

Section 6

MONETARY SECTOR

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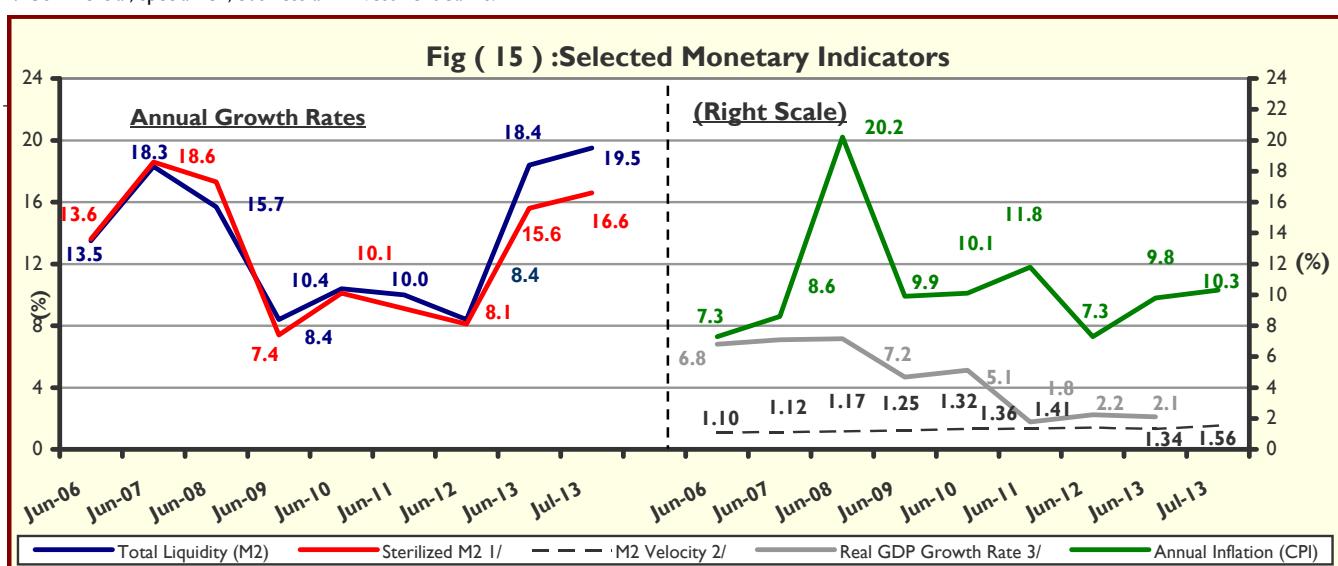
Table (24) : Developments in Main Monetary Aggregates
(July 2013)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change //
Net Foreign Assets (LE terms)	18.7	20.5	-6.7	-25.2
CBE NFA	17.0	28.4	-35.7	-46.8
CBE NIR	26.8	33.5	51.7	-5.4
Banks NFA 2/	19.4	17.3	16.7	-4.2
Net Foreign Assets (US dollar terms)	18.4	18.2	-19.4	-31.3
CBE NFA	16.7	25.9	-44.5	-50.9
CBE NIR	26.5	30.9	30.9	-13.8
Banks NFA 2/	19.2	15.1	0.7	-12.1
Net Domestic Assets	-0.2	3.4	23.8	23.5
Net Claims on Government and GASC	1.7	6.8	37.3	34.1
Claims on Public Companies	1.7	-1.8	5.9	12.1
Claims on Private Sector	-0.1	1.4	10.2	8.7
Total Liquidity (M2)	1.5	5.1	19.5	14.6
Money (M1)	2.8	7.7	27.1	18.5
Quasi Money	1.1	4.1	16.9	13.4

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 is projected to reach LE 2050 billion compared to a revised figure of LE 1753 billion in 2012/2013.

3/ Real Growth of GDP at market prices.

Table (25) : Monetary Survey
Assets and Liabilities of The Banking Sector
(July 2013)

(LE Millions)

	Jul-08	Jul-09	Jul-10	Jul-11	Jul-12	Apr-13	May-13	Jun-13 [#]	Jul-13 [*]
Net Foreign Assets 1/	296,623	256,676	283,386	253,654	156,065	120,879	135,421	122,750	145,679
	(34.8)	-(13.5)	(10.4)	-(10.5)	-(38.5)	-(26.7)	-(14.1)	-(22.1)	-(6.7)
Central bank (Net)	180,186	172,158	190,478	141,811	69,477	34,794	42,839	38,179	44,672
Foreign Assets	181,876	173,423	198,884	150,921	85,598	93,204	105,994	101,629	128,935
Foreign Liabilities	1,690	1,265	8,406	9,110	16,121	58,410	63,155	63,450	84,263
Banks (Net)	116,437	84,518	92,908	111,843	86,588	86,085	92,582	84,571	101,007
Foreign Assets	140,041	110,186	123,812	142,545	116,647	119,977	125,707	118,351	133,709
Foreign Liabilities	23,604	25,668	30,904	30,702	30,059	33,892	33,125	33,780	32,702
Net Domestic Assets of which:	478,638	578,781	639,251	765,272	945,809	1,131,982	1,133,092	1,173,425	1,170,540
	(6.1)	(20.9)	(10.4)	(19.7)	(23.6)	(26.6)	(24.5)	(25.3)	(23.8)
Net Claims on Government, and GASC 1/	188,498	294,821	346,458	454,032	599,146	770,398	783,578	808,868	822,911
National Currency	240,007	359,801	410,804	542,249	656,644	822,116	830,581	857,743	879,144
Foreign Currency	-51,509	-64,980	-64,346	-88,217	-57,498	-51,718	-47,003	-48,875	-56,233
Claims on Public Business Sector	27,072	33,591	30,701	33,331	41,177	44,400	43,765	42,866	43,604
National Currency	19,630	24,604	21,899	25,360	32,471	34,902	34,412	33,873	34,798
Foreign Currency	7,442	8,987	8,802	7,971	8,706	9,498	9,353	8,993	8,806
Claims on Private Sector 2/	375,433	382,491	417,195	422,692	451,527	490,765	492,823	497,739	497,430
National Currency	269,223	284,484	307,676	317,129	347,823	371,656	373,167	376,213	374,627
Foreign Currency	106,210	98,007	109,519	105,563	103,704	119,109	119,656	121,526	122,803
Other Items (net) 1/ 3/	-112,365	-132,122	-155,103	-144,783	-146,041	-173,581	-187,074	-176,048	-193,405
Total Liquidity (M2)	775,261	835,457	922,637	1,018,926	1,101,874	1,252,861	1,268,513	1,296,175	1,316,219
	(15.5)	(7.8)	(10.4)	(10.4)	(8.1)	(18.3)	(18.8)	(18.4)	(19.5)
Money (M1) 4/	170,960	185,793	213,291	254,288	278,388	328,679	331,757	344,100	353,888
	(24.9)	(8.7)	(14.8)	(19.2)	(9.5)	(25.1)	(25.4)	(25.4)	(27.1)
Currency in Circulation	107,573	122,161	139,528	171,046	196,361	225,501	231,575	241,011	250,927
Demand Deposits in Local Currency	63,387	63,632	73,763	83,242	82,027	103,178	100,182	103,089	102,961
Quasi Money	604,301	649,664	709,346	764,638	823,486	924,182	936,756	952,075	962,331
	(13.1)	(7.5)	(9.2)	(7.8)	(7.7)	(16.1)	(16.7)	(16.1)	(16.9)
Local Currency Time and Savings Deposits	444,247	485,935	550,259	585,246	637,110	701,392	711,100	727,866	736,200
Foreign Currency Demand Deposits	27,589	30,031	33,981	43,106	45,224	56,380	56,298	55,152	57,534
Foreign Currency Time and Savings Deposits	132,465	133,698	125,106	136,286	141,152	166,410	169,358	169,057	168,597

Source: Central Bank of Egypt.

() Percent change over previous year.

* Preliminary.

Revised.

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)

(July 2013)

	Jul-08	Jul-09	Jul-10	Jul-11	Jul-12	Apr-13	May-13	Jun-13 [#]	Jul-13 *
Net Foreign Assets (In Million US\$)^{4/}	55,891	46,115	49,845	42,666	25,807	17,594	19,447	17,559	20,792
Central bank NFA	33,951	30,930	33,504	23,853	11,489	5,064	6,152	5,461	6,376
Net International Reserves	56,209	46,342	51,324	44,198	28,473	26,096	28,516	26,636	32,818
Central Bank (Gross)	34,683	31,626	35,278	25,706	14,422	14,426	16,039	14,922	18,882
Banks (net)	21,939	15,185	16,342	18,812	14,318	12,530	13,295	12,098	14,416
Foreign assets	26,387	19,796	21,778	23,977	19,289	17,463	18,052	16,930	19,083
Foreign Liabilities	4,448	4,612	5,436	5,164	4,971	4,933	4,757	4,832	4,667
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	-0.9%	0.3%	0.1%	0.02%	-0.1%	-3.4%	-2.0%	-3.2%	1.8%
Net Domestic Assets	2.0%	0.2%	0.5%	0.9%	0.8%	17.8%	17.9%	21.6%	-0.2%
Money (M1)	0.0%	0.3%	-0.1%	0.6%	0.4%	4.9%	5.2%	6.4%	0.8%
Quasi Money	1.1%	0.2%	0.6%	0.4%	0.3%	9.5%	10.7%	12.1%	0.8%
Dollarization (% of Total Liquidity) ^{6/}	20.6	19.6	17.2	17.6	16.9	17.8	17.8	17.3	17.2
M2 Multiplier ^{7/}	4.59	4.85	4.40	4.03	4.30	4.33	4.16	4.08	4.04
M2 Velocity ^{8/}	1.34	1.44	1.49	1.55	1.59	1.40	1.38	1.35	1.56
M2 (annual percentage change)	15.5	7.8	10.4	10.4	8.1	18.3	18.8	18.4	19.5
Credit to private sector (annual percentage change) ^{9/}	13.2	1.9	9.1	1.3	6.8	10.5	10.0	9.8	10.2
Exchange Rate ^{10/}	5.31	5.57	5.69	5.95	6.05	6.87	6.96	6.99	7.01

Source: Central Bank of Egypt.

* Preliminary.

Revised.

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.

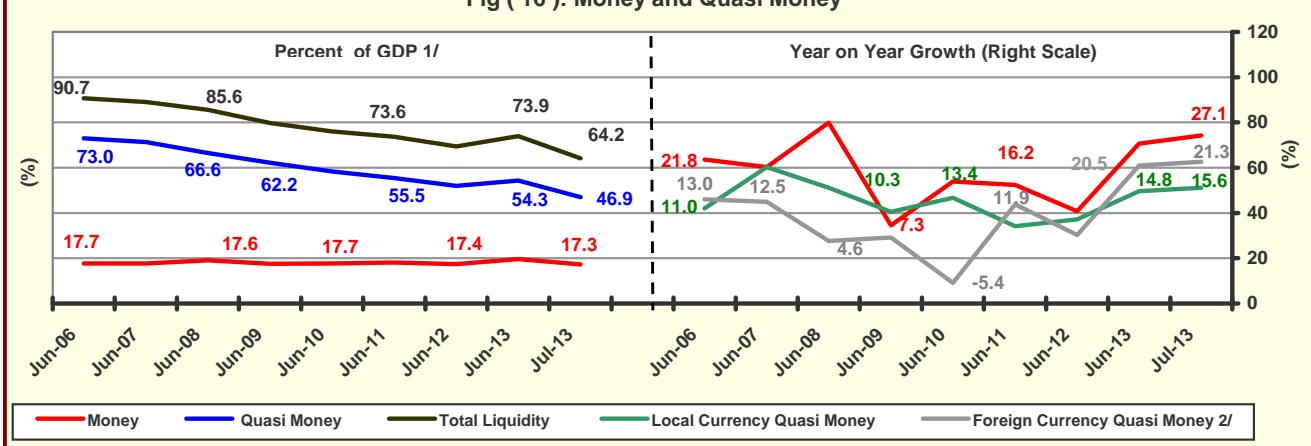
7/ M2 / Reserve Money.

8/ GDP / M2. According to the Ministry of Planning, GDP (at market prices) for 2013/2014 is projected to reach LE 2050 billion compared to a revised figure of LE 1753 billion in 2012/2013.

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 is projected to reach LE 2050 billion compared to a revised figure of LE 1753 billion in 2012/2013.

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

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

(LE Millions)

	Jul-08	Jul-09	Jul-10	Jul-11	Jul-12	Apr-13	May-13	Jun-13 [#]	Jul-13 [*]
Reserve Money	168,865	172,166	209,567	252,873	256,235	289,552	304,620	317,944	325,638
	(21.0)	(15.5)	(21.7)	(20.7)	(1.3)	(18.0)	(16.2)	(20.6)	(27.1)
Currency in Circulation	114,473	129,254	148,283	182,548	208,398	237,465	243,402	260,849	265,636
	(18.7)	(12.9)	(14.7)	(23.1)	(14.2)	(23.6)	(23.5)	(27.3)	(27.5)
Banks LE Deposits with CBE	54,392	42,912	61,284	70,325	47,837	52,087	61,218	57,095	60,002
	(26.3)	7.08	(29.7)	(14.8)	-(32.0)	-(2.2)	-(6.0)	-(2.9)	(25.4)
Counter Assets:									
Net Foreign Assets ^{2/}	180,187	172,158	190,478	141,811	69,477	34,794	42,839	38,179	44,672
	(77.6)	-(4.5)	(10.6)	-(25.5)	-(51.0)	-(56.3)	-(43.2)	-(49.8)	-(35.7)
Net Domestic Assets ^{2/}	-11,322	8	19,089	111,062	186,758	254,758	261,781	279,765	280,966
	-(129.7)	(280.7)	(238512.5)	(481.8)	(68.2)	(53.7)	(40.2)	(49.1)	(50.4)
Net Claims on Government ^{3/}	99,574	89,075	95,536	127,825	182,962	285,160	296,911	305,848	330,539
	-(17.1)	-(10.5)	(7.3)	(33.8)	(43.1)	(53.0)	(69.0)	(84.9)	(80.7)
Claims	170,139	157,632	165,289	203,414	263,167	386,735	396,779	404,838	415,238
	-(13.0)	-(7.4)	(4.9)	(23.1)	(29.4)	(44.9)	(53.9)	(57.8)	(57.8)
Securities	123,123	130,771	130,596	129,097	178,831	178,831	178,831	238,831	238,831
Credit Facilities	47,016	26,861	34,693	74,317	84,336	207,904	217,948	166,007	176,407
Deposits ^{4/}	70,565	68,557	69,753	75,589	80,205	101,575	99,868	98,990	84,699
	-(6.4)	-(2.8)	(1.7)	(8.4)	(6.1)	(25.9)	(21.7)	(8.5)	(5.6)
Net Claims on Banks	69,431	4,130	27,192	1,169	-1,123	-6,122	-1,860	-5,811	1,036
Net Balancing Items ^{5/}	-65,575	-93,197	-103,639	-17,932	4,919	-24,280	-33,270	-20,272	-50,609
Memorandum Items									
Reserve Money Velocity ^{6/, 7/}	6.17	7.01	6.55	6.23	6.84	6.06	5.76	5.51	6.30

Source: Central Bank of Egypt.

() Percent change over same period in previous year.

* Preliminary.

Revised.

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 is projected to reach LE 2050 billion compared to a revised figure of LE 1753 billion in 2012/2013.

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

(LE Millions)

	Jul-08	Jul-09	Jul-10	Jul-11	Jul-12	Apr-13	May-13	Jun-13 [#]	Jul-13 [*]
Total Deposits	763,417	822,570	901,024	972,788	1,029,584	1,159,779	1,169,613	1,190,665	1,210,653
	(15.3)	(7.7)	(9.5)	(8.0)	(5.8)	(15.0)	(15.7)	(16.0)	(17.6)
In local currency	567,422	614,630	693,506	737,531	785,611	874,576	879,706	899,921	910,379
In foreign currency	195,995	207,940	207,518	235,257	243,973	285,203	289,907	290,744	300,274
Non Government Deposits ^{2/}	672,637	718,812	788,806	854,327	912,570	1,035,676	1,045,752	1,063,922	1,073,871
	(14.9)	(6.9)	(9.7)	(8.3)	(6.8)	(17.1)	(17.9)	(17.2)	(17.7)
In local currency	510,834	551,962	627,070	671,214	722,459	808,754	815,591	835,511	843,640
In foreign currency	161,803	166,850	161,736	183,113	190,111	226,922	230,161	228,411	230,231
Government Deposits	90,780	103,758	112,218	118,461	117,014	124,103	123,861	126,743	136,782
	(18.1)	(14.3)	(8.2)	(5.6)	-(1.2)	-(0.3)	(0.0)	(6.9)	(16.9)
In local currency	56,588	62,668	66,436	66,317	63,152	65,822	64,115	64,410	66,739
In foreign currency	34,192	41,090	45,782	52,144	53,862	58,281	59,746	62,333	70,043
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	25.7	25.3	23.0	24.2	23.7	24.6	24.8	24.4	24.8
Dollarization in Non-Government Deposits	24.1	23.2	20.5	21.4	20.8	21.9	22.0	21.5	21.4
Dollarization in Government Deposits	37.7	39.6	40.8	44.0	46.0	47.0	48.2	49.2	51.2

Source: Central bank of Egypt.

() Percent change over same period in previous year.

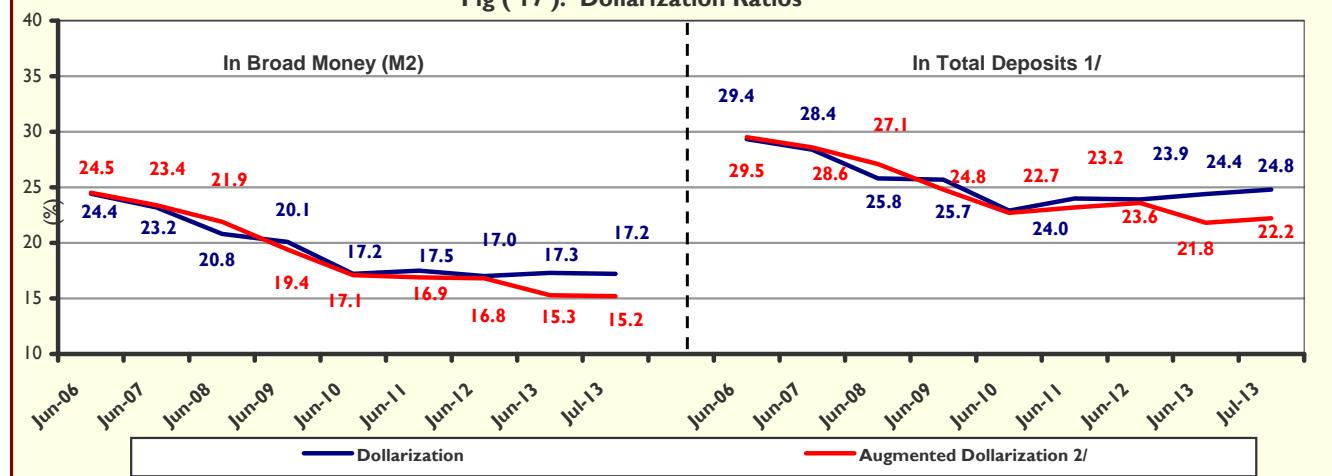
* Preliminary.

Revised

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.

Fig (17) : Dollarization Ratios



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 Millions)

	Jul-08	Jul-09	Jul-10	Jul-11	Jul-12	Apr-13	May-13	Jun-13	Jul-13
Total lending	406,613	427,598	464,617	475,401	505,140	543,165	545,640	549,120	550,319
	(13.7)	(5.2)	(8.7)	(2.3)	(6.3)	(8.9)	(8.6)	(8.4)	(8.9)
To Government ^{2/}	30,495	30,955	39,785	40,317	33,183	34,901	35,475	35,780	36,270
	(14.2)	(1.5)	(28.5)	(1.3)	-(17.7)	(3.5)	(8.6)	(6.5)	(9.3)
In local currency	9,513	13,796	17,742	17,950	14,262	11,680	11,579	11,401	11,135
In foreign currency	20,982	17,159	22,043	22,367	18,921	23,221	23,896	24,379	25,135
To Non-Government	376,118	396,643	424,832	435,084	471,957	508,264	510,165	513,340	514,049
	(13.7)	(5.5)	(7.1)	(2.4)	(8.5)	(9.2)	(8.6)	(8.5)	(8.9)
In local currency	260,738	280,325	296,583	310,380	349,149	372,059	373,260	376,479	375,591
In foreign currency	115,380	116,318	128,249	124,704	122,808	136,205	136,905	136,861	138,458
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	85.9	85.0	84.9	84.6	85.3	85.4	85.5	85.7	85.5
Non Government Loans/ Deposits ^{4/}	55.9	55.2	53.9	50.9	51.7	49.1	48.8	48.2	47.9
Government Loans / Deposits	33.6	29.8	35.5	34.0	28.4	28.1	28.6	28.2	26.5
Foreign currency denominated credit to total credit	33.5	31.2	32.3	30.9	28.1	29.4	29.5	29.4	29.7
Government foreign currency denominated credit to total government credit	68.8	55.4	55.4	55.5	57.0	66.5	67.4	68.1	69.3
Non - government foreign currency denominated credit to total non-government credit	30.7	29.3	30.2	28.7	26.0	26.8	26.8	26.7	26.9

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

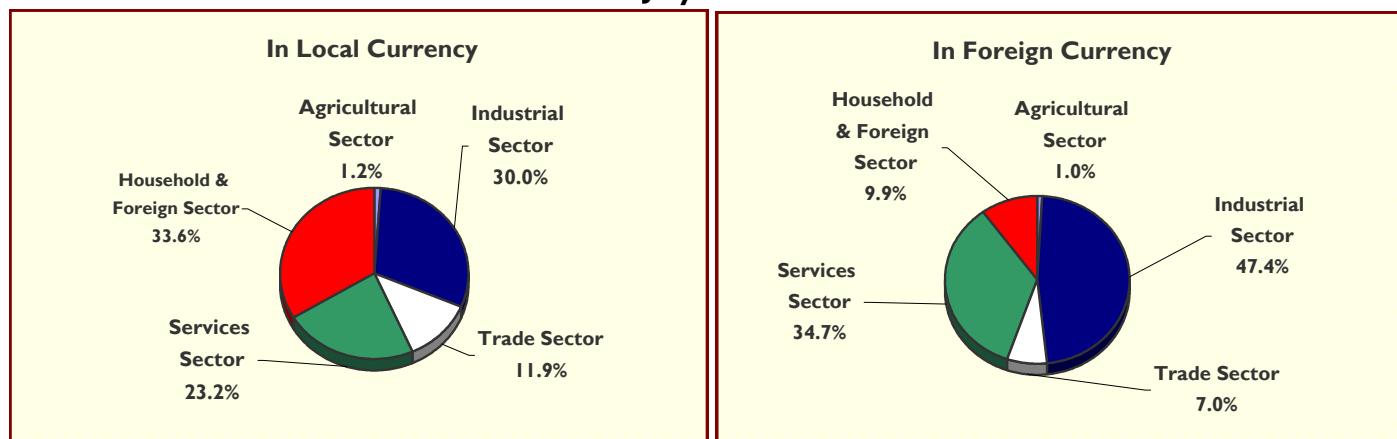
1/ Excludes credit provided by the Central Bank of Egypt.

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
July-2013**



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/}
<u>Yearly Average</u>						
2002/2003	10.00	13.70	8.69	8.31	10.50	10.50
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
<u>Monthly Average</u>						
Aug-12	9.50	12.00	7.70	14.21	11.50	9.00
Sep-12	9.50	12.00	7.70	13.43	11.50	9.00
Oct-12	9.50	12.00	7.70	12.61	11.50	9.00
Nov-12	9.50	12.10	7.70	12.39	11.50	9.00
Dec-12	9.50	12.20	7.60	13.05	11.50	9.00
Jan-13	9.50	12.10	7.60	13.18	11.50	9.00
Feb-13	9.50	12.20	7.80	12.82	12.50	9.00
Mar-13	10.25	12.30	7.80	12.67	12.50	9.00
Apr-13	10.25	12.40	7.90	13.42	12.50	9.00
May-13	10.25	12.50	8.00	14.07	12.50	9.00
Jun-13	10.25	12.60	8.00	14.05	12.50	9.00
Jul-13	10.25	12.60	7.90	13.34	12.50	9.00
Aug-13	9.75	12.40	7.90	11.48	11.50	9.00

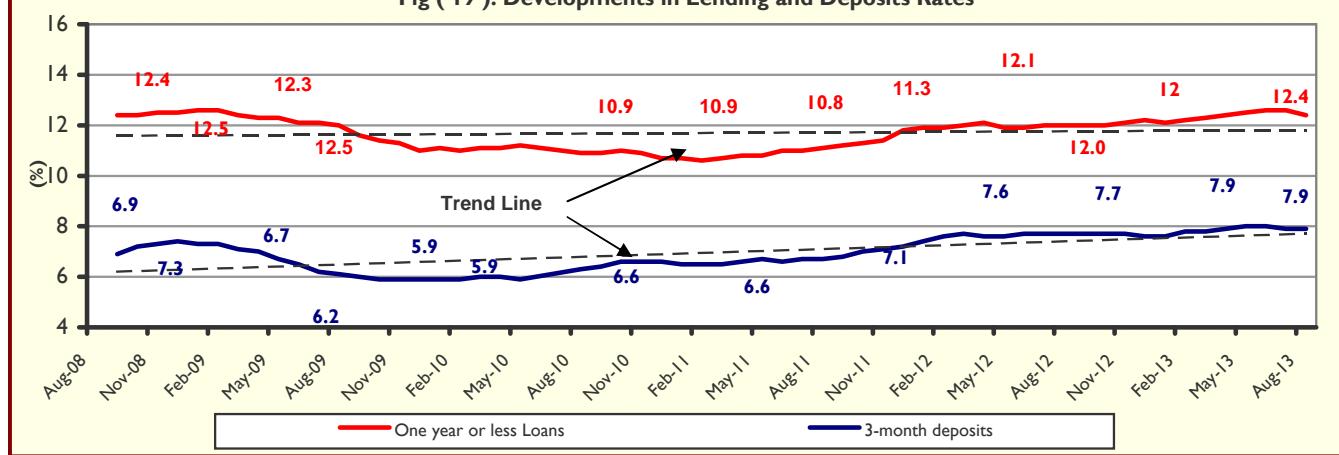
Source: Central Bank of Egypt.

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.

Fig (19) : Developments in Lending and Deposits Rates



Source: Central Bank of Egypt.

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

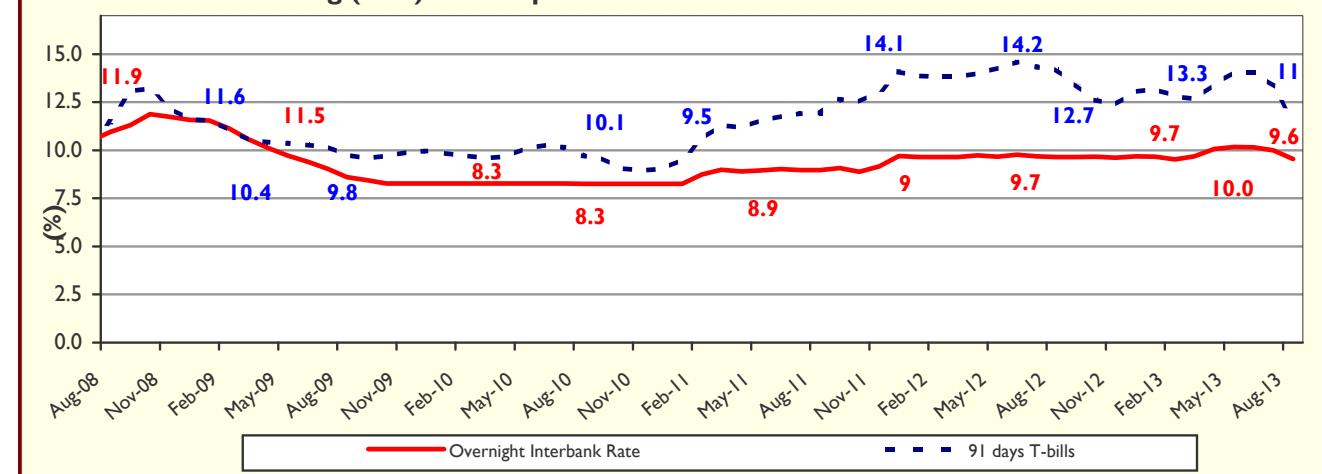
	Overnight	One Week	Month	More than One Month
<u>Yearly Average</u>				
2004	8.2	9.8	10.7	10.3
2005	9.5	10.1	10.4	10.7
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
2011	9.0	9.2	9.5	9.5
2012	9.4	10.0	10.2	10.2
2013	9.4	10.0	10.2	10.2
<u>Monthly Average</u>				
Aug-12	9.65	9.80	9.85	10.49
Sep-12	9.66	9.83	9.96	10.05
Oct-12	9.66	9.81	10.25	10.15
Nov-12	9.61	9.79	10.17	10.13
Dec-12	9.69	9.87	10.13	10.13
Jan-13	9.67	9.86	--	10.28
Feb-13	9.53	9.75	10.10	10.00
Mar-13	9.68	9.93	9.99	10.38
Apr-13	10.06	10.31	10.50	10.60
May-13	10.18	10.34	10.55	10.58
Jun-13	10.15	10.38	10.67	11.09
Jul-13	10.00	10.33	10.24	10.52
Aug-13	9.55	9.85	10.07	10.25

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.