,571	943,706	999,354	1,128,608	1,341,979	1,523,333	1,559,764	1,593,582	1,615,696
	(9.2)	(9.4)	(5.9)	(12.9)	(18.9)	(20.7)	(18.5)	(20.3)	(20.4)
In local currency	660,755	716,017	757,012	849,475	1,022,583	1,190,198	1,232,416	1,251,328	1,272,084
In foreign currency	201,816	227,689	242,342	279,133	319,396	333,135	327,348	342,254	343,612
Non Government Deposits ^{2/}	752,475	827,056	877,462	1,000,543	1,171,575	1,308,395	1,340,409	1,362,663	1,373,303
	(8.7)	(9.9)	(6.1)	(14.0)	(17.1)	(17.3)	(17.0)	(18.3)	(17.2)
In local currency	591,849	648,989	687,531	777,687	942,806	1,068,900	1,104,266	1,115,124	1,125,335
In foreign currency	160,626	178,067	189,931	222,856	228,769	239,495	236,143	247,539	247,968
Government Deposits	110,096	116,650	121,892	128,065	170,404	214,938	219,355	230,919	242,393
	(12.8)	(6.0)	(4.5)	(5.1)	(33.06)	(46.0)	(28.5)	(33.3)	(42.2)
In local currency	68,906	67,028	69,481	71,788	79,777	121,298	128,150	136,204	146,749
In foreign currency	41,190	49,622	52,411	56,277	90,627	93,640	91,205	94,715	95,644
<u>Memorandum Items</u> <u>(In Percent):</u>									
Dollarization in Total Deposits	23.4	24.1	24.2	24.7	23.8	21.9	21.0	21.5	21.3
Dollarization in Non-Government Deposits	21.3	21.5	21.6	22.3	19.5	18.3	17.6	18.2	18.1
Dollarization in Government Deposits	37.4	42.5	43.0	43.9	53.2	43.6	41.6	41.0	39.5

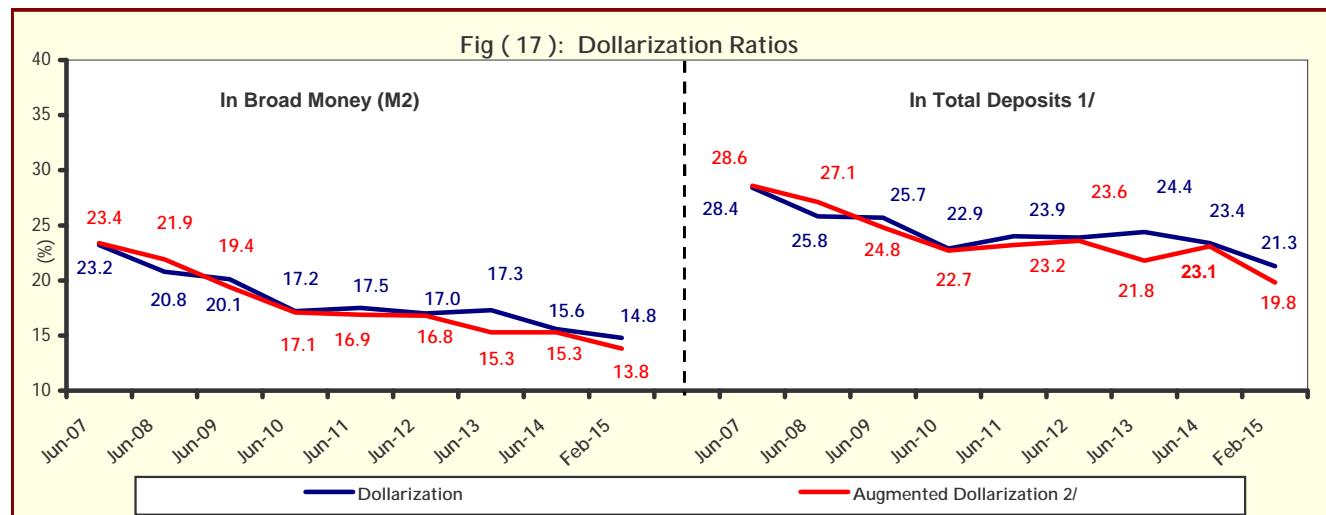
Source: Central bank of Egypt.

() 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-10	Feb-11	Feb-12	Feb-13	Feb-14	Nov-14	Dec-14	Jan-15	* Feb-15
Total lending	437,072	469,496	495,125	530,492	556,014	618,293	629,221	646,253	656,043
	(1.6)	(7.4)	(5.5)	(7.1)	(4.8)	(12.4)	(14.3)	(17.0)	(18.0)
To Government ^{2/}	32,634	38,821	36,303	34,559	39,874	44,925	47,398	49,655	51,979
	(2.8)	(19.0)	-(6.5)	-(4.8)	(15.4)	(20.6)	(14.1)	(22.3)	(30.4)
In local currency	12,395	18,956	16,115	11,995	11,839	11,618	11,579	11,341	11,178
In foreign currency	20,239	19,865	20,188	22,564	28,035	33,307	35,819	38,314	40,801
To Non-Government	404,438	430,675	458,822	495,933	516,140	573,368	581,823	596,598	604,064
	(1.5)	(6.5)	(6.5)	(8.1)	(4.1)	(11.8)	(14.4)	(16.6)	(17.0)
In local currency	285,229	295,812	335,156	363,388	381,217	423,500	423,744	428,281	431,559
In foreign currency	119,209	134,863	123,666	132,545	134,923	149,868	158,079	168,317	172,505
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	83.9	84.7	84.6	85.2	85.0	83.8	83.2	83.2	83.1
Non Government Loans/ Deposits ^{4/}	53.7	52.1	52.3	49.6	44.1	43.8	43.4	43.8	44.0
Government Loans / Deposits	29.6	33.3	29.8	27.0	23.4	20.9	21.6	21.5	21.4
Foreign currency denominated credit to total credit	31.9	33.0	29.1	29.2	29.3	29.6	30.8	32.0	32.5
Government foreign currency denominated credit to total government credit	62.0	51.2	55.6	65.3	70.3	74.1	75.6	77.2	78.5
Non - government foreign currency denominated credit to total non-government credit	29.5	31.3	27.0	26.7	26.1	26.1	27.2	28.2	28.6

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

February-2015



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						
2003/2004	10.00	13.40	7.96	8.41	10.50	10.50
2004/2005	10.00	13.39	7.66	10.12	10.50	10.50
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
Monthly Average						
Feb-14	8.75	11.80	7.10	10.22	9.75	8.50
Mar-14	8.75	11.70	6.80	10.24	9.75	8.50
Apr-14	8.75	11.60	6.80	10.40	9.75	8.50
May-14	8.75	11.40	6.70	10.52	9.75	8.50
Jun-14	8.75	11.30	6.70	10.60	9.75	8.50
Jul-14	9.75	11.80	6.60	11.19	9.75	8.50
Aug-14	9.75	11.90	7.00	11.72	9.75	8.50
Sep-14	9.75	11.90	7.00	11.75	9.75	8.50
Oct-14	9.75	11.70	7.00	11.57	9.75	8.50
Nov-14	9.75	11.80	7.00	11.62	9.75	8.50
Dec-14	9.75	11.80	7.20	11.51	9.75	8.50
Jan-15	9.25	11.70	7.20	11.44	9.75	8.50
Feb-15	9.25	11.60	7.20	11.04	9.75	8.50
Mar-15	9.25	--	--	11.20	9.75	8.50

Source: Central Bank of Egypt.

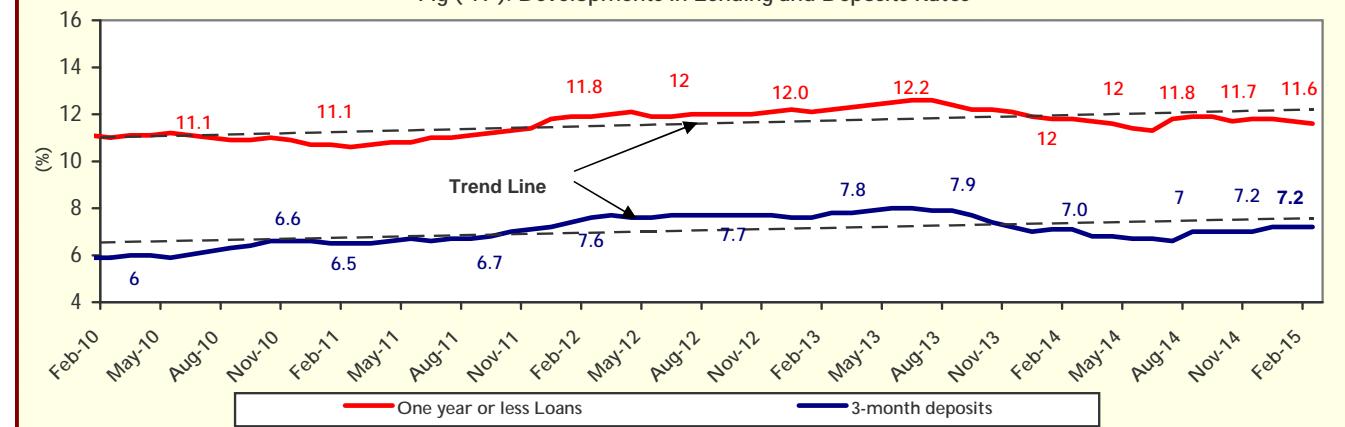
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1/ End of period rate.

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/}

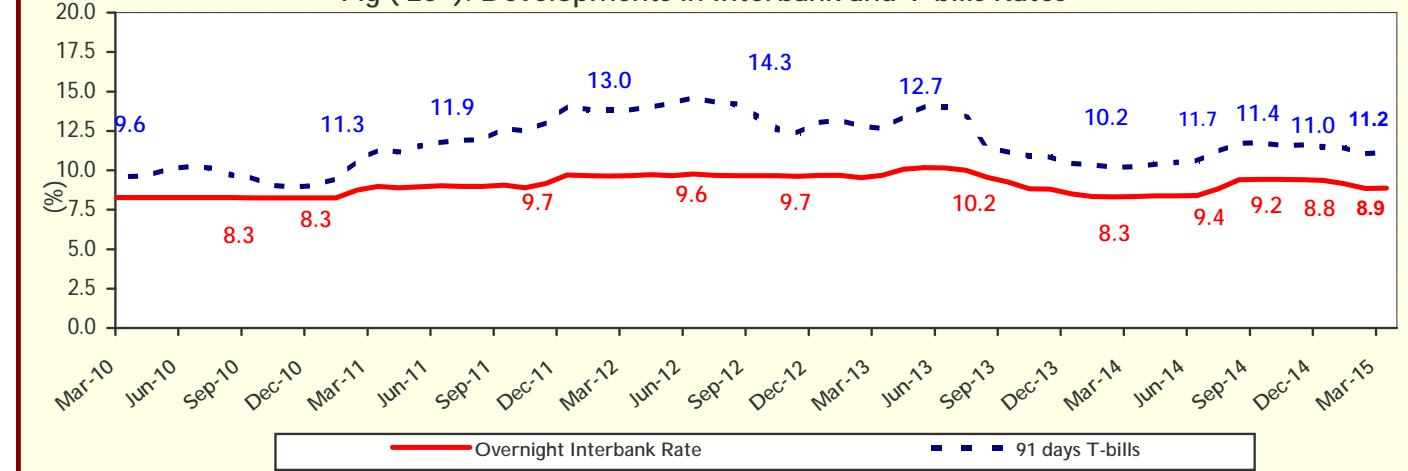
	Overnight	One Week	Month	More than One Month
<u>Yearly Average</u>				
2005	9.5	10.1	10.4	10.7
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
2011	9.0	9.1	9.4	9.5
2012	9.4	9.8	10.1	10.2
2013	9.5	9.8	10.2	10.5
2014	8.8	9.1	--	--
<u>Monthly Average</u>				
Feb-14	8.32	8.57	--	--
Mar-14	8.34	8.61	--	--
Apr-14	8.37	8.65	--	--
May-14	8.38	8.70	--	--
Jun-14	8.41	8.72	--	--
Jul-14	8.83	9.08	--	--
Aug-14	9.41	9.62	--	--
Sep-14	9.43	9.67	--	--
Oct-14	9.42	9.64	--	--
Nov-14	9.41	9.63	--	--
Dec-14	9.36	9.64	--	--
Jan-15	9.15	9.51	--	--
Feb-15	8.85	9.18	9.53	8.85
Mar-15	8.87	9.16	--	8.85

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'.

Fig (20) : Developments in Interbank and T-bills Rates



Source: Central Bank of Egypt.