

Section 6

MONETARY SECTOR

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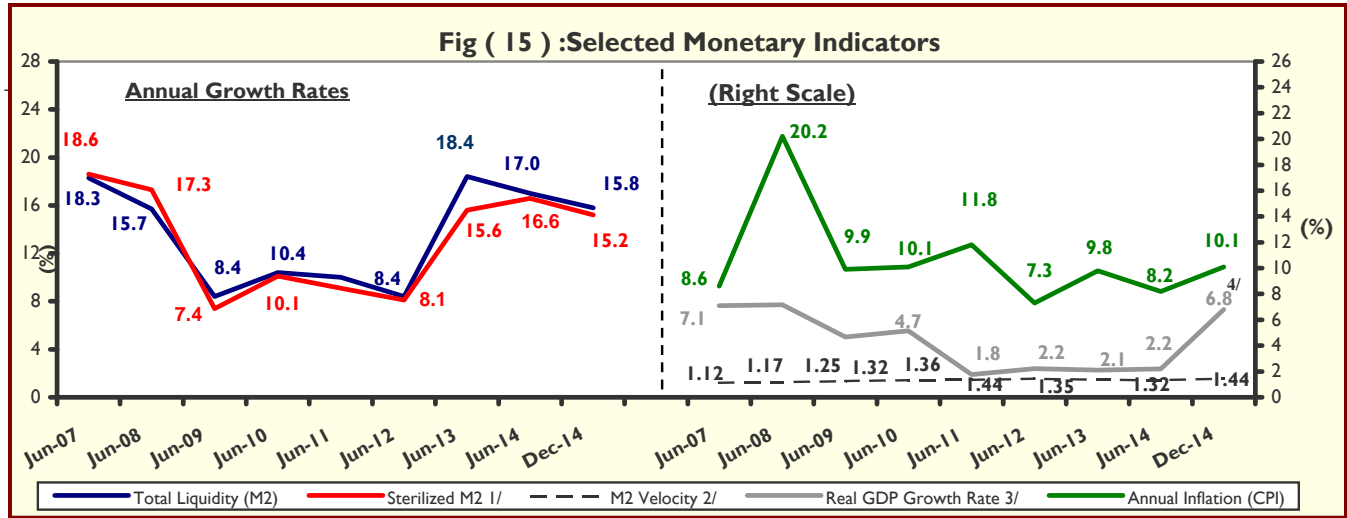
**Table (24) : Developments in Main Monetary Aggregates
(December 2014)**

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-17.5	-28.4	-28.3	-9.4
CBE NFA	-10.9	-17.4	-15.7	-4.5
CBE NIR	-3.5	-9.1	-6.8	8.5
Banks NFA 2/	-21.2	-33.9	-34.4	-11.7
Net Foreign Assets (US dollar terms)	-17.5	-28.4	-30.7	-12.1
CBE NFA	-10.9	-17.4	-18.6	-7.3
CBE NIR	-3.5	-9.1	-10.0	5.2
Banks NFA 2/	-21.2	-33.9	-36.6	-14.3
Net Domestic Assets	3.5	6.7	19.8	19.3
Net Claims on Government and GASC	3.3	7.5	22.1	26.8
Claims on Public Companies	5.0	27.2	34.1	9.9
Claims on Private Sector	0.4	1.3	11.9	7.9
Total Liquidity (M2)	2.1	4.1	15.8	16.5
Money (M1)	2.7	4.1	19.3	19.5
Quasi Money	1.9	4.1	14.5	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 - September 2014/2015.

**Table (25) : Monetary Survey
Assets and Liabilities of The Banking Sector
(December 2014)**

(LE Million)

	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13	Sep-14	Oct-14	Nov-14	Dec-14 [*]
Net Foreign Assets 1/	255,857	305,252	190,179	133,369	117,609	117,811	111,643	102,305	84,362
	(3.0)	(19.3)	-(37.7)	-(29.9)	-(11.8)	-(5.4)	-(8.5)	-(12.2)	-(28.3)
Central bank (Net)	177,126	198,207	96,828	49,051	38,448	39,229	43,092	36,382	32,419
Foreign Assets	185,621	206,313	107,201	90,051	114,764	117,613	117,908	110,821	107,035
Foreign Liabilities	8,495	8,106	10,373	41,000	76,316	78,384	74,816	74,439	74,616
Banks (Net)	78,731	107,045	93,351	84,318	79,161	78,582	68,551	65,923	51,943
Foreign Assets	105,446	148,104	123,741	115,033	113,596	115,415	106,029	102,593	93,620
Foreign Liabilities	26,715	41,059	30,390	30,715	34,435	36,833	37,478	36,670	41,677
Net Domestic Assets of which:	610,497	668,710	848,692	1,033,791	1,270,079	1,425,945	1,448,684	1,470,645	1,522,143
	(12.4)	(9.5)	(26.9)	(21.8)	(22.9)	(17.8)	(18.1)	(18.2)	(19.8)
Net Claims on Government, and GASC 1/	328,753	364,674	515,774	678,428	922,542	1,048,580	1,057,611	1,090,777	1,126,838
National Currency	389,913	434,886	588,870	724,074	910,786	1,036,034	1,044,687	1,076,371	1,106,967
Foreign Currency	-61,160	-70,212	-73,096	-45,646	11,756	12,546	12,924	14,406	19,871
Claims on Public Business Sector	35,633	32,478	38,838	43,914	43,665	46,028	55,747	55,776	58,557
National Currency	27,942	24,030	29,958	35,050	34,719	36,142	41,965	42,238	42,444
Foreign Currency	7,691	8,448	8,880	8,864	8,946	9,886	13,782	13,538	16,113
Claims on Private Sector 2/	382,427	407,905	432,788	465,687	495,593	547,276	549,740	552,048	554,356
National Currency	282,426	298,490	328,862	358,833	374,983	415,690	416,350	418,303	418,504
Foreign Currency	100,001	109,415	103,926	106,854	120,610	131,586	133,390	133,745	135,852
Other Items (net) 1/ 3/	-136,316	-136,347	-138,708	-154,238	-191,721	-215,939	-214,414	-227,956	-217,608
Total Liquidity (M2)	866,354	973,962	1,038,871	1,167,160	1,387,688	1,543,756	1,560,327	1,572,950	1,606,505
	(9.5)	(12.4)	(6.7)	(12.3)	(18.9)	(15.6)	(15.7)	(15.6)	(15.8)
Money (M1) 4/	196,973	223,456	255,581	288,139	373,624	428,200	431,396	434,117	445,733
	(12.9)	(13.4)	(14.4)	(12.7)	(29.7)	(17.1)	(16.9)	(17.5)	(19.3)
Currency in Circulation	126,666	143,633	176,578	205,020	251,050	281,186	277,725	275,224	277,159
Demand Deposits in Local Currency	70,307	79,823	79,003	83,119	122,574	147,014	153,671	158,893	168,574
Quasi Money	669,381	750,506	783,290	879,021	1,014,064	1,115,556	1,128,931	1,138,833	1,160,772
	(8.5)	(12.1)	(4.4)	(12.2)	(15.4)	(15.1)	(15.3)	(15.0)	(14.5)
Local Currency Time & Savings Deposits	514,528	592,451	602,253	673,098	796,896	877,851	891,661	903,002	928,318
Foreign Currency Demand Deposits	29,124	34,072	40,850	50,784	57,295	65,599	64,367	63,356	60,775
Foreign Currency Time and Savings Deposits	125,729	123,983	140,187	155,139	159,873	172,106	172,903	172,475	171,679

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)
(December 2014)

	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13	Sep-14	Oct-14	Nov-14	Dec-14 [*]
Net Foreign Assets (In Million US\$)^{4/}	46,742	53,471	31,641	21,695	17,048	16,489	15,622	14,318	11,807
Central bank NFA	32,359	34,720	16,110	7,979	5,573	5,490	6,030	5,092	4,537
Net International Reserves	48,294	54,891	33,367	28,365	28,111	27,459	26,092	24,736	22,250
Central Bank (Gross)	34,163	36,005	18,119	15,015	17,032	16,872	16,909	15,882	15,333
Banks (net)	14,383	18,751	15,531	13,716	11,475	10,998	9,593	9,226	7,270
Foreign assets	19,264	25,943	20,587	18,712	16,467	16,153	14,837	14,358	13,103
Foreign Liabilities	4,880	7,192	5,056	4,996	4,992	5,155	5,244	5,132	5,833
<u>In Percent of Beginning of Money Stocks^{5/}</u>									
Net Foreign Assets	0.2%	2.5%	-6.27%	-2.2%	-0.4%	-0.1%	-0.5%	-1.1%	-2.3%
Net Domestic Assets	4.0%	3.7%	9.2%	8.9%	7.5%	1.9%	3.4%	4.8%	8.2%
Money (M1)	1.7%	1.0%	0.7%	1.2%	2.3%	1.2%	1.4%	1.6%	2.3%
Quasi Money	2.5%	5.1%	2.2%	5.4%	4.8%	0.6%	1.5%	2.2%	3.6%
Dollarization (% of Total Liquidity) ^{6/}	17.9	16.2	17.4	17.6	15.6	15.4	15.2	15.0	14.5
M2 Multiplier ^{7/}	4.49	4.46	4.04	4.42	4.13	4.12	4.23	4.33	4.43
M2 Velocity ^{8/}	1.39	1.41	1.52	1.50	1.44	1.50	1.49	1.48	1.44
M2 (annual percentage change)	9.5	12.4	6.7	12.3	18.9	15.6	15.7	15.6	15.8
Credit to private sector (annual percentage change) ^{9/}	-1.6	6.7	6.1	7.6	6.4	10.3	10.6	10.7	11.9
Exchange Rate ^{10/}	5.47	5.71	6.01	6.15	6.90	7.14	7.15	7.15	7.14

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.

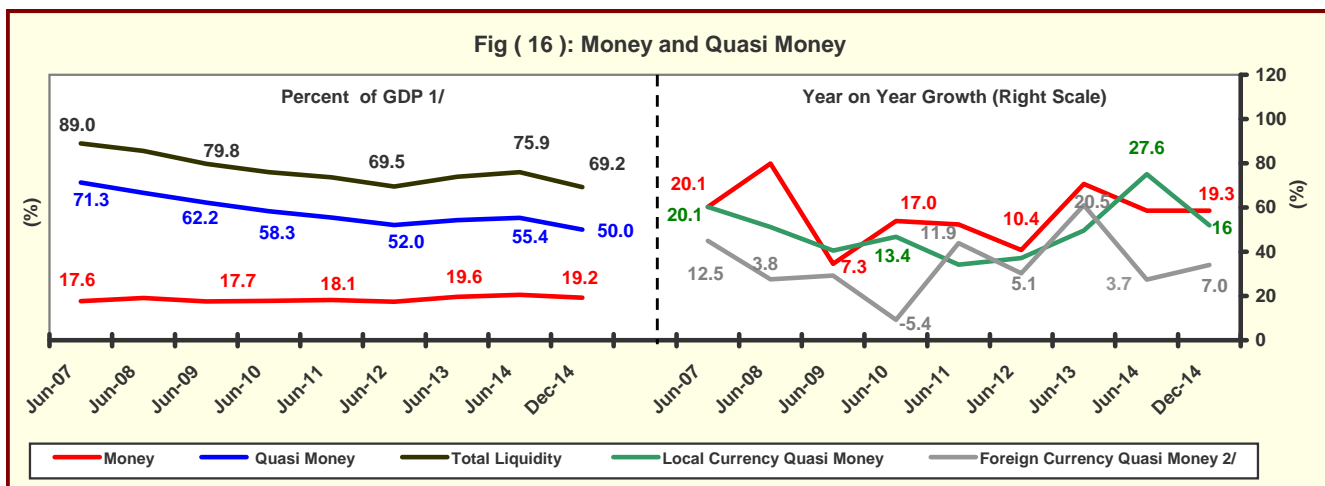
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity. It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

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.



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)

	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13	Sep-14	Oct-14	Nov-14	Dec-14 [*]
Reserve Money	193,063	218,393	257,346	264,297	336,368	374,619	368,636	363,202	362,922
	(15.0)	(13.1)	(17.8)	(2.7)	(27.3)	(10.4)	(10.1)	(7.5)	(7.9)
Currency in Circulation	134,039	153,209	187,292	216,301	264,882	297,877	294,086	291,458	292,739
	(10.5)	(14.3)	(22.2)	(15.5)	(22.5)	(9.8)	(7.8)	(9.2)	(10.5)
Banks LE Deposits with CBE	59,024	65,184	70,054	47,996	71,486	76,742	74,550	71,744	70,183
	(26.6)	(10.4)	(7.5)	-(31.5)	(48.9)	(12.8)	(20.2)	(0.8)	-(1.8)
Counter Assets:									
Net Foreign Assets ^{2/}	177,126	198,207	96,828	49,051	38,448	39,229	43,092	36,382	32,419
	-(3.9)	(11.9)	-(51.1)	-(49.3)	-(21.6)	-(8.7)	(2.3)	-(9.5)	-(15.7)
Net Domestic Assets ^{2/}	15,937	20,186	160,518	215,246	297,920	335,390	325,544	326,820	330,503
	(196.6)	(26.7)	(695.2)	(34.1)	(38.4)	(13.2)	(11.3)	(9.8)	(10.9)
Net Claims on Government ^{3/}	103,989	100,252	153,250	214,194	379,703	397,934	411,143	438,165	456,063
	(20.7)	-(3.6)	(52.9)	(39.8)	(77.3)	(16.8)	(15.3)	(20.2)	(20.1)
Claims	176,961	176,459	233,811	297,832	419,044	497,673	515,510	541,314	557,849
	(11.4)	-(0.3)	(32.5)	(27.4)	(40.7)	(15.1)	(15.5)	(34.4)	(33.1)
Securities	127,474	130,597	129,097	178,831	240,331	210,330	210,330	300,330	300,330
Credit Facilities	49,487	45,862	104,714	119,001	178,713	287,343	305,180	240,984	257,519
Deposits ^{4/}	72,972	76,207	80,561	83,638	39,341	99,739	104,367	103,149	101,786
	(0.3)	(4.4)	(5.7)	(3.8)	-(53.0)	(8.8)	(16.1)	(167.9)	(158.7)
Net Claims on Banks	7,048	39,848	-1,665	-848	-2,544	-7,991	-10,785	-14,130	-13,483
Net Balancing Items ^{5/}	-95,100	-119,914	8,933	1,900	-79,239	-54,553	-74,814	-97,215	-112,077
Memorandum Items									
Reserve Money Velocity ^{6/, 7/}	6.25	6.28	6.63	6.63	5.94	6.20	6.30	6.39	6.40

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)

	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13	Sep-14	Oct-14	Nov-14	Dec-14 [*]
Total Deposits	859,223	952,133	989,427	1,090,874	1,316,008	1,465,630	1,496,015	1,523,333	1,559,764
	(10.7)	(10.8)	(3.9)	(10.3)	(20.6)	(19.1)	(20.5)	(20.7)	(18.5)
In local currency	660,087	743,551	755,416	824,898	1,003,305	1,130,989	1,160,157	1,190,198	1,232,416
In foreign currency	199,136	208,582	234,011	265,976	312,703	334,641	335,858	333,135	327,348
Non Government Deposits ^{2/}	744,826	836,636	868,903	969,640	1,145,306	1,272,614	1,293,020	1,308,395	1,340,409
	(9.2)	(12.3)	(3.9)	(11.6)	(18.1)	(17.1)	(17.7)	(17.3)	(17.0)
In local currency	587,529	675,283	684,312	759,673	924,313	1,030,974	1,051,838	1,068,900	1,104,266
In foreign currency	157,297	161,353	184,591	209,967	220,993	241,640	241,182	239,495	236,143
Government Deposits	114,397	115,497	120,524	121,234	170,702	193,016	202,995	214,938	219,355
	(22.1)	(1.0)	(4.4)	(0.6)	(40.80)	(34.3)	(42.2)	(46.0)	(28.5)
In local currency	72,558	68,268	71,104	65,225	78,992	100,015	108,319	121,298	128,150
In foreign currency	41,839	47,229	49,420	56,009	91,710	93,001	94,676	93,640	91,205
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	23.2	21.9	23.7	24.4	23.8	22.8	22.5	21.9	21.0
Dollarization in Non-Government Deposits	21.1	19.3	21.2	21.7	19.3	19.0	18.7	18.3	17.6
Dollarization in Government Deposits	36.6	40.9	41.0	46.2	53.7	48.2	46.6	43.6	41.6

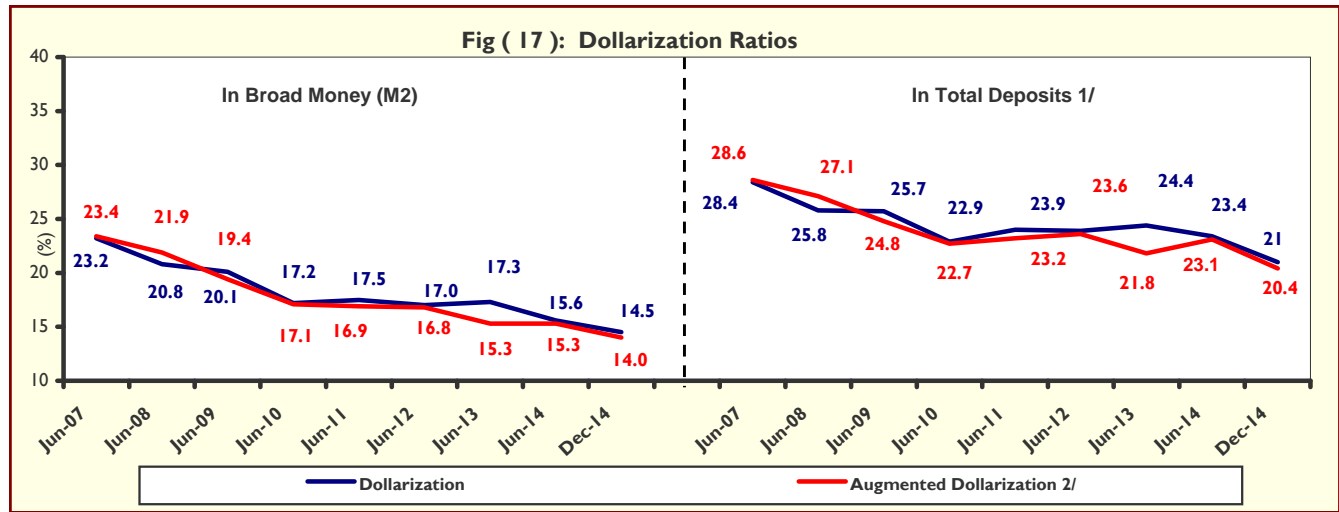
Source: Central bank of Egypt.

() 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)

	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13	Sep-14	Oct-14	Nov-14	Dec-14 [*]
Total lending	432,597	458,081	489,729	516,842	550,303	601,242	615,707	618,293	629,221
	(0.8)	(5.9)	(6.9)	(5.5)	(6.5)	(9.4)	(12.0)	(12.4)	(14.3)
To Government ^{2/}	34,191	38,172	37,227	35,141	41,555	41,510	43,629	44,925	47,398
	(7.9)	(11.6)	-(2.5)	-(5.6)	(18.3)	(8.7)	(13.6)	(20.6)	(14.1)
In local currency	13,082	19,457	16,844	12,579	12,093	11,871	11,934	11,618	11,579
In foreign currency	21,109	18,715	20,383	22,562	29,462	29,639	31,695	33,307	35,819
To Non-Government	398,406	419,909	452,502	481,701	508,748	559,732	572,078	573,368	581,823
	(0.2)	(5.4)	(7.8)	(6.5)	(5.6)	(9.5)	(11.8)	(11.8)	(14.4)
In local currency	281,143	288,094	328,537	358,181	374,051	415,445	422,238	423,500	423,744
In foreign currency	117,263	131,815	123,965	123,520	134,697	144,287	149,840	149,868	158,079
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	83.9	84.6	84.5	84.8	84.6	85.5	83.9	83.8	83.2
Non Government Loans/ Deposits ^{4/}	53.5	50.2	52.1	49.7	44.4	44.0	44.2	43.8	43.4
Government Loans / Deposits	29.9	33.1	30.9	29.0	24.3	21.5	21.5	20.9	21.6
Foreign currency denominated credit to total credit	32.0	32.9	29.5	28.3	29.8	28.9	29.5	29.6	30.8
Government foreign currency denominated credit to total government credit	61.7	49.0	54.8	64.2	70.9	71.4	72.6	74.1	75.6
Non - government foreign currency denominated credit to total non-government credit	29.4	31.4	27.4	25.6	26.5	25.8	26.2	26.1	27.2

Source: Central Bank of Egypt.

() Percent change over previous year

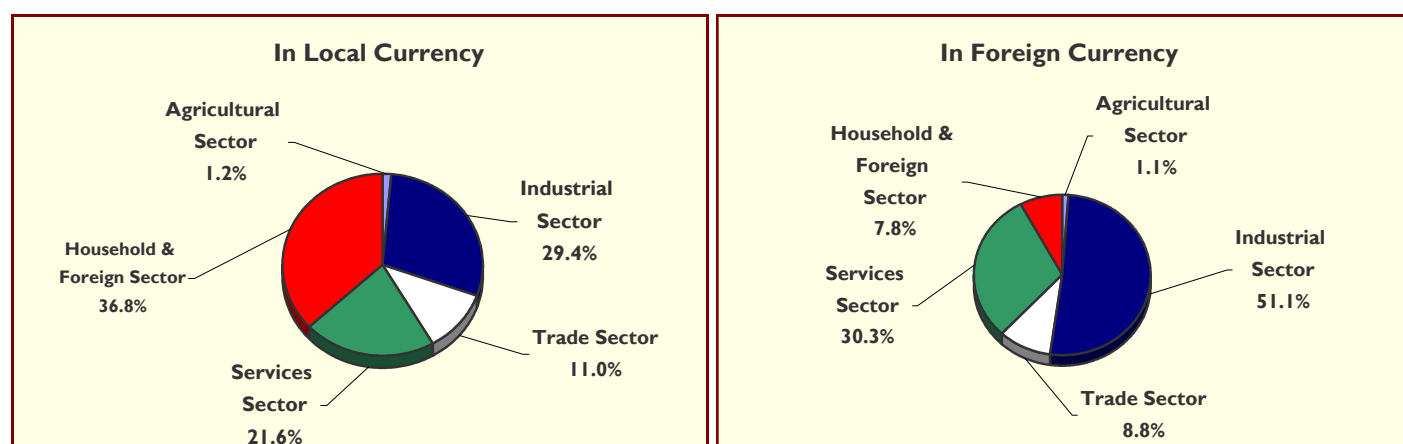
* Preliminary.

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**December-2014**

Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

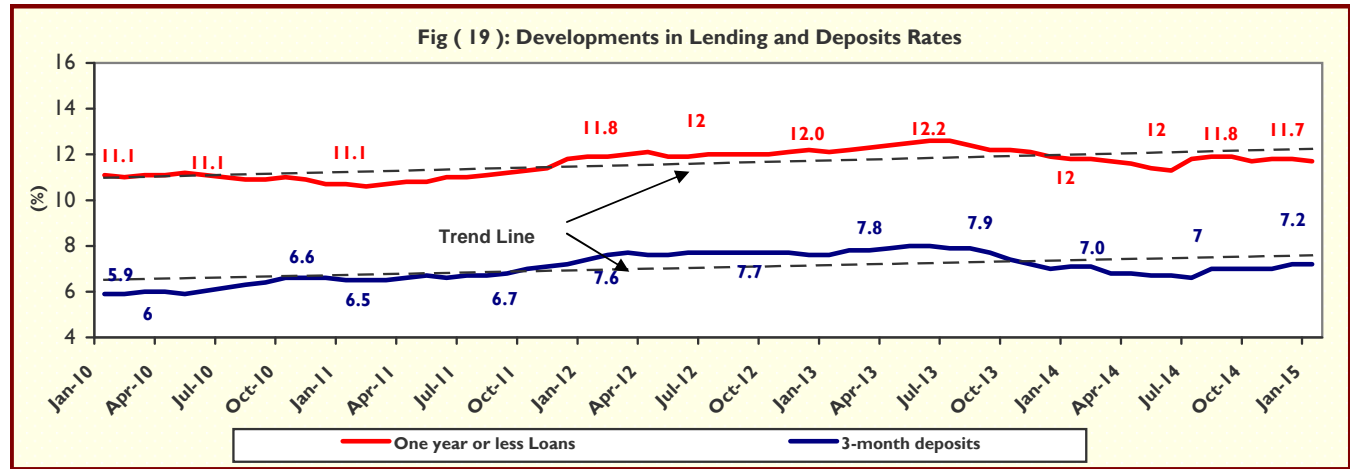
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/ 3/}	Post office Saving Deposits ^{1/}
Yearly Average						
2003/2004	10.00	13.40	7.96	8.41	10.50	10.50
2004/2005	10.00	13.39	7.66	10.12	10.50	10.50
2005/2006	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						
Jan-14	8.75	11.80	7.10	10.37	9.75	8.50
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

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.

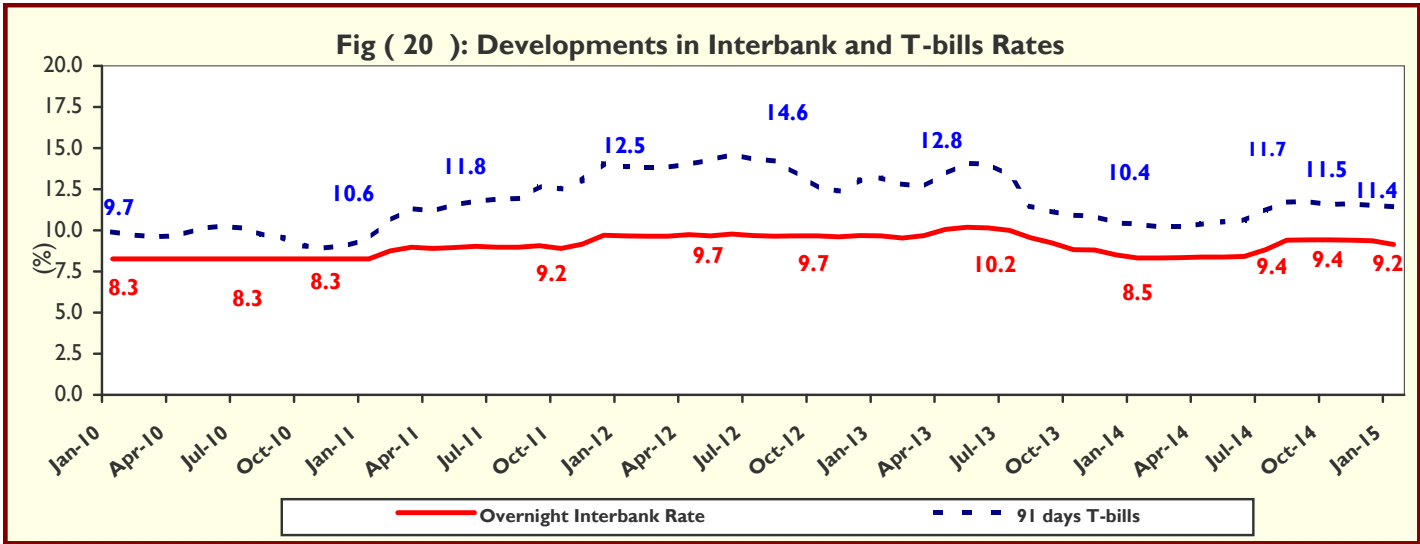
Table (30) : Average Interbank Rates ^{1/}

	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	--	--
Monthly Average				
Jan-14	8.33	8.62	--	--
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	--	--

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.