

Section 6

MONETARY SECTOR

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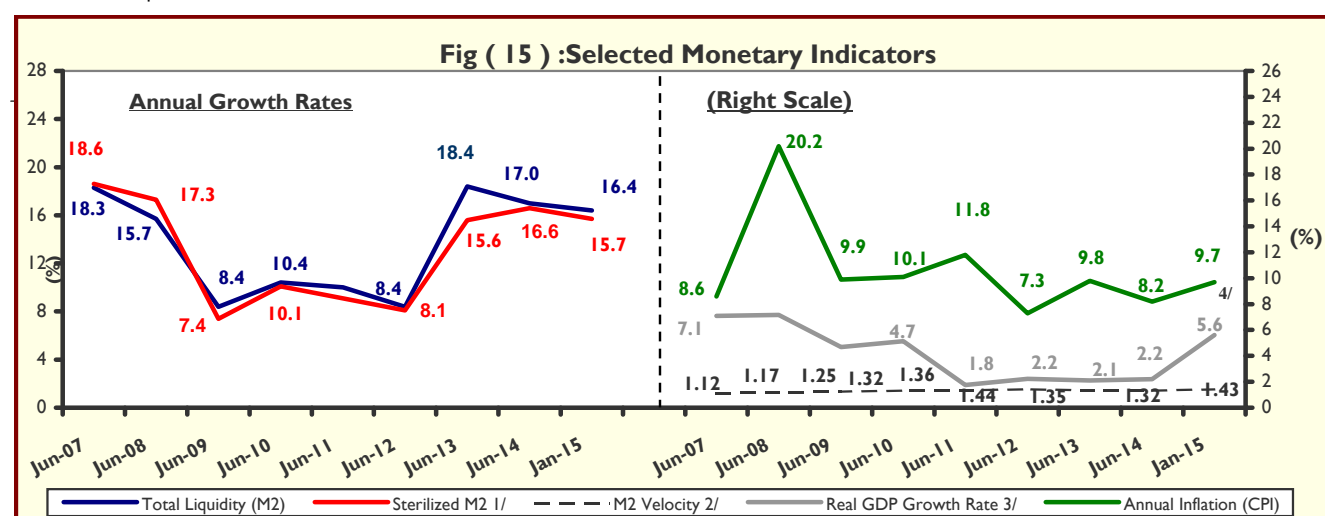
**Table (24) : Developments in Main Monetary Aggregates
(January 2015)**

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-10.6	-32.5	-38.5	-11.7
CBE NFA	7.1	-19.4	-11.3	-4.9
CBE NIR	2.2	-7.3	-5.9	5.2
Banks NFA 2/	-21.7	-40.7	-51.3	-14.8
Net Foreign Assets (US dollar terms)	-12.0	-33.5	-41.1	-14.2
CBE NFA	5.4	-20.7	-15.0	-7.6
CBE NIR	0.6	-8.8	-9.8	2.2
Banks NFA 2/	-22.9	-41.6	-53.3	-17.2
Net Domestic Assets	2.0	7.1	21.7	19.5
Net Claims on Government and GASC	2.0	8.7	23.6	26.1
Claims on Public Companies	0.7	5.8	36.0	13.1
Claims on Private Sector	2.6	3.5	13.8	8.6
Total Liquidity (M2)	1.3	4.3	16.4	16.5
Money (M1)	0.3	3.6	18.6	19.1
Quasi Money	1.7	4.6	15.6	15.5

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
(January 2015)

(LE Million)

	Jan-10	Jan-11	Jan-12	Jan-13	Jan-14	Oct-14	Nov-14	Dec-14	Jan-15*
Net Foreign Assets 1/	261,192	286,196	179,716	138,054	122,631	111,643	102,305	84,362	75,402
	(6.8)	(9.6)	-(37.2)	-(23.2)	-(11.2)	-(8.5)	-(12.2)	-(28.3)	-(38.5)
Central bank (Net)	176,524	193,507	86,205	41,831	39,137	43,092	36,382	32,419	34,721
Foreign Assets	184,967	201,551	96,580	85,199	115,684	117,908	110,821	107,035	111,969
Foreign Liabilities	8,443	8,044	10,375	43,368	76,547	74,816	74,439	74,616	77,248
Banks (Net)	84,668	92,689	93,511	96,223	83,494	68,551	65,923	51,943	40,681
Foreign Assets	110,207	132,870	122,600	127,486	117,271	106,029	102,593	93,620	91,180
Foreign Liabilities	25,539	40,181	29,089	31,263	33,777	37,478	36,670	41,677	50,499
Net Domestic Assets of which:	606,542	683,516	864,161	1,060,041	1,275,624	1,448,684	1,470,645	1,522,143	1,552,145
	(10.5)	(12.7)	(26.4)	(22.7)	(20.3)	(18.1)	(18.2)	(19.8)	(21.7)
Net Claims on Government, and GASC 1/	321,324	368,796	535,955	701,800	929,836	1,057,611	1,090,777	1,126,838	1,149,711
National Currency	382,703	449,599	601,645	748,946	918,829	1,044,687	1,076,371	1,106,967	1,128,600
Foreign Currency	-61,379	-80,803	-65,690	-47,146	11,007	12,924	14,406	19,871	21,111
Claims on Public Business Sector	37,569	32,840	38,830	44,494	43,352	55,747	55,776	58,557	58,979
National Currency	28,855	24,322	30,163	35,167	34,504	41,965	42,238	42,444	41,994
Foreign Currency	8,714	8,518	8,667	9,327	8,848	13,782	13,538	16,113	16,985
Claims on Private Sector 2/	384,720	413,103	435,446	474,222	499,948	549,740	552,048	554,356	568,816
National Currency	284,727	301,213	331,620	361,151	380,606	416,350	418,303	418,504	423,957
Foreign Currency	99,993	111,890	103,826	113,071	119,342	133,390	133,745	135,852	144,859
Other Items (net) 1/ 3/	-137,071	-131,223	-146,070	-160,475	-197,512	-214,414	-227,956	-217,608	-225,361
Total Liquidity (M2)	867,734	969,712	1,043,877	1,198,095	1,398,255	1,560,327	1,572,950	1,606,505	1,627,547
	(9.4)	(11.8)	(7.6)	(14.8)	(16.7)	(15.7)	(15.6)	(15.8)	(16.4)
Money (M1) 4/	197,256	229,528	258,977	304,502	377,041	431,396	434,117	445,733	447,004
	(14.6)	(16.4)	(12.8)	(17.6)	(23.8)	(16.9)	(17.5)	(19.3)	(18.6)
Currency in Circulation	126,332	145,857	179,598	215,999	255,208	277,725	275,224	277,159	279,570
Demand Deposits in Local Currency	70,924	83,671	79,379	88,503	121,833	153,671	158,893	168,574	167,434
Quasi Money	670,478	740,184	784,900	893,593	1,021,214	1,128,931	1,138,833	1,160,772	1,180,543
	(7.9)	(10.4)	(6.0)	(13.8)	(14.3)	(15.3)	(15.0)	(14.5)	(15.6)
Local Currency Time & Savings Deposits	512,854	579,119	600,277	674,962	804,462	891,661	903,002	928,318	938,260
Foreign Currency Demand Deposits	33,573	38,134	43,051	53,928	54,195	64,367	63,356	60,775	64,700
Foreign Currency Time and Savings Deposits	124,051	122,931	141,572	164,703	162,557	172,903	172,475	171,679	177,583

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)
(January 2015)

	Jan-10	Jan-11	Jan-12	Jan-13	Jan-14	Oct-14	Nov-14	Dec-14	Jan-15 [*]
Net Foreign Assets (In Million US\$)^{4/}	48,037	49,367	29,840	21,091	17,629	15,622	14,318	11,807	10,387
Central bank NFA	32,465	33,379	14,314	6,391	5,626	6,030	5,092	4,537	4,783
Net International Reserves	49,590	50,754	31,563	27,717	28,632	26,092	24,736	22,250	21,028
Central Bank (Gross)	34,211	35,007	16,354	13,613	17,105	16,909	15,882	15,333	15,429
Banks (net)	15,572	15,988	15,527	14,700	12,003	9,593	9,226	7,270	5,604
Foreign assets	20,269	22,919	20,357	19,477	16,858	14,837	14,358	13,103	12,560
Foreign Liabilities	4,697	6,931	4,830	4,776	4,856	5,244	5,132	5,833	6,956
<u>In Percent of Beginning of Money Stocks^{5/}</u>									
Net Foreign Assets	0.8%	0.4%	-7.31%	-1.8%	0.0%	-0.5%	-1.1%	-2.3%	-2.9%
Net Domestic Assets	3.5%	5.3%	10.7%	11.3%	7.9%	3.4%	4.8%	8.2%	10.2%
Money (M1)	1.7%	1.7%	1.0%	2.7%	2.5%	1.4%	1.6%	2.3%	2.4%
Quasi Money	2.7%	4.0%	2.4%	6.7%	5.3%	1.5%	2.2%	3.6%	4.9%
Dollarization (% of Total Liquidity) ^{6/}	18.2	16.6	17.7	18.2	15.5	15.2	15.0	14.5	14.9
M2 Multiplier ^{7/}	4.51	4.20	4.01	4.49	4.17	4.23	4.33	4.43	4.37
M2 Velocity ^{8/}	1.39	1.41	1.51	1.46	1.43	1.49	1.48	1.44	1.43
M2 (annual percentage change)	9.4	11.8	7.6	14.8	16.7	15.7	15.6	15.8	16.4
Credit to private sector (annual percentage change) ^{9/}	-0.7	7.4	5.4	8.9	5.4	10.6	10.7	11.9	13.8
Exchange Rate ^{10/}	5.44	5.80	6.02	6.55	6.96	7.15	7.15	7.14	7.26

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.

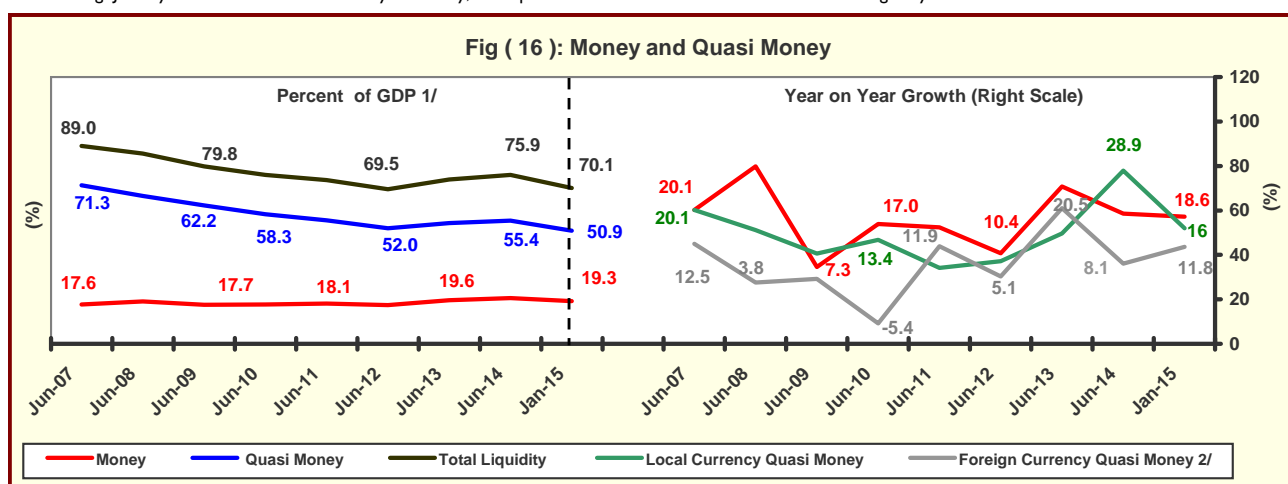
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity . It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

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)

	Jan-10	Jan-11	Jan-12	Jan-13	Jan-14	Oct-14	Nov-14	Dec-14	Jan-15 [*]
Reserve Money	192,232	230,862	260,619	266,657	335,195	368,636	363,202	362,922	372,158
	(14.1)	(20.1)	(12.9)	(2.3)	(25.7)	(10.1)	(7.5)	(7.9)	(11.0)
Currency in Circulation	134,073	154,156	190,978	226,911	269,130	294,086	291,458	292,739	294,756
	(12.3)	(15.0)	(23.9)	(18.8)	(18.6)	(7.8)	(9.2)	(10.5)	(9.5)
Banks LE Deposits with CBE	58,159	76,706	69,641	39,746	66,065	74,550	71,744	70,183	77,402
	(18.4)	(31.9)	-(9.2)	-(42.9)	(66.2)	(20.2)	(0.8)	-(1.8)	(17.2)
Counter Assets:									
Net Foreign Assets ^{2/}	176,524	193,507	86,205	41,831	39,137	43,092	36,382	32,419	34,721
	-(3.2)	(9.6)	-(55.5)	-(51.5)	-(6.4)	(2.3)	-(9.5)	-(15.7)	-(11.3)
Net Domestic Assets ^{2/}	15,708	37,355	174,414	224,826	296,058	325,544	326,820	330,503	337,437
	(213.9)	(137.8)	(366.9)	(28.9)	(31.7)	(11.3)	(9.8)	(10.9)	(14.0)
Net Claims on Government ^{3/}	98,880	104,468	183,836	246,631	381,540	411,143	438,165	456,063	475,558
	(19.0)	(5.7)	(76.0)	(34.2)	(54.7)	(15.3)	(20.2)	(20.1)	(24.6)
Claims	171,218	183,667	263,563	338,326	423,964	515,510	541,314	557,849	573,648
	(9.0)	(7.3)	(43.5)	(28.4)	(25.3)	(15.5)	(34.4)	(33.1)	(35.3)
Securities	124,559	130,597	129,097	178,831	240,331	210,330	300,330	300,330	300,330
Credit Facilities	46,659	53,070	134,466	159,495	183,633	305,180	240,984	257,519	273,318
Deposits ^{4/}	72,338	79,199	79,727	91,695	42,424	104,367	103,149	101,786	98,090
	-(2.2)	(9.5)	(0.7)	(15.0)	-(53.7)	(16.1)	(167.9)	(158.7)	(131.2)
Net Claims on Banks	10,055	17,936	-1,918	-116	1,258	-10,785	-14,130	-13,483	-21,852
Net Balancing Items ^{5/}	-93,227	-85,049	-7,504	-21,689	-86,740	-74,814	-97,215	-112,077	-116,269
Memorandum Items									
Reserve Money Velocity ^{6/, 7/}	6.28	5.94	6.63	6.58	5.96	6.30	6.39	6.40	6.24

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)

	Jan-10	Jan-11	Jan-12	Jan-13	Jan-14	Oct-14	Nov-14	Dec-14	Jan-15 ^{2/}
Total Deposits	857,977	944,700	992,356	1,113,974	1,325,049	1,496,015	1,523,333	1,559,764	1,593,582
	(9.9)	(10.1)	(5.0)	(12.3)	(18.9)	(20.5)	(20.7)	(18.5)	(20.3)
In local currency	656,463	733,513	753,886	833,269	1,012,747	1,160,157	1,190,198	1,232,416	1,251,328
In foreign currency	201,514	211,187	238,470	280,705	312,302	335,858	333,135	327,348	342,254
Non Government Deposits ^{2/}	746,385	830,359	870,998	989,727	1,151,877	1,293,020	1,308,395	1,340,409	1,362,663
	(9.0)	(11.3)	(4.9)	(13.6)	(16.4)	(17.7)	(17.3)	(17.0)	(18.3)
In local currency	586,417	666,004	682,651	766,899	930,993	1,051,838	1,068,900	1,104,266	1,115,124
In foreign currency	159,968	164,355	188,347	222,828	220,884	241,182	239,495	236,143	247,539
Government Deposits	111,592	114,341	121,358	124,247	173,172	202,995	214,938	219,355	230,919
	(16.9)	(2.5)	(6.1)	(2.4)	(39.38)	(42.2)	(46.0)	(28.5)	(33.3)
In local currency	70,046	67,509	71,235	66,370	81,754	108,319	121,298	128,150	136,204
In foreign currency	41,546	46,832	50,123	57,877	91,418	94,676	93,640	91,205	94,715
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	23.5	22.4	24.0	25.2	23.6	22.5	21.9	21.0	21.5
Dollarization in Non-Government Deposits	21.4	19.8	21.6	22.5	19.2	18.7	18.3	17.6	18.2
Dollarization in Government Deposits	37.2	41.0	41.3	46.6	52.8	46.6	43.6	41.6	41.0

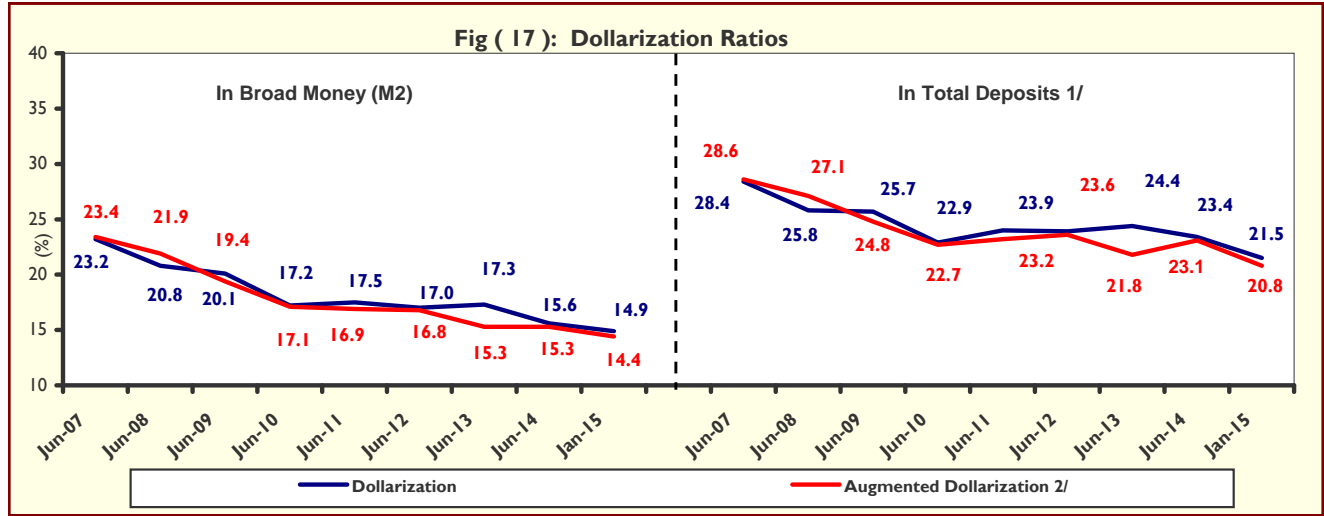
Source: Central bank of Egypt.

() 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-10	Jan-11	Jan-12	Jan-13	Jan-14	Oct-14	Nov-14	Dec-14	Jan-15 [*]
Total lending	435,331	465,109	492,290	528,012	552,457	615,707	618,293	629,221	646,253
	(1.5)	(6.8)	(5.8)	(7.3)	(4.6)	(12.0)	(12.4)	(14.3)	(17.0)
To Government ^{2/}	32,991	38,782	36,880	36,281	40,613	43,629	44,925	47,398	49,655
	(5.9)	(17.6)	-(4.9)	-(1.6)	(11.9)	(13.6)	(20.6)	(14.1)	(22.3)
In local currency	12,788	19,175	16,120	12,280	12,075	11,934	11,618	11,579	11,341
In foreign currency	20,203	19,607	20,760	24,001	28,538	31,695	33,307	35,819	38,314
To Non-Government	402,340	426,327	455,410	491,731	511,844	572,078	573,368	581,823	596,598
	(1.1)	(6.0)	(6.8)	(8.0)	(4.1)	(11.8)	(11.8)	(14.4)	(16.6)
In local currency	284,261	292,360	331,549	360,891	378,815	422,238	423,500	423,744	428,281
In foreign currency	118,079	133,967	123,861	130,840	133,029	149,840	149,868	158,079	168,317
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	83.9	84.6	84.7	84.7	84.8	83.9	83.8	83.2	83.2
Non Government Loans/ Deposits ^{4/}	53.9	51.3	52.3	49.7	44.4	44.2	43.8	43.4	43.8
Government Loans / Deposits	29.6	33.9	30.4	29.2	23.5	21.5	20.9	21.6	21.5
Foreign currency denominated credit to total credit	31.8	33.0	29.4	29.3	29.2	29.5	29.6	30.8	32.0
Government foreign currency denominated credit to total government credit	61.2	50.6	56.3	66.2	70.3	72.6	74.1	75.6	77.2
denominated credit to total non-government credit	29.3	31.4	27.2	26.6	26.0	26.2	26.1	27.2	28.2

Source: Central Bank of Egypt.

() Percent change over previous year

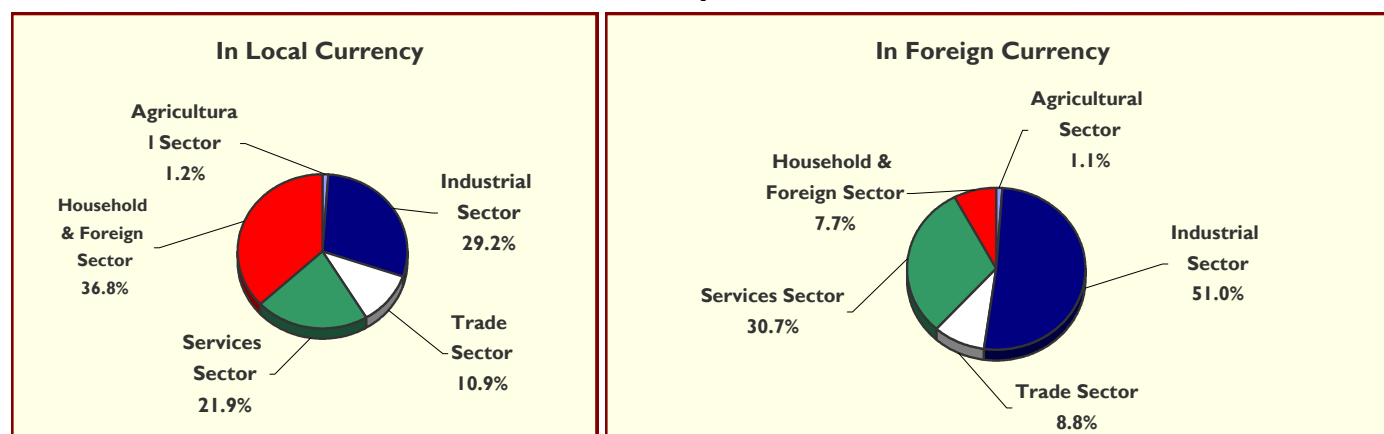
* Preliminary.

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**January-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	--	--	11.04	9.75	8.50

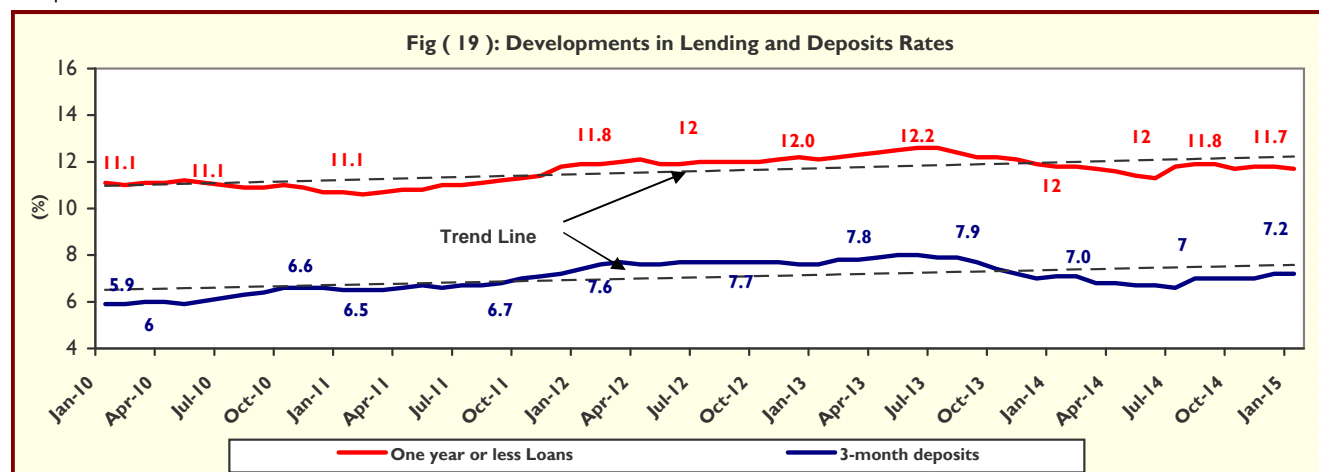
Source: Central Bank of Egypt.

-- Data unavailable.

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.

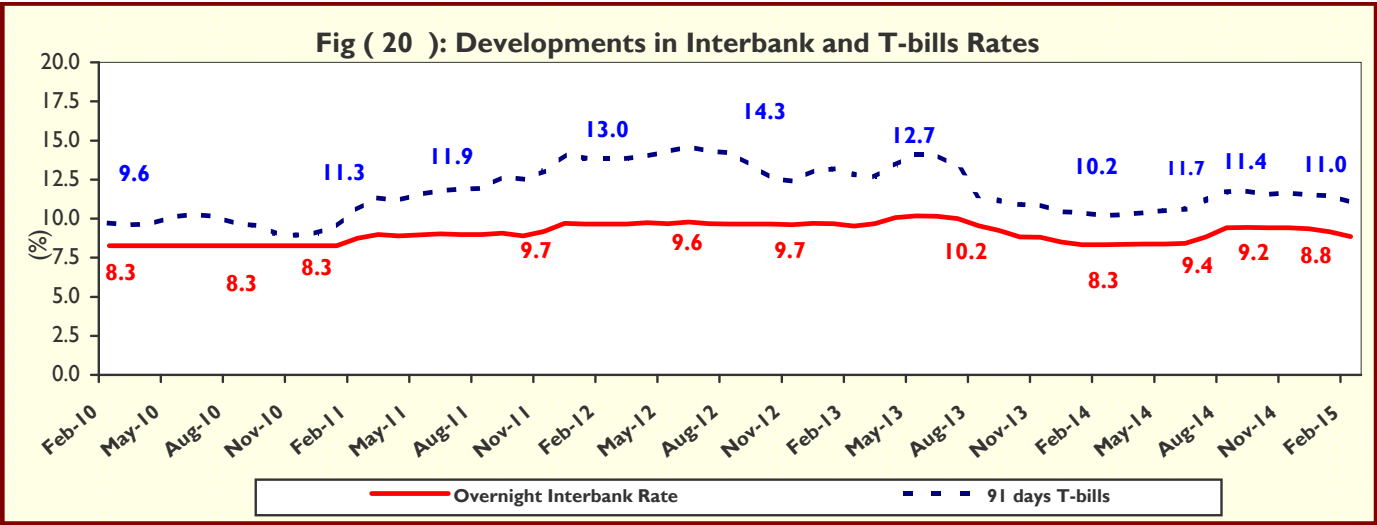
Table (30) : Average Interbank Rates ^{1/}

	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				
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

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.