

Section 6

MONETARY SECTOR

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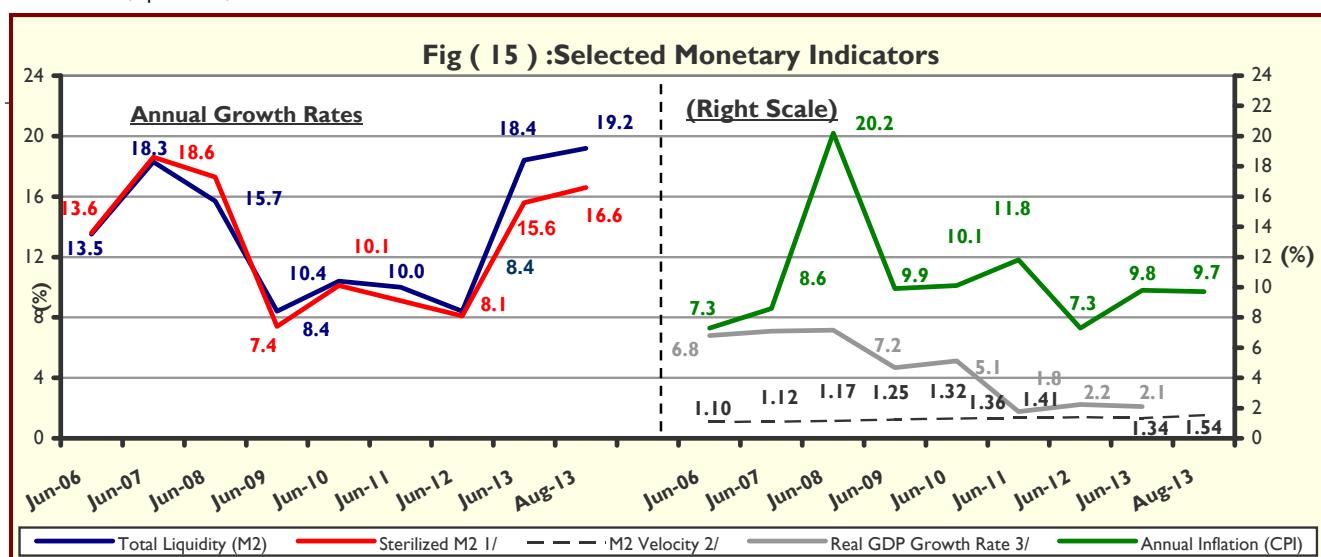
**Table (24) : Developments in Main Monetary Aggregates
(August 2013)**

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-7.5	-0.4	-12.3	-23.1
CBE NFA	0.3	4.8	-36.6	-45.8
CBE NIR	-0.1	18.4	44.1	1.4
Banks NFA 2/	-11.0	-2.9	8.5	-1.7
Net Foreign Assets (US dollar terms)	-7.3	-0.8	-23.8	-30.1
CBE NFA	0.6	4.4	-45.0	-50.5
CBE NIR	0.2	18.0	25.1	-8.4
Banks NFA 2/	-10.8	-3.2	-5.8	-10.7
Net Domestic Assets	2.1	5.4	24.2	23.6
Net Claims on Government and GASC	1.6	6.4	35.5	34.2
Claims on Public Companies	1.2	0.8	5.9	10.8
Claims on Private Sector	-0.2	0.7	9.4	8.9
Total Liquidity (M2)	1.0	4.8	19.2	15.5
Money (M1)	2.6	9.4	27.9	20.1
Quasi Money	0.4	3.2	16.2	14.0

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
(August 2013)

	(LE Millions)								
	Aug-08	Aug-09	Aug-10	Aug-11	Aug-12	May-13	Jun-13 [#]	Jul-13 [#]	Aug-13 [*]
Net Foreign Assets 1/	291,210	256,428	305,893	242,729	153,731	135,421	123,198	145,832	134,825
	(36.0)	-(11.9)	(19.3)	-(20.6)	-(36.7)	-(14.1)	-(21.8)	-(6.6)	-(12.3)
Central bank (Net)	183,144	171,542	191,915	137,597	70,843	42,839	38,235	44,731	44,884
Foreign Assets	184,820	179,900	200,322	146,765	89,976	105,994	101,685	128,994	128,980
Foreign Liabilities	1,676	8,358	8,407	9,168	19,133	63,155	63,450	84,263	84,096
Banks (Net)	108,066	84,886	113,978	105,132	82,888	92,582	84,963	101,101	89,941
Foreign Assets	133,511	112,561	152,347	134,860	113,778	125,707	118,354	133,803	123,707
Foreign Liabilities	25,445	27,675	38,369	29,728	30,890	33,125	33,391	32,702	33,766
Net Domestic Assets of which:	489,989	580,075	629,341	781,630	961,536	1,133,092	1,172,888	1,170,222	1,194,667
	(5.9)	(18.4)	(8.5)	(24.2)	(23.0)	(24.5)	(25.2)	(23.7)	(24.2)
Net Claims on Government, and GASC 1/	194,093	299,785	334,779	463,579	615,055	783,578	802,539	820,459	833,351
National Currency	245,955	363,887	402,862	552,703	667,566	830,581	851,425	875,833	887,815
Foreign Currency	-51,862	-64,102	-68,083	-89,124	-52,511	-47,003	-48,886	-55,374	-54,464
Claims on Public Business Sector	27,603	33,067	30,902	34,231	41,662	43,765	42,866	43,604	44,135
National Currency	19,963	25,023	22,176	26,094	33,043	34,412	33,873	34,798	35,271
Foreign Currency	7,640	8,044	8,726	8,137	8,619	9,353	8,993	8,806	8,864
Claims on Private Sector 2/	380,451	383,685	420,588	424,924	453,497	492,823	497,735	497,300	496,117
National Currency	271,943	285,781	308,461	318,334	349,115	373,167	376,211	374,627	374,220
Foreign Currency	108,508	97,904	112,127	106,590	104,382	119,656	121,524	122,673	121,897
Other Items (net) 1/ 3/	-112,158	-136,462	-156,928	-141,104	-148,678	-187,074	-170,252	-191,141	-178,936
Total Liquidity (M2)	781,199	836,503	935,234	1,024,359	1,115,267	1,268,513	1,296,086	1,316,054	1,329,492
	(15.4)	(7.1)	(11.8)	(9.5)	(8.9)	(18.8)	(18.4)	(19.4)	(19.2)
Money (M1) 4/	175,365	187,894	218,489	260,197	283,817	331,757	344,100	353,844	362,971
	(25.9)	(7.1)	(16.3)	(19.1)	(9.1)	(25.4)	(25.4)	(27.1)	(27.9)
Currency in Circulation	108,835	122,890	141,715	178,363	202,586	231,575	241,011	250,930	258,602
Demand Deposits in Local Currency	66,530	65,004	76,774	81,834	81,231	100,182	103,089	102,914	104,369
Quasi Money	605,834	648,609	716,745	764,162	831,450	936,756	951,986	962,210	966,521
	(12.7)	(7.1)	(10.5)	(6.6)	(8.8)	(16.7)	(16.1)	(16.8)	(16.2)
Local Currency Time and Savings Deposits	445,311	486,622	558,142	587,523	643,869	711,100	727,778	736,195	744,064
Foreign Currency Demand Deposits	29,015	31,001	35,815	40,848	45,318	56,298	55,152	57,510	54,833
Foreign Currency Time and Savings Deposits	131,508	130,986	122,788	135,791	142,263	169,358	169,056	168,505	167,624

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)

(August 2013)

	Aug-08	Aug-09	Aug-10	Aug-11	Aug-12	May-13	Jun-13 [#]	Jul-13 [#]	Aug-13 [*]
Net Foreign Assets (In Million US\$)^{4/}	54,715	46,386	53,843	40,801	25,342	19,447	17,623	20,814	19,298
Central bank NFA	34,411	31,031	33,781	23,129	11,678	6,152	5,469	6,384	6,424
Net International Reserves	55,030	47,898	55,323	42,342	28,496	28,516	26,700	32,840	31,335
Central Bank (Gross)	34,819	32,914	35,527	25,008	15,127	16,039	14,936	18,890	18,924
Banks (net)	20,304	15,355	20,062	17,672	13,664	13,295	12,154	14,430	12,873
Foreign assets	25,085	20,361	26,816	22,669	18,756	18,052	16,930	19,097	17,706
Foreign Liabilities	4,781	5,006	6,754	4,997	5,092	4,757	4,777	4,667	4,833
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	-1.6%	0.3%	2.6%	-1.07%	-0.4%	-2.0%	-3.1%	1.7%	0.9%
Net Domestic Assets	3.5%	0.4%	-0.6%	2.5%	2.3%	17.9%	21.6%	-0.2%	1.7%
Money (M1)	0.6%	0.6%	0.5%	1.1%	0.9%	5.2%	6.4%	0.8%	1.5%
Quasi Money	1.3%	0.0%	1.5%	0.3%	1.1%	10.7%	12.1%	0.8%	1.1%
Dollarization (% of Total Liquidity) ^{6/}	20.5	19.4	17.0	17.2	16.8	17.8	17.3	17.2	16.7
M2 Multiplier ^{7/}	4.68	4.53	4.29	4.05	4.34	4.16	4.08	4.04	3.97
M2 Velocity ^{8/}	1.33	1.44	1.47	1.54	1.57	1.38	1.35	1.56	1.54
M2 (annual percentage change)	15.4	7.1	11.8	9.5	8.9	18.8	18.4	19.4	19.2
Credit to private sector (annual percentage change) ^{9/}	13.2	0.9	9.6	1.0	6.7	10.0	9.8	10.1	9.4
Exchange Rate ^{10/}	5.32	5.53	5.68	5.95	6.07	6.96	6.99	7.01	6.99

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.

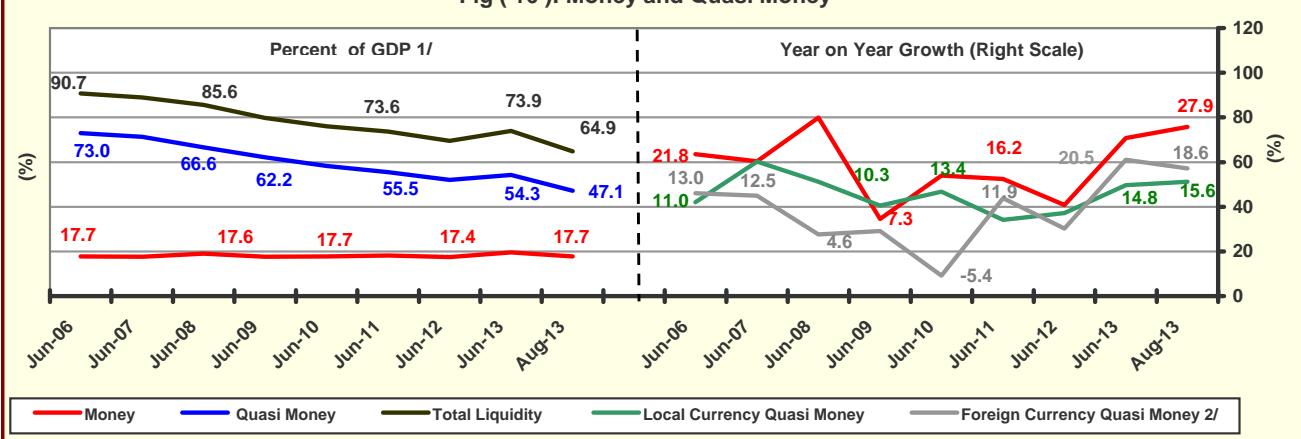
7/ M2 / Reserve Money.

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)

	Aug-08	Aug-09	Aug-10	Aug-11	Aug-12	May-13	Jun-13 [#]	Jul-13 [#]	Aug-13 [*]
Reserve Money	167,009	184,745	217,936	253,221	256,705	304,620	317,944	325,641	334,549
	(15.5)	(25.2)	(18.0)	(16.2)	(1.4)	(16.2)	(20.6)	(27.1)	(30.3)
Currency in Circulation	115,585	131,001	151,661	190,086	214,650	243,402	260,849	265,639	271,407
	(19.7)	(13.3)	(15.8)	(25.3)	(12.9)	(23.5)	(27.3)	(27.5)	(26.4)
Banks LE Deposits with CBE	51,424	53,744	66,275	63,135	42,055	61,218	57,095	60,002	63,142
	(7.1)	29.67	(18.1)	-(4.7)	-(33.4)	-(6.0)	-(2.9)	(25.4)	(50.1)
Counter Assets:									
Net Foreign Assets ^{2/}	183,144	171,542	191,915	137,597	70,843	42,839	38,235	44,731	44,884
	(79.8)	-(6.3)	(11.9)	-(28.3)	-(48.5)	-(43.2)	-(49.7)	-(35.6)	-(36.6)
Net Domestic Assets ^{2/}	-16,135	13,203	26,021	115,624	185,862	261,781	279,709	280,910	289,665
	-(137.8)	(238512.5)	(97.1)	(344.3)	(60.7)	(40.2)	(49.1)	(50.4)	(55.8)
Net Claims on Government ^{3/}	93,512	96,519	110,475	131,209	192,668	296,911	299,806	329,617	325,546
	-(22.9)	(3.2)	(14.5)	(18.8)	(46.8)	(69.0)	(81.3)	(80.2)	(69.0)
Claims	163,383	167,494	182,424	207,266	271,473	396,779	404,837	420,790	419,240
	-(17.5)	(2.5)	(8.9)	(13.6)	(31.0)	(53.9)	(57.8)	(59.9)	(54.4)
Securities	123,123	130,771	130,597	129,097	178,831	178,831	238,831	240,331	240,331
Credit Facilities	40,260	36,723	51,827	78,169	92,642	217,948	166,006	180,459	178,909
Deposits ^{4/}	69,871	70,975	71,949	76,057	78,805	99,868	105,031	91,173	93,694
	-(8.9)	(1.6)	(1.4)	(5.7)	(3.6)	(21.7)	(15.1)	(13.7)	(18.9)
Net Claims on Banks	57,492	4,439	46,309	-1,585	-1,105	-1,860	-5,811	1,232	-3,356
Net Balancing Items ^{5/}	-93,197	-87,755	-130,763	-14,000	-5,701	-33,270	-14,286	-49,939	-32,525
Memorandum Items									
Reserve Money Velocity ^{6/ 7/}	6.24	6.53	6.29	6.22	6.83	5.76	5.51	6.30	6.13

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)

	Aug-08	Aug-09	Aug-10	Aug-11	Aug-12	May-13	Jun-13	Jul-13 [#]	Aug-13 [*]
Total Deposits	768,696	824,600	911,246	972,435	1,035,884	1,169,613	1,190,819	1,212,014	1,217,286
	(14.6)	(7.3)	(10.5)	(6.7)	(6.5)	(15.7)	(16.0)	(17.7)	(17.5)
In local currency	571,430	617,594	704,789	740,195	791,422	879,706	900,076	911,740	919,409
In foreign currency	197,266	207,006	206,457	232,240	244,462	289,907	290,743	300,274	297,877
Non Government Deposits ^{2/}	677,799	719,985	800,012	852,414	920,047	1,045,752	1,063,832	1,073,703	1,079,702
	(14.9)	(6.2)	(11.1)	(6.6)	(7.9)	(17.9)	(17.2)	(17.7)	(17.4)
In local currency	514,992	554,021	638,565	672,118	728,530	815,591	835,422	843,588	853,200
In foreign currency	162,807	165,964	161,447	180,296	191,517	230,161	228,410	230,115	226,502
Government Deposits	90,897	104,615	111,234	120,021	115,837	123,861	126,987	138,311	137,584
	(12.3)	(15.1)	(6.3)	(7.9)	(-3.5)	(0.0)	(7.1)	(18.2)	(18.8)
In local currency	56,438	63,573	66,224	68,077	62,892	64,115	64,654	68,152	66,209
In foreign currency	34,459	41,042	45,010	51,944	52,945	59,746	62,333	70,159	71,375
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	25.7	25.1	22.7	23.9	23.6	24.8	24.4	24.8	24.5
Dollarization in Non-Government Deposits	24.0	23.1	20.2	21.2	20.8	22.0	21.5	21.4	21.0
Dollarization in Government Deposits	37.9	39.2	40.5	43.3	45.7	48.2	49.1	50.7	51.9

Source: Central bank of Egypt.

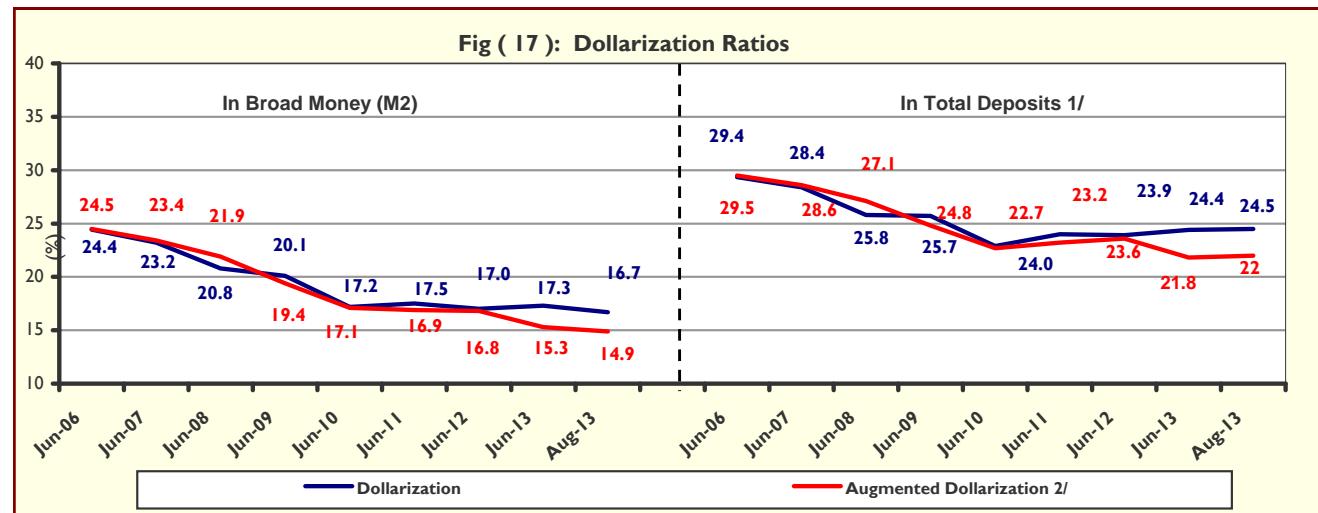
() Percent change over same period in previous year.

* 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.



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)

	Aug-08	Aug-09	Aug-10	Aug-11	Aug-12	May-13	Jun-13	Jul-13	* Aug-13
Total lending	414,048	427,506	466,853	476,596	505,501	545,640	549,120	550,319	550,393
	(14.7)	(3.3)	(9.2)	(2.1)	(6.1)	(8.6)	(8.4)	(8.9)	(8.9)
To Government ^{2/}	30,552	31,701	35,475	38,635	33,807	35,475	35,780	36,270	37,137
	(14.8)	(3.8)	(11.9)	(8.9)	-(12.5)	(8.6)	(6.5)	(9.3)	(9.9)
In local currency	9,089	13,824	18,452	17,739	13,902	11,579	11,401	11,135	10,963
In foreign currency	21,463	17,877	17,023	20,896	19,905	23,896	24,379	25,135	26,174
To Non-Government	383,496	395,805	431,378	437,961	471,694	510,165	513,340	514,049	513,256
	(14.7)	(3.2)	(9.0)	(1.5)	(7.7)	(8.6)	(8.5)	(8.9)	(8.8)
In local currency	264,093	280,864	297,195	312,316	349,778	373,260	376,479	375,591	375,758
In foreign currency	119,403	114,941	134,183	125,645	121,916	136,905	136,861	138,458	137,498
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	86.0	84.9	85.8	84.8	85.1	85.5	85.7	85.5	85.3
Non Government Loans/ Deposits ^{4/}	56.6	55.0	53.9	51.4	51.3	48.8	48.3	47.9	47.5
Government Loans / Deposits	33.6	30.3	31.9	32.2	29.2	28.6	28.2	26.2	27.0
Foreign currency denominated credit to total credit	34.0	31.1	32.4	30.7	28.1	29.5	29.4	29.7	29.7
Government foreign currency denominated credit to total government credit	70.3	56.4	48.0	54.1	58.9	67.4	68.1	69.3	70.5
Non - government foreign currency denominated credit to total non-government credit	31.1	29.0	31.1	28.7	25.8	26.8	26.7	26.9	26.8

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

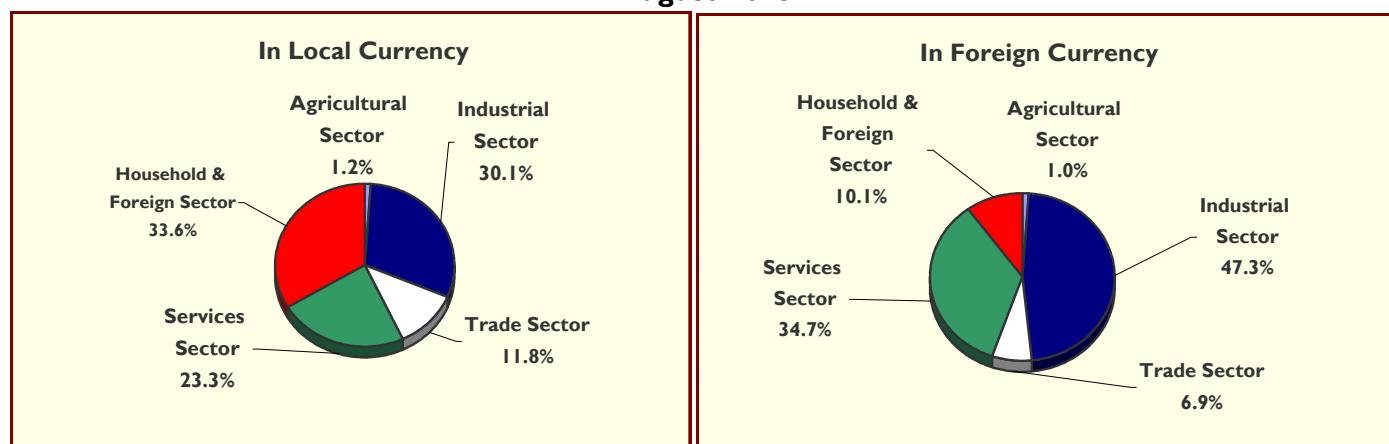
1/ Excludes credit provided by the Central Bank of Egypt.

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
August-2013**



Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

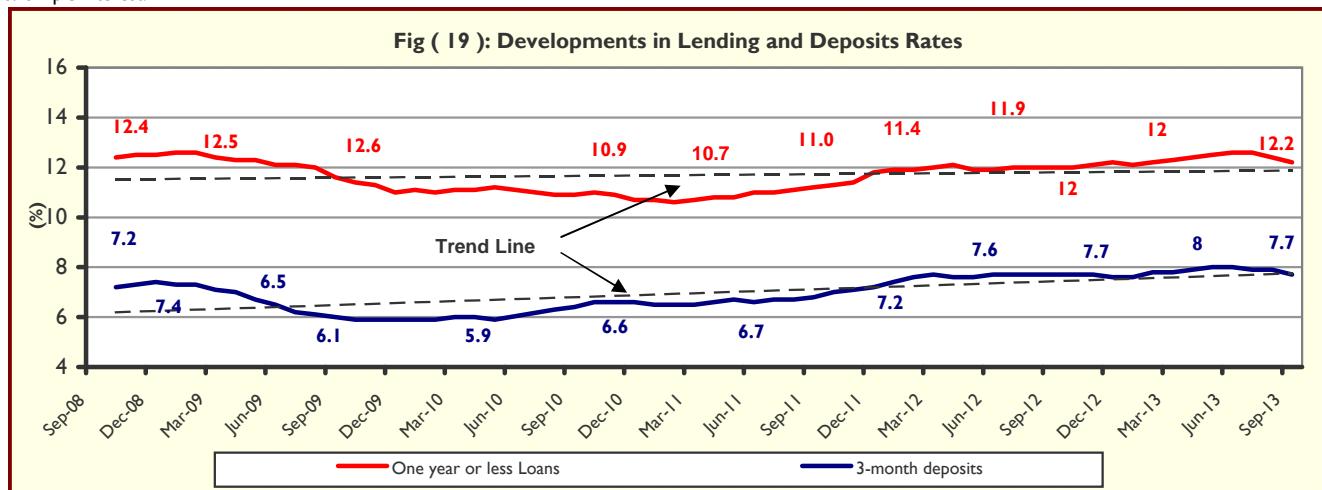
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/ 3/}	Post office Saving Deposits ^{1/}
Yearly Average						
2002/2003	10.00	13.70	8.69	8.31	10.50	10.50
2003/2004	10.00	13.40	7.96	8.41	10.50	10.50
2004/2005	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
Monthly Average						
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
Sep-13	9.75	12.20	7.70	11.15	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.



Source: Central Bank of Egypt.

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

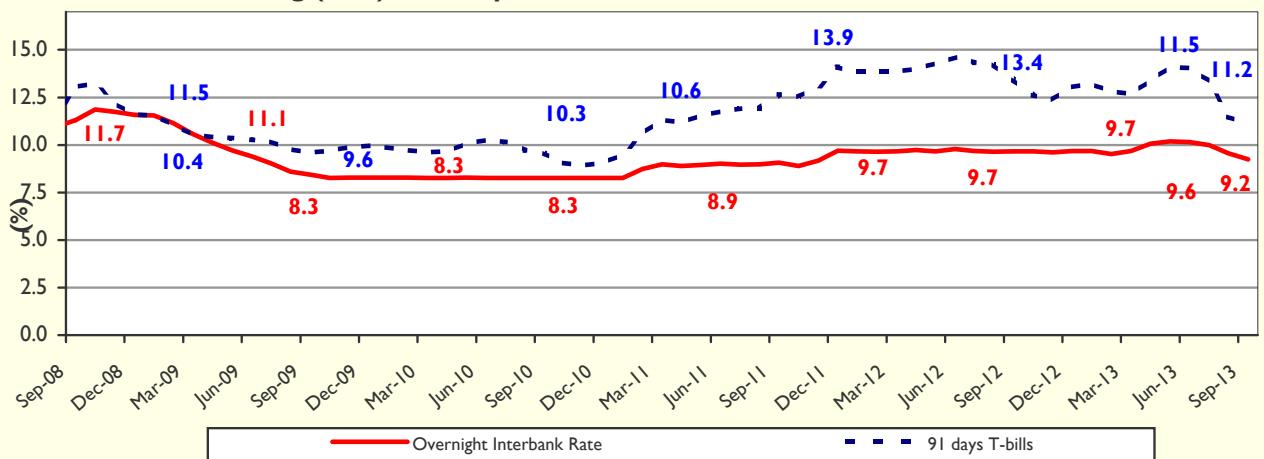
	Overnight	One Week	Month	More than One Month
Yearly Average				
2004	8.2	9.8	10.7	10.3
2005	9.5	10.1	10.4	10.7
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
2011	9.0	9.2	9.5	9.5
2012	9.4	10.0	10.2	10.2
2013	9.4	10.0	10.2	10.2
Monthly Average				
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
Sep-13	9.24	9.38	--	--

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.