

Section 6

MONETARY SECTOR

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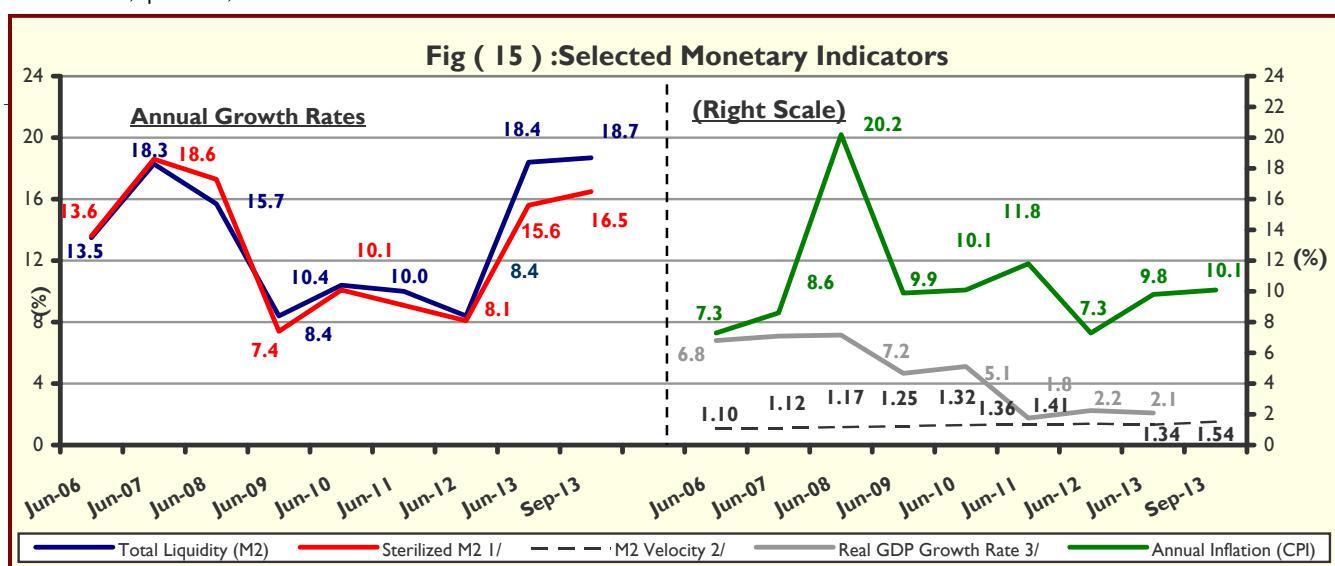
Table (24) : Developments in Main Monetary Aggregates
(September 2013)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-7.7	1.1	-17.0	-21.7
CBE NFA	-4.3	12.4	-38.8	-45.1
CBE NIR	-2.3	23.7	41.3	7.9
Banks NFA 2/	-9.3	-4.0	2.3	-0.3
Net Foreign Assets (US dollar terms)	-6.6	2.3	-26.9	-29.4
CBE NFA	-3.2	13.7	-46.2	-50.3
CBE NIR	-1.1	25.3	24.4	-3.3
Banks NFA 2/	-8.3	-2.8	-10.0	-10.2
Net Domestic Assets	1.3	3.2	24.2	23.8
Net Claims on Government and GASC	2.6	6.5	34.8	34.5
Claims on Public Companies	-1.8	1.1	3.5	9.4
Claims on Private Sector	0.1	-0.3	8.8	9.0
Total Liquidity (M2)	0.4	3.0	18.7	16.2
Money (M1)	0.8	6.3	29.3	21.6
Quasi Money	0.3	1.8	15.2	14.5

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 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
(September 2013)

(LE Millions)

	Sep-08	Sep-09	Sep-10	Sep-11	Sep-12	Jun-13	Jul-13	Aug-13 [#]	Sep-13 [*]
Net Foreign Assets 1/	274,385	261,819	312,144	225,259	149,982	123,198	145,832	134,825	124,503
	(27.6)	(-4.6)	(19.2)	(-27.8)	(-33.4)	(-21.8)	(-6.6)	(-12.3)	(-17.0)
Central bank (Net)	187,077	173,334	191,648	132,030	70,236	38,235	44,731	44,884	42,958
Foreign Assets	188,652	182,140	200,054	141,293	89,351	101,685	128,994	128,980	126,065
Foreign Liabilities	1,575	8,806	8,406	9,263	19,115	63,450	84,263	84,096	83,107
Banks (Net)	87,308	88,485	120,496	93,229	79,746	84,963	101,101	89,941	81,545
Foreign Assets	114,759	115,549	159,599	124,628	111,051	118,354	133,803	123,707	114,715
Foreign Liabilities	27,451	27,064	39,103	31,399	31,305	33,391	32,702	33,766	33,170
Net Domestic Assets of which:	503,486	585,989	636,028	799,171	974,350	1,172,888	1,170,222	1,194,667	1,210,464
	(7.9)	(16.4)	(8.5)	(25.7)	(21.9)	(25.2)	(23.7)	(24.2)	(24.2)
Net Claims on Government, and GASC 1/	207,688	310,727	341,319	482,312	634,011	802,539	820,459	833,351	854,645
National Currency	259,916	374,086	409,033	570,471	685,288	851,425	875,833	887,815	907,285
Foreign Currency	-52,228	-63,359	-67,714	-88,159	-51,277	-48,886	-55,374	-54,464	-52,640
Claims on Public Business Sector	28,250	33,506	30,727	34,856	41,895	42,866	43,604	44,135	43,354
National Currency	20,370	25,414	22,099	26,744	33,368	33,873	34,798	35,271	34,704
Foreign Currency	7,880	8,092	8,628	8,112	8,527	8,993	8,806	8,864	8,650
Claims on Private Sector 2/	385,548	385,062	420,301	425,947	456,430	497,735	497,300	496,117	496,370
National Currency	272,531	286,157	308,528	319,801	351,850	376,211	374,627	374,220	377,964
Foreign Currency	113,017	98,905	111,773	106,146	104,580	121,524	122,673	121,897	118,406
Other Items (net) 1/ 3/	-18,000	-143,306	-156,319	-143,944	-157,986	-170,252	-191,141	-178,936	-183,905
Total Liquidity (M2)	777,871	847,808	948,172	1,024,430	1,124,332	1,296,086	1,316,054	1,329,492	1,334,967
	(14.1)	(9.0)	(11.8)	(8.0)	(9.8)	(18.4)	(19.4)	(19.2)	(18.7)
Money (M1) 4/	177,641	192,759	220,472	253,802	282,854	344,100	353,844	362,971	365,745
	(25.2)	(8.5)	(14.4)	(15.1)	(11.4)	(25.4)	(27.1)	(27.9)	(29.3)
Currency in Circulation	112,984	127,479	143,799	174,133	198,097	241,011	250,930	258,602	257,206
Demand Deposits in Local Currency	64,657	65,280	76,673	79,669	84,757	103,089	102,914	104,369	108,539
Quasi Money	600,230	655,049	727,700	770,628	841,478	951,986	962,210	966,521	969,222
	(11.2)	(9.1)	(11.1)	(5.9)	(9.2)	(16.1)	(16.8)	(16.2)	(15.2)
Local Currency Time and Savings Deposits	440,268	493,662	569,542	593,542	653,308	727,778	736,195	744,064	754,610
Foreign Currency Demand Deposits	27,896	30,807	34,013	41,253	45,358	55,152	57,510	54,833	53,594
Foreign Currency Time and Savings Deposits	132,066	130,580	124,145	135,833	142,812	169,056	168,505	167,624	161,018

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)

(September 2013)

	Sep-08	Sep-09	Sep-10	Sep-11	Sep-12	Jun-13	Jul-13	Aug-13 [#]	Sep-13 [*]
Net Foreign Assets (In Million US\$)^{4/}	50,623	47,569	54,854	37,773	24,670	17,623	20,814	19,298	18,030
Central bank NFA	34,515	31,493	33,679	22,139	11,553	5,469	6,384	6,424	6,221
Net International Reserves	50,913	49,169	56,332	39,326	27,815	26,700	32,840	31,335	30,066
Central Bank (Gross)	35,024	33,508	35,534	24,009	15,043	14,936	18,890	18,924	18,709
Banks (net)	16,108	16,077	21,175	15,633	13,117	12,154	14,430	12,873	11,809
Foreign assets	21,173	20,994	28,047	20,898	18,267	16,930	19,097	17,706	16,613
Foreign Liabilities	5,065	4,917	6,872	5,265	5,149	4,777	4,667	4,833	4,804
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	-3.8%	0.9%	3.2%	-2.80%	-0.7%	-3.1%	1.7%	0.9%	0.1%
Net Domestic Assets	5.3%	1.1%	0.1%	4.3%	3.4%	21.6%	-0.2%	1.7%	2.9%
Money (M1)	0.9%	1.2%	0.7%	0.5%	0.8%	6.4%	0.8%	1.5%	1.7%
Quasi Money	0.5%	0.8%	2.6%	1.0%	2.0%	12.1%	0.8%	1.1%	1.3%
Dollarization (% of Total Liquidity) ^{6/}	20.6	19.0	16.7	17.3	16.7	17.3	17.2	16.7	16.1
M2 Multiplier ^{7/}	4.37	4.43	4.38	4.25	4.47	4.08	4.04	3.97	3.93
M2 Velocity ^{8/}	1.34	1.42	1.45	1.54	1.56	1.35	1.56	1.54	1.54
M2 (annual percentage change)	14.1	9.0	11.8	8.0	9.8	18.4	19.4	19.2	18.7
Credit to private sector (annual percentage change) ^{9/}	14.2	-0.1	9.2	1.3	7.2	9.8	10.1	9.4	8.8
Exchange Rate ^{10/}	5.42	5.50	5.69	5.96	6.08	6.99	7.01	6.99	6.91

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.

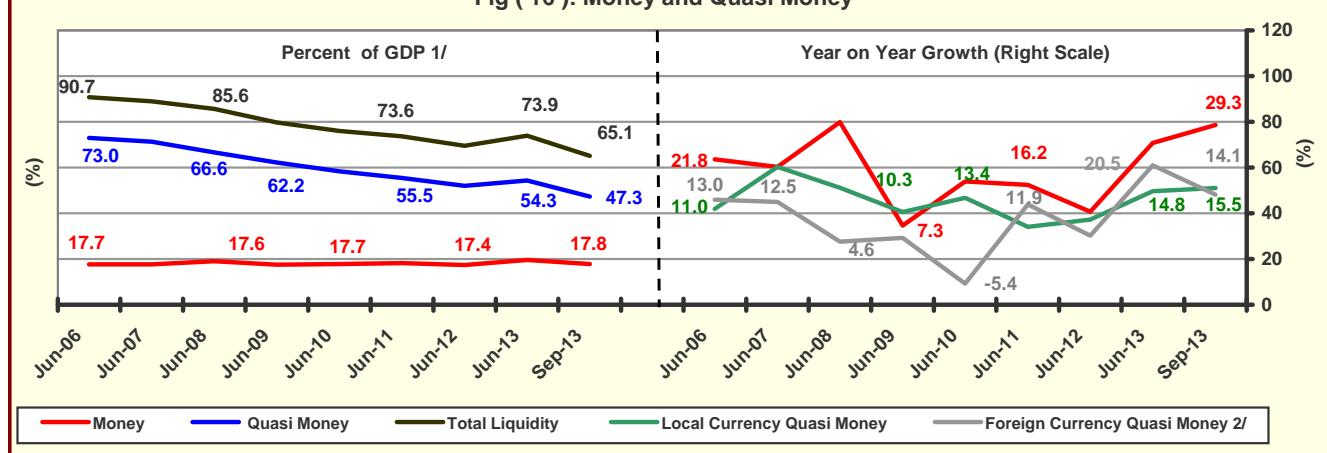
7/ M2 / Reserve Money.

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 1735 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 1735 billion in 2012/2013.

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

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

(LE Millions)

	Sep-08	Sep-09	Sep-10	Sep-11	Sep-12	Jun-13	Jul-13	Aug-13 [#]	Sep-13 [*]
Reserve Money	178,091	191,497	216,655	241,242	251,723	317,944	325,641	334,549	339,295
	(25.2)	(19.0)	(13.1)	(11.3)	(4.3)	(20.6)	(27.1)	(30.3)	(34.8)
Currency in Circulation	120,913	135,583	153,079	184,981	209,952	260,849	265,639	271,407	271,271
	(23.2)	(12.1)	(12.9)	(20.8)	(13.5)	(27.3)	(27.5)	(26.4)	(29.2)
Banks LE Deposits with CBE	57,178	55,914	63,576	56,261	41,771	57,095	60,002	63,142	68,024
	(29.7)	18.07	-(4.0)	-(11.5)	-(25.8)	-(2.9)	(25.4)	(50.1)	(62.8)
Counter Assets:									
Net Foreign Assets ^{2/}	187,076	173,334	191,648	132,030	70,236	38,235	44,731	44,884	42,958
	(86.4)	-(7.3)	(10.6)	-(31.1)	-(46.8)	-(49.7)	-(35.6)	-(36.6)	-(38.8)
Net Domestic Assets ^{2/}	-8,985	18,163	25,007	109,212	181,487	279,709	280,910	289,665	296,337
	-(121.4)	(97.1)	(37.7)	(336.7)	(66.2)	(49.1)	(50.4)	(55.8)	(63.3)
Net Claims on Government ^{3/}	101,571	94,308	109,835	147,132	196,622	299,806	329,617	325,546	340,773
	-(16.2)	-(7.2)	(16.5)	(34.0)	(33.6)	(81.3)	(80.2)	(69.0)	(73.3)
Claims	175,828	164,474	182,528	223,608	274,817	404,837	420,790	419,240	432,458
	-(10.5)	-(6.5)	(11.0)	(22.5)	(22.9)	(57.8)	(59.9)	(54.4)	(57.4)
Securities	123,123	130,771	130,597	129,097	178,831	238,831	240,331	240,331	240,331
Credit Facilities	52,705	33,703	51,931	94,511	95,986	166,006	180,459	178,909	192,127
Deposits ^{4/}	74,257	70,166	72,693	76,476	78,195	105,031	91,173	93,694	91,685
	-(1.4)	-(5.5)	(3.6)	(5.2)	(2.2)	(15.1)	(13.7)	(18.9)	(17.3)
Net Claims on Banks	42,438	8,810	56,622	-2,853	-1,655	-5,811	1,232	-3,356	-6,361
Net Balancing Items ^{5/}	-87,755	-84,955	-141,450	-35,067	-13,480	-14,286	-49,939	-32,525	-38,075
Memorandum Items									
Reserve Money Velocity ^{6/, 7/}	5.85	6.30	6.33	6.53	6.97	5.51	6.30	6.13	6.04

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)

	Sep-08	Sep-09	Sep-10	Sep-11	Sep-12	Jun-13	Jul-13	Aug-13	Sep-13 [*]
Total Deposits	763,703	832,371	923,687	978,125	1,050,507	1,190,819	1,212,014	1,217,286	1,230,196
	(12.9)	(9.0)	(11.0)	(5.9)	(7.4)	(16.0)	(17.7)	(17.5)	(17.1)
In local currency	567,295	627,525	716,942	746,324	805,235	900,076	911,740	919,409	940,380
In foreign currency	196,408	204,846	206,745	231,801	245,272	290,743	300,274	297,877	289,816
Non Government Deposits ^{2/}	670,793	725,198	810,422	857,429	933,661	1,063,832	1,073,703	1,079,702	1,086,517
	(12.8)	(8.1)	(11.8)	(5.8)	(8.9)	(17.2)	(17.7)	(17.4)	(16.4)
In local currency	508,403	561,378	649,359	676,726	741,503	835,422	843,588	853,200	868,143
In foreign currency	162,390	163,820	161,063	180,703	192,158	228,410	230,115	226,502	218,374
Government Deposits	92,910	107,173	113,265	120,696	116,846	126,987	138,311	137,584	143,679
	(13.3)	(15.4)	(5.7)	(6.6)	-(3.2)	(7.1)	(18.2)	(18.8)	(23.0)
In local currency	58,892	66,147	67,583	69,598	63,732	64,654	68,152	66,209	72,237
In foreign currency	34,018	41,026	45,682	51,098	53,114	62,333	70,159	71,375	71,442
<u>Memorandum Items</u>									
(In Percent):									
Dollarization in Total Deposits	25.7	24.6	22.4	23.7	23.3	24.4	24.8	24.5	23.6
Dollarization in Non-Government Deposits	24.2	22.6	19.9	21.1	20.6	21.5	21.4	21.0	20.1
Dollarization in Government Deposits	36.6	38.3	40.3	42.3	45.5	49.1	50.7	51.9	49.7

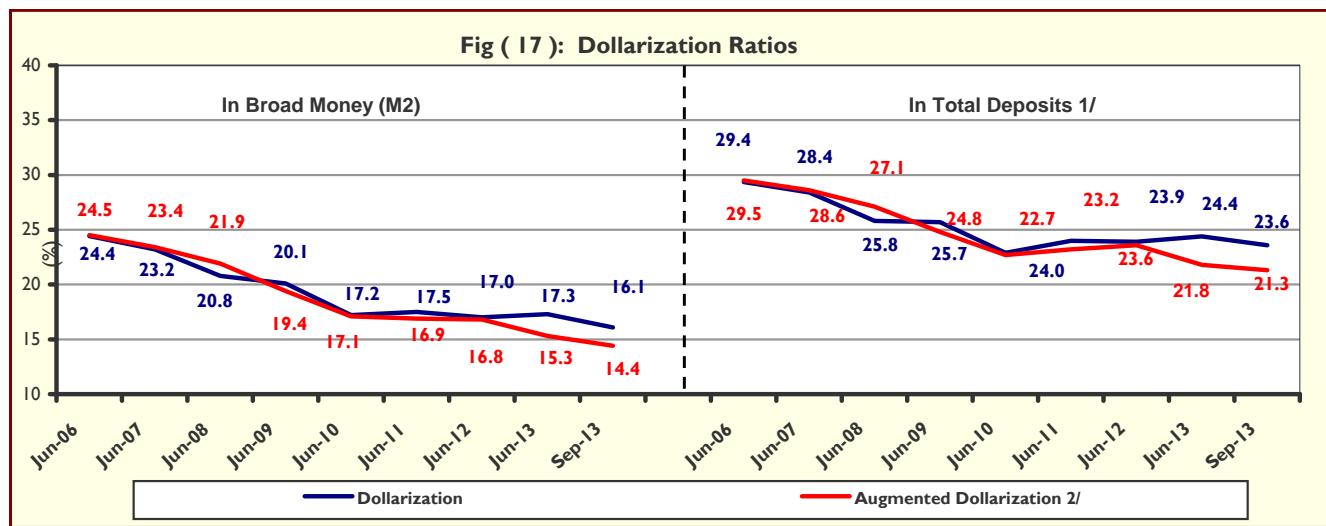
Source: Central bank of Egypt.

() 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 Millions)

	Sep-08	Sep-09	Sep-10	Sep-11	Sep-12	Jun-13	Jul-13	Aug-13	* Sep-13
Total lending	422,706	429,793	467,397	478,956	508,424	549,120	550,319	550,393	549,468
	(16.1)	(1.7)	(8.7)	(2.5)	(6.2)	(8.4)	(8.9)	(8.9)	(8.1)
To Government ^{2/}	30,932	32,440	37,101	38,026	35,012	35,780	36,270	37,137	38,196
	(17.4)	(4.9)	(14.4)	(2.5)	-(7.9)	(6.5)	(9.3)	(9.9)	(9.1)
In local currency	8,783	14,063	18,954	17,656	13,459	11,401	11,135	10,963	10,814
In foreign currency	22,149	18,377	18,147	20,370	21,553	24,379	25,135	26,174	27,382
To Non-Government	391,774	397,353	430,296	440,930	473,412	513,340	514,049	513,256	511,272
	(16.0)	(1.4)	(8.3)	(2.5)	(7.4)	(8.5)	(8.9)	(8.8)	(8.0)
In local currency	267,116	281,267	296,534	315,390	351,799	376,479	375,591	375,758	378,592
In foreign currency	124,658	116,086	133,762	125,540	121,613	136,861	138,458	137,498	132,680
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	86.0	84.7	85.5	84.8	84.9	85.7	85.5	85.3	85.2
Non Government Loans/ Deposits ^{4/}	58.4	54.8	53.1	51.4	50.7	48.3	47.9	47.5	47.1
Government Loans / Deposits	33.3	30.3	32.8	31.5	30.0	28.2	26.2	27.0	26.6
Foreign currency denominated credit to total credit	34.7	31.3	32.5	30.5	28.2	29.4	29.7	29.7	29.1
Government foreign currency denominated credit to total government credit	71.6	56.6	48.9	53.6	61.6	68.1	69.3	70.5	71.7
Non - government foreign currency denominated credit to total non-government credit	31.8	29.2	31.1	28.5	25.7	26.7	26.9	26.8	26.0

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

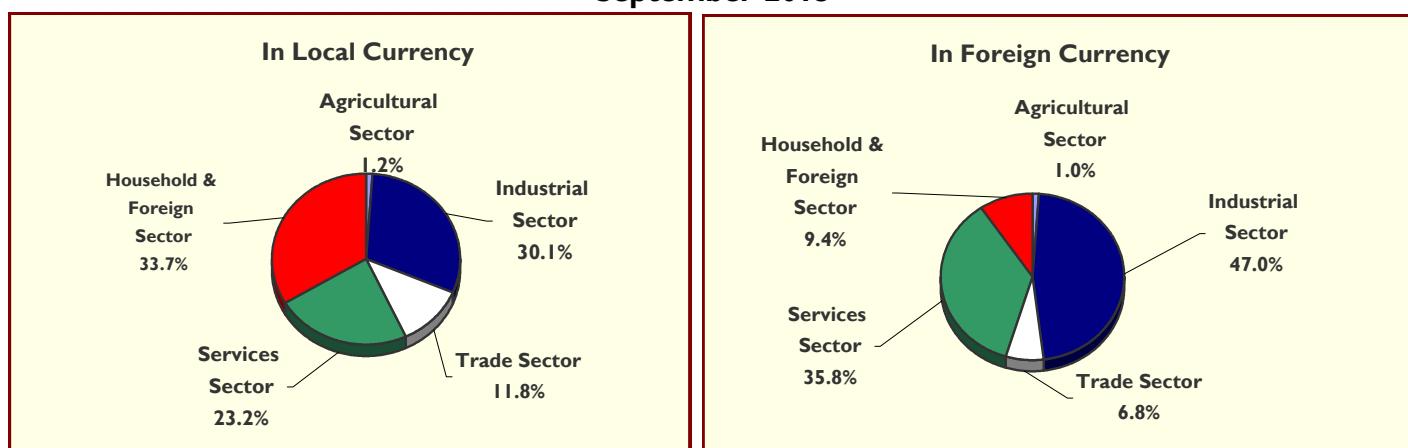
1/ Excludes credit provided by the Central Bank of Egypt.

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
September-2013**



Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

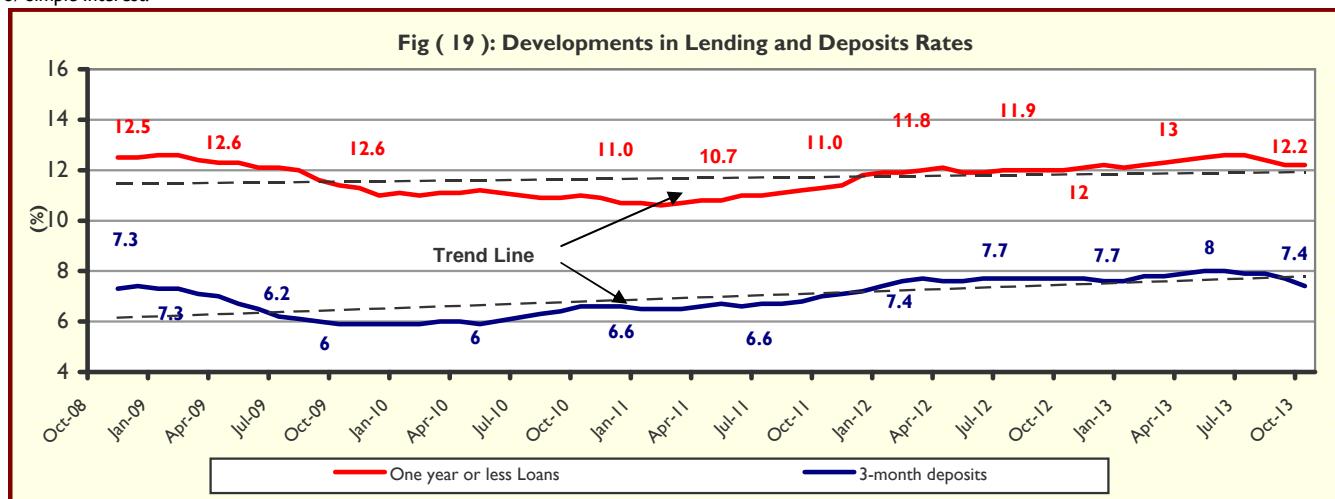
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/ 3/}	Post office Saving Deposits ^{1/}
Yearly Average						
2002/2003	10.00	13.70	8.69	8.31	10.50	10.50
2003/2004	10.00	13.40	7.96	8.41	10.50	10.50
2004/2005	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						
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
Oct-13	9.25	12.20	7.40	10.91	11.50	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/}

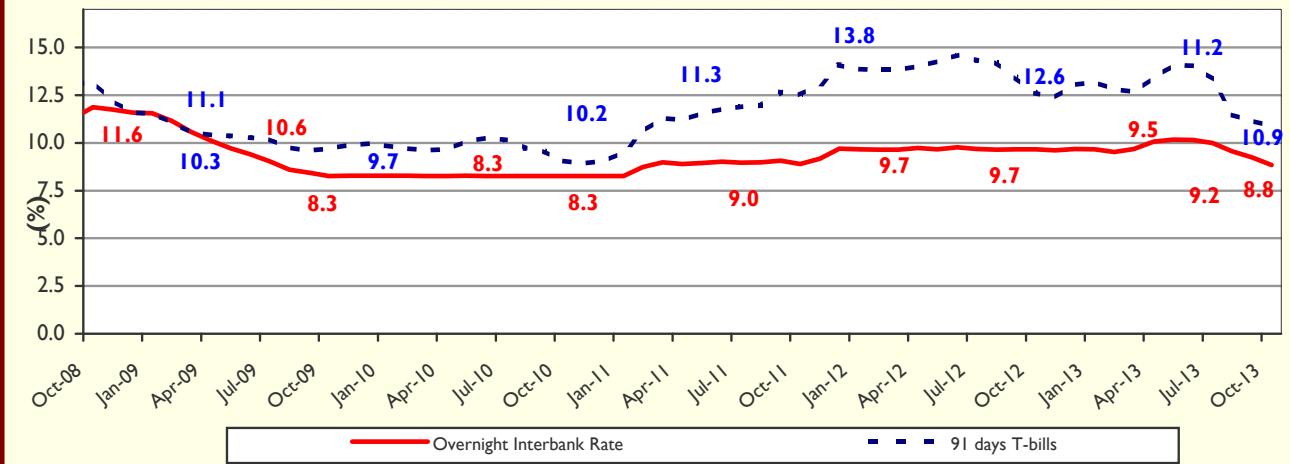
	Overnight	One Week	Month	More than One Month
<u>Yearly Average</u>				
2004	8.2	9.8	10.7	10.3
2005	9.5	10.1	10.4	10.7
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
2011	9.0	9.2	9.5	9.5
2012	9.4	10.0	10.2	10.2
2013	9.4	10.0	10.2	10.2
<u>Monthly Average</u>				
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	--	--
Oct-13	8.83	9.14	9.25	--

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.