

Section 6

MONETARY SECTOR

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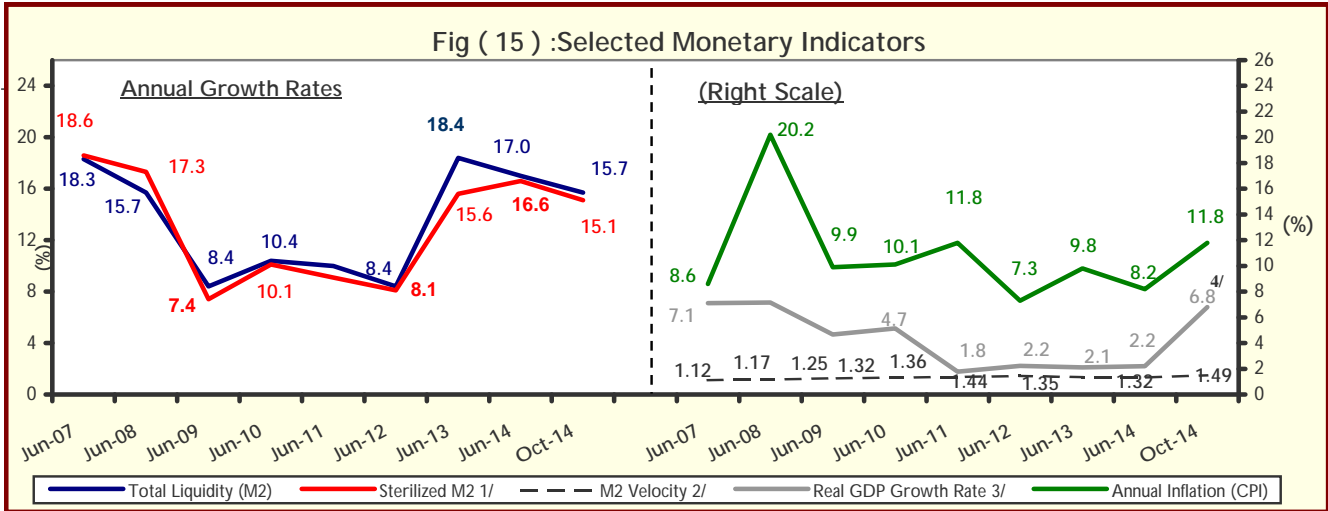
Table (24) : Developments in Main Monetary Aggregates
(October 2014)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-5.2	-5.3	-8.5	-8.8
CBE NFA	9.8	13.9	2.3	-7.3
CBE NIR	0.2	1.0	-5.6	14.7
Banks NFA 2/	-12.8	-14.4	-14.2	-8.9
Net Foreign Assets (US dollar terms)	-5.3	-5.3	-11.8	-12.5
CBE NFA	9.8	13.9	-1.5	-10.9
CBE NIR	0.2	1.0	-9.0	9.5
Banks NFA 2/	-12.8	-14.4	-17.3	-12.7
Net Domestic Assets	1.6	1.5	18.1	20.1
Net Claims on Government and GASC	0.9	-0.9	20.1	29.3
Claims on Public Companies	21.1	23.2	28.0	4.7
Claims on Private Sector	0.5	2.9	10.6	7.2
Total Liquidity (M2)	1.1	1.0	15.7	17.0
Money (M1)	0.7	0.8	16.9	21.3
Quasi Money	1.2	1.1	15.3	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 - September 2014/2015.

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

(LE Million)

	Oct-11	Oct-10	Oct-11	Oct-12	Oct-13	Jul-14	Aug-14	Sep-14	Oct-14 *
Net Foreign Assets 1/	261,728	315,293	221,790	154,358	121,994	117,896	119,732	117,811	111,643
	(0.5)	(20.5)	-(29.7)	-(30.4)	-(21.0)	-(19.2)	-(11.2)	-(5.4)	-(8.5)
Central bank (Net)	175,167	193,724	120,315	69,831	42,133	37,838	38,711	39,229	43,092
Foreign Assets	183,880	202,151	129,609	92,180	125,104	116,213	117,084	117,613	117,908
Foreign Liabilities	8,713	8,427	9,294	22,349	82,971	78,375	78,373	78,384	74,816
Banks (Net)	86,561	121,569	101,475	84,527	79,861	80,058	81,021	78,582	68,551
Foreign Assets	113,055	159,134	133,387	116,056	113,696	114,716	116,833	115,415	106,029
Foreign Liabilities	26,494	37,565	31,912	31,529	33,835	34,658	35,812	36,833	37,478
Net Domestic Assets of which:	586,029	645,951	809,144	990,295	1,226,490	1,427,135	1,437,647	1,425,945	1,448,684
	(12.7)	(10.2)	(25.3)	(22.4)	(23.9)	(22.0)	(20.3)	(17.8)	(18.1)
Net Claims on Government, and GASC 1/	308,389	348,270	492,114	647,353	880,806	1,067,210	1,085,964	1,048,580	1,057,611
National Currency	372,094	417,149	579,820	701,159	935,380	1,049,745	1,071,154	1,036,034	1,044,687
Foreign Currency	-63,705	-68,879	-87,706	-53,806	-54,574	17,465	14,810	12,546	12,924
Claims on Public Business Sector	34,093	31,828	35,997	43,059	43,543	45,251	45,901	46,028	55,747
National Currency	26,144	23,027	27,567	34,447	34,904	35,375	36,118	36,142	41,965
Foreign Currency	7,949	8,801	8,430	8,612	8,639	9,876	9,783	9,886	13,782
Claims on Private Sector 2/	385,903	423,580	427,560	458,433	496,961	534,471	534,344	547,276	549,740
National Currency	284,790	309,999	324,264	353,519	377,159	405,380	404,499	415,690	416,350
Foreign Currency	101,113	113,581	103,296	104,914	119,802	129,091	129,845	131,586	133,390
Other Items (net) 1/ 3/	-142,356	-157,727	-146,527	-158,550	-194,820	-219,797	-228,562	-215,939	-214,414
Total Liquidity (M2)	847,757	961,244	1,030,934	1,144,653	1,348,484	1,545,031	1,557,379	1,543,756	1,560,327
	(8.6)	(13.4)	(7.2)	(11.0)	(17.8)	(17.4)	(17.1)	(15.6)	(15.7)
Money (M1) 4/	192,609	222,674	259,887	291,684	369,024	427,864	425,822	428,200	431,396
	(11.4)	(15.6)	(16.7)	(12.2)	(26.5)	(20.9)	(17.3)	(17.1)	(16.9)
Currency in Circulation	126,066	142,783	176,900	205,080	258,332	285,445	280,412	281,186	277,725
Demand Deposits in Local Currency	66,543	79,891	82,987	86,604	110,692	142,419	145,410	147,014	153,671
Quasi Money	655,148	738,570	771,047	852,969	979,460	1,117,167	1,131,557	1,115,556	1,128,931
	(7.8)	(12.7)	(4.4)	(10.6)	(14.8)	(16.1)	(17.1)	(15.1)	(15.3)
Local Currency Time & Savings Deposits	497,084	576,948	594,770	662,454	766,120	877,720	893,249	877,851	891,661
Foreign Currency Demand Deposits	29,944	36,321	42,199	45,860	52,924	64,864	63,901	65,599	64,367
Foreign Currency Time and Savings Deposits	128,120	125,301	134,078	144,655	160,416	174,583	174,407	172,106	172,903

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)

(October 2014)

	Oct-09	Oct-10	Oct-11	Oct-12	Oct-13	Jul-14	Aug-14	Sep-14	Oct-14*
Net Foreign Assets (In Million US\$)^{4/}	47,912	55,172	37,240	25,367	17,717	16,500	16,758	16,489	15,622
Central bank NFA	32,066	33,899	20,202	11,476	6,119	5,296	5,418	5,490	6,030
Net International Reserves	49,507	56,646	38,800	29,040	29,767	27,469	27,727	27,459	26,092
Central Bank (Gross)	34,026	35,545	22,072	15,484	18,590	16,737	16,836	16,872	16,909
Banks (net)	15,846	21,273	17,038	13,891	11,598	11,204	11,340	10,998	9,593
Foreign assets	20,696	27,846	22,397	19,072	16,512	16,055	16,352	16,153	14,837
Foreign Liabilities	4,850	6,573	5,358	5,181	4,914	4,850	5,012	5,155	5,244
<u>In Percent of Beginning of Money Stocks^{5/}</u>									
Net Foreign Assets	0.9%	3.6%	-3.14%	-0.3%	-0.1%	-0.1%	0.04%	-0.1%	-0.5%
Net Domestic Assets	1.1%	1.2%	5.3%	4.9%	4.1%	2.0%	2.7%	1.9%	3.4%
Money (M1)	1.2%	0.9%	1.1%	1.6%	1.9%	1.1%	1.0%	1.2%	1.4%
Quasi Money	0.8%	3.8%	1.0%	3.0%	2.1%	0.7%	1.7%	0.6%	1.5%
Dollarization (% of Total Liquidity) ^{6/}	18.6	16.8	17.1	16.6	15.8	15.5	15.3	15.4	15.2
M2 Multiplier ^{7/}	4.52	4.57	4.32	4.27	4.03	4.17	4.20	4.12	4.23
M2 Velocity ^{8/}	1.42	1.43	1.53	1.53	1.48	1.50	1.49	1.50	1.49
M2 (annual percentage change)	8.6	13.4	7.2	11.0	17.8	17.4	17.1	15.6	15.7
Credit to private sector (annual percentage change) ^{9/}	-1.1	9.8	0.9	7.2	8.4	7.5	7.7	10.3	10.6
Exchange Rate ^{10/}	5.46	5.71	5.96	6.09	6.89	7.15	7.14	7.14	7.15

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.

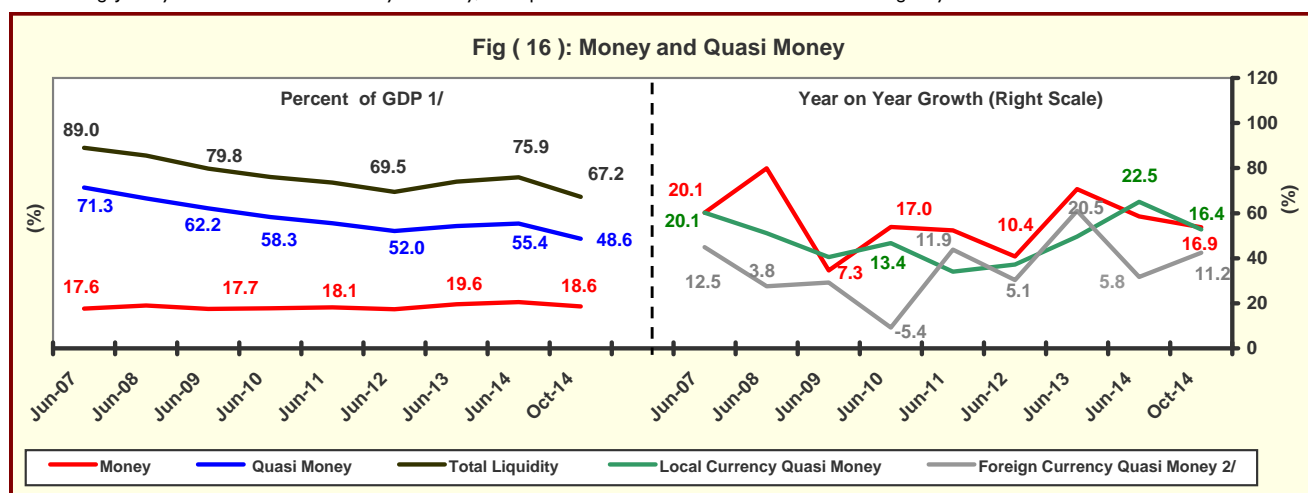
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity . It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

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)

	Oct-09	Oct-10	Oct-11	Oct-12	Oct-13	Jul-14	Aug-14	Sep-14	Oct-14 [*]
Reserve Money	187,520	210,432	238,818	268,250	334,745	370,588	370,901	374,619	368,636
	(9.2)	(12.2)	(13.5)	(12.3)	(24.8)	(13.8)	(10.9)	(10.4)	(10.1)
Currency in Circulation	133,070	153,037	188,716	216,926	272,721	303,989	297,587	297,877	294,086
	(11.3)	(15.0)	(23.3)	(14.9)	(25.7)	(14.4)	(9.6)	(9.8)	(7.8)
Banks LE Deposits with CBE	54,450	57,395	50,102	51,324	62,024	66,599	73,314	76,742	74,550
	(4.4)	(5.4)	-(12.7)	(2.4)	(20.8)	(11.0)	(16.1)	(12.8)	(20.2)
Counter Assets:									
Net Foreign Assets ^{2/}	175,167	193,724	120,315	69,831	42,133	37,838	38,711	39,229	43,092
	-(8.5)	(10.6)	-(37.9)	-(42.0)	-(39.7)	-(15.4)	-(13.8)	-(8.7)	(2.3)
Net Domestic Assets ^{2/}	12,353	16,708	118,503	198,419	292,612	332,750	332,190	335,390	325,544
	(162.8)	(35.3)	(609.3)	(67.4)	(47.5)	(18.5)	(14.7)	(13.2)	(11.3)
Net Claims on Government ^{3/}	103,856	107,088	149,542	209,667	356,501	445,293	453,435	397,934	411,143
	(5.5)	(3.1)	(39.6)	(40.2)	(70.0)	(35.1)	(39.3)	(16.8)	(15.3)
Claims	177,839	181,474	226,615	289,434	446,409	484,625	496,511	497,673	515,510
	(2.8)	(2.0)	(24.9)	(27.7)	(54.2)	(15.2)	(18.4)	(15.1)	(15.5)
Securities	130,771	130,597	129,097	178,831	240,331	214,330	210,330	210,330	210,330
Credit Facilities	47,068	50,877	97,518	110,603	206,078	270,295	286,181	287,343	305,180
Deposits ^{4/}	73,983	74,386	77,073	79,767	89,908	39,332	43,076	99,739	104,367
	-(0.9)	(0.5)	(3.6)	(3.5)	(12.7)	-(56.9)	-(54.0)	(8.8)	(16.1)
Net Claims on Banks	10,935	55,317	-2,231	-2,068	-6,865	-7,790	-7,793	-7,991	-10,785
Net Balancing Items ^{5/}	-102,438	-145,697	-28,808	-9,180	-57,024	-104,753	-113,452	-54,553	-74,814
Memorandum Items									
Reserve Money Velocity ^{6/, 7/}	6.43	6.52	6.60	6.54	5.97	6.26	6.26	6.20	6.30

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)

	Oct-09	Oct-10	Oct-11	Oct-12	Oct-13	Jul-14	Aug-14	Sep-14	Oct-14 [*]
Total Deposits	836,271	937,733	981,239	1,063,420	1,241,516	1,456,749	1,479,165	1,465,630	1,496,015
	(8.8)	(12.1)	(4.6)	(8.4)	(16.7)	(20.2)	(21.5)	(19.1)	(20.5)
In local currency	634,979	726,684	751,000	815,022	951,413	1,124,441	1,145,390	1,130,989	1,160,157
In foreign currency	201,292	211,049	230,239	248,398	290,103	332,308	333,775	334,641	335,858
Non Government Deposits ^{2/}	726,657	824,247	861,242	946,956	1,098,777	1,269,049	1,286,903	1,272,614	1,293,020
	(7.9)	(13.4)	(4.5)	(10.0)	(16.0)	(18.2)	(19.2)	(17.1)	(17.7)
In local currency	566,186	659,485	681,421	752,500	881,607	1,025,432	1,044,465	1,030,974	1,051,838
In foreign currency	160,471	164,762	179,821	194,456	217,170	243,617	242,438	241,640	241,182
Government Deposits	109,614	113,486	119,997	116,464	142,739	187,700	192,262	193,016	202,995
	(15.9)	(3.5)	(5.7)	-(2.9)	(22.56)	(35.7)	(39.7)	(34.3)	(42.2)
In local currency	68,793	67,199	69,579	62,522	69,806	99,009	100,925	100,015	108,319
In foreign currency	40,821	46,287	50,418	53,942	72,933	88,691	91,337	93,001	94,676
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	24.1	22.5	23.5	23.4	23.4	22.8	22.6	22.8	22.5
Dollarization in Non-Government Deposits	22.1	20.0	20.9	20.5	19.8	19.2	18.8	19.0	18.7
Dollarization in Government Deposits	37.2	40.8	42.0	46.3	51.1	47.3	47.5	48.2	46.6

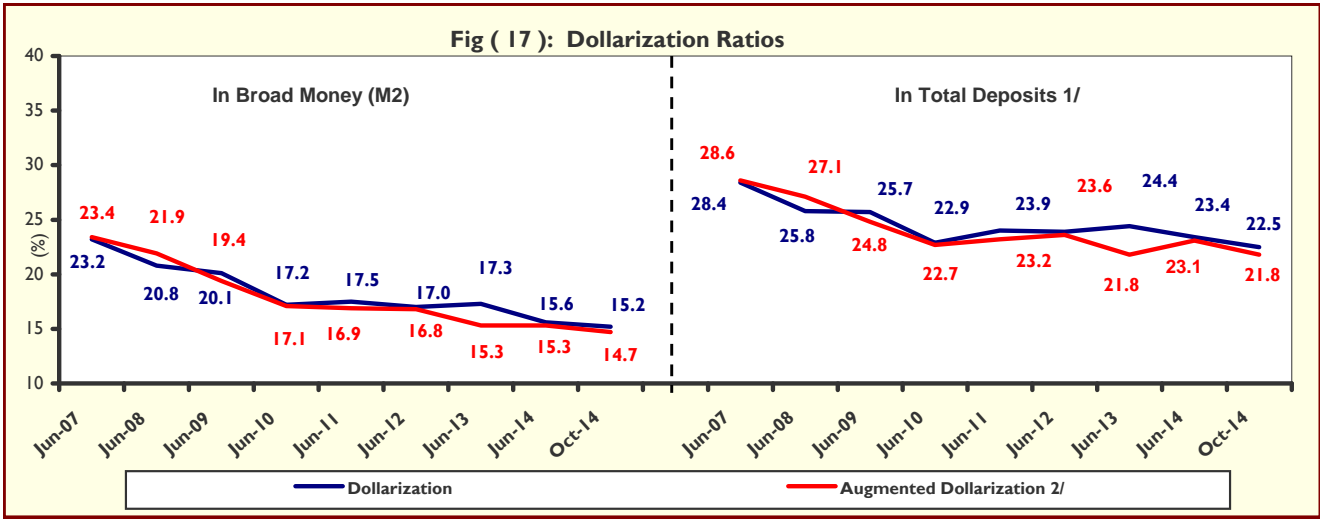
Source: Central bank of Egypt.

() 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)

	Oct-09	Oct-10	Oct-11	Oct-12	Oct-13	Jul-14	Aug-14	Sep-14	Oct-14 *
Total lending	430,934	471,441	481,703	509,469	549,950	588,003	587,986	601,242	615,707
	(0.4)	(9.4)	(2.2)	(5.8)	(7.9)	(6.8)	(6.8)	(9.4)	(12.0)
To Government ^{2/}	31,919	37,656	37,800	33,055	38,390	40,769	41,017	41,510	43,629
	(2.0)	(18.0)	(0.4)	-(12.6)	(16.1)	(12.4)	(10.4)	(8.7)	(13.6)
In local currency	13,778	19,357	17,477	13,306	10,656	11,724	11,735	11,871	11,934
In foreign currency	18,141	18,299	20,323	19,749	27,734	29,045	29,282	29,639	31,695
To Non-Government	399,015	433,785	443,903	476,414	511,560	547,234	546,969	559,732	572,078
	(0.3)	(8.7)	(2.3)	(7.3)	(7.4)	(6.5)	(6.6)	(9.5)	(11.8)
In local currency	281,011	298,342	320,213	354,580	377,715	405,167	404,461	415,445	422,238
In foreign currency	118,004	135,443	123,690	121,834	133,845	142,067	142,508	144,287	149,840
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	84.8	85.3	84.7	85.1	85.1	85.4	85.3	85.5	83.9
Non Government Loans/ Deposits ^{4/}	54.9	52.6	51.5	50.3	46.6	43.1	42.5	44.0	44.2
Government Loans / Deposits	29.1	33.2	31.5	28.4	26.9	21.7	21.3	21.5	21.5
Foreign currency denominated credit to total credit	31.6	32.6	29.9	27.8	29.4	29.1	29.2	28.9	29.5
Government foreign currency denominated credit to total government credit	56.8	48.6	53.8	59.7	72.2	71.2	71.4	71.4	72.6
denominated credit to total non-government credit	29.6	31.2	27.9	25.6	26.2	26.0	26.1	25.8	26.2

Source: Central Bank of Egypt.

() Percent change over previous year

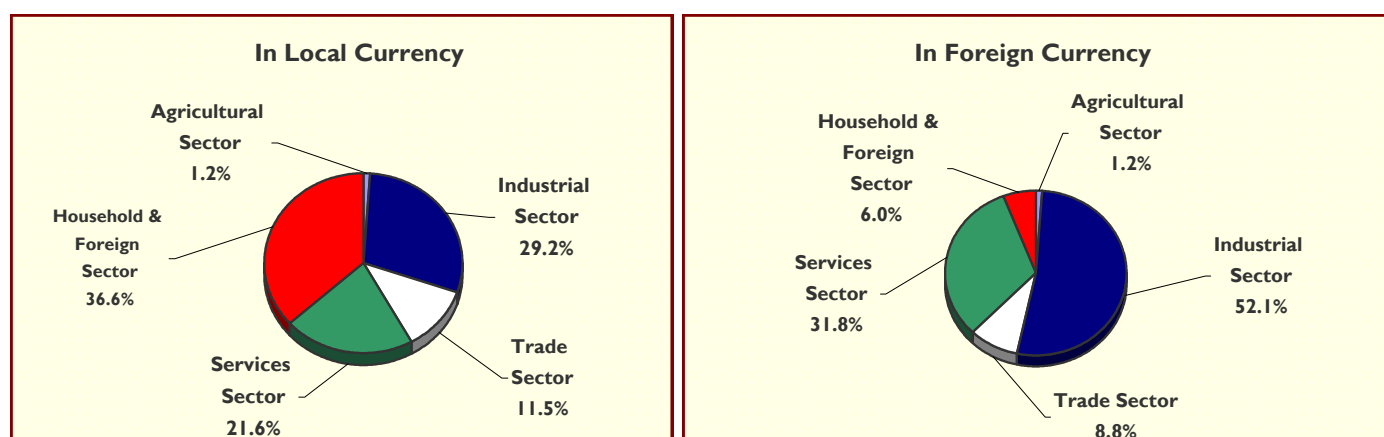
* Preliminary.

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**October-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						
Nov-13	9.25	12.10	7.20	10.87	10.50	8.50
Dec-13	8.75	11.90	7.00	10.46	9.75	8.50
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	--	--	11.62	9.75	8.50

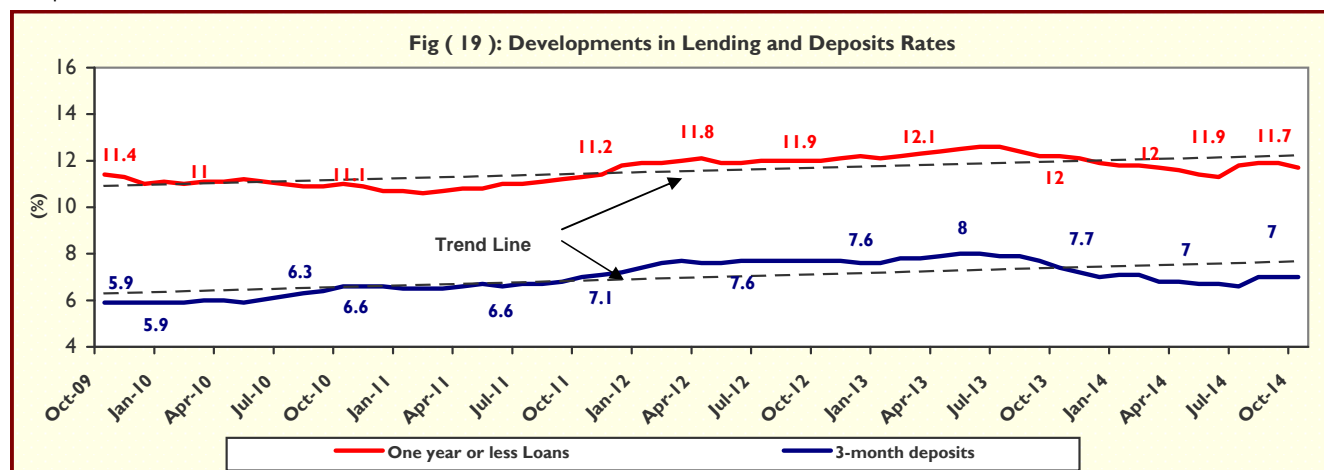
Source: Central Bank of Egypt.

-- 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.

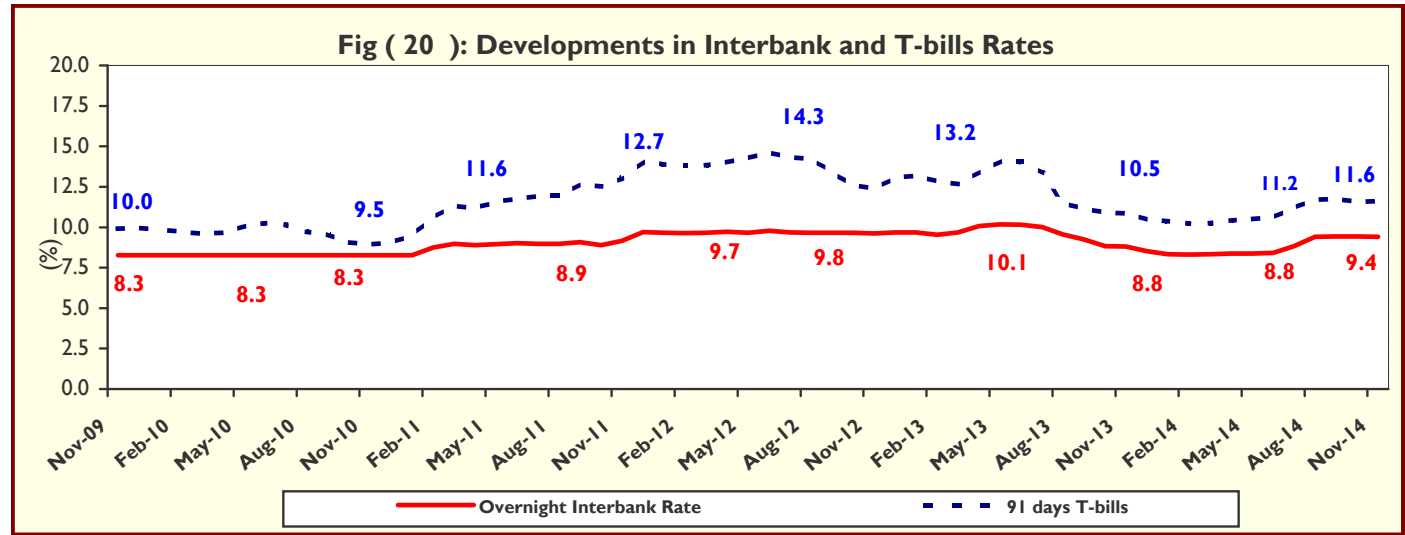
Table (30) : Average Interbank Rates ^{1/}

	Overnight	One Week	Month	More than One Month
Yearly Average				
2004	8.2	9.8	10.7	10.3
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
Monthly Average				
Nov-13	9.67	9.05	--	--
Dec-13	9.67	8.91	--	--
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	--	--

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.