

Section 6

MONETARY SECTOR

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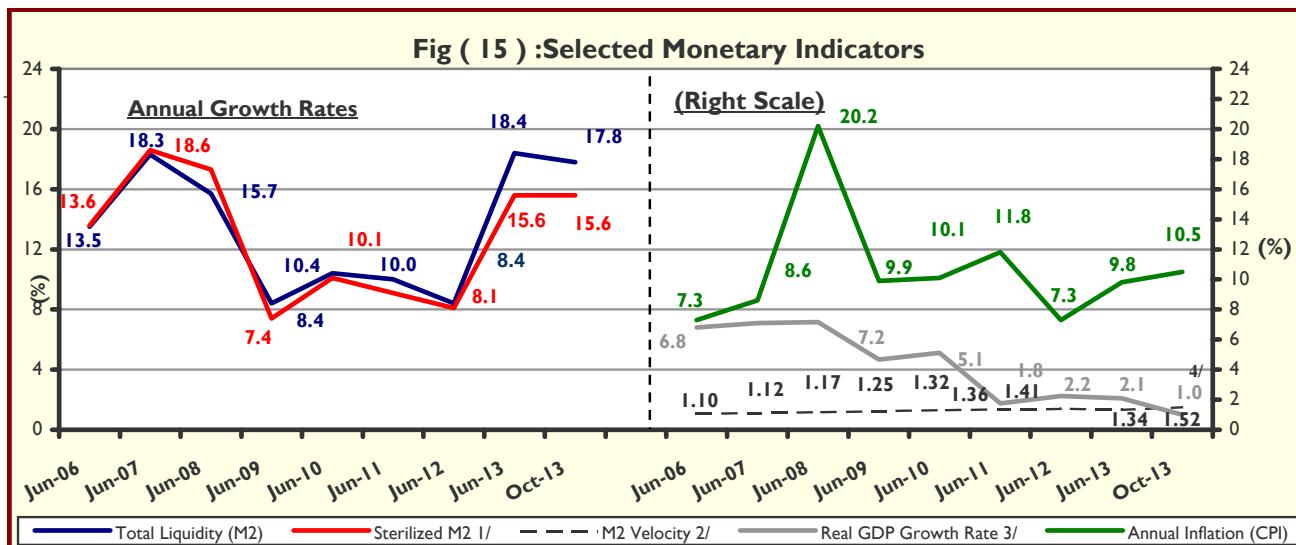
Table (24) : Developments in Main Monetary Aggregates
(October 2013)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-2.0	-16.3	-21.0	-21.0
CBE NFA	-1.9	-5.8	-39.7	-44.9
CBE NIR	-0.9	-3.3	35.9	13.2
Banks NFA 2/	-2.1	-21.0	-5.5	0.6
Net Foreign Assets (US dollar terms)	-1.7	-14.9	-30.2	-29.3
CBE NFA	-1.6	-4.2	-46.7	-50.6
CBE NIR	-0.6	-1.6	20.1	0.9
Banks NFA 2/	-1.8	-19.6	-16.5	-10.0
Net Domestic Assets	1.3	4.8	23.9	23.9
Net Claims on Government and GASC	3.1	7.4	36.1	34.8
Claims on Public Companies	0.4	-0.1	1.1	7.9
Claims on Private Sector	0.1	-0.1	8.4	9.1
Total Liquidity (M2)	1.0	2.5	17.8	16.8
Money (M1)	0.9	4.3	26.5	22.8
Quasi Money	1.1	1.8	14.8	14.8

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.

4/ Reflects Real GDP growth for the period July-September 2013/2014.

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

	Oct-08	Oct-09	Oct-10	Oct-11	Oct-12	Jul-13	Aug-13	Sep-13	Oct-13*
Net Foreign Assets 1/	260,333	261,728	315,293	221,790	154,358	145,832	134,825	124,503	121,994
	(18.3)	(0.5)	(20.5)	(-29.7)	(-30.4)	(-6.6)	(-12.3)	(-17.0)	(-21.0)
Central bank (Net)	191,353	175,167	193,724	120,315	69,831	44,731	44,884	42,958	42,133
Foreign Assets	192,932	183,880	202,151	129,609	92,180	128,994	128,980	126,065	125,104
Foreign Liabilities	1,579	8,713	8,427	9,294	22,349	84,263	84,096	83,107	82,971
Banks (Net)	68,980	86,561	121,569	101,475	84,527	101,101	89,941	81,545	79,861
Foreign Assets	98,221	113,055	159,134	133,387	116,056	133,803	123,707	114,715	113,696
Foreign Liabilities	29,241	26,494	37,565	31,912	31,529	32,702	33,766	33,170	33,835
Net Domestic Assets of which:	520,210	586,029	645,951	809,144	990,295	1,170,222	1,194,667	1,210,464	1,226,490
	(10.7)	(12.7)	(10.2)	(25.3)	(22.4)	(23.7)	(24.2)	(24.2)	(23.9)
Net Claims on Government, and GASC 1/	219,433	308,389	348,270	492,114	647,353	820,459	833,351	854,645	880,806
National Currency	273,705	372,094	417,149	579,820	701,159	875,833	887,815	907,285	935,380
Foreign Currency	-54,272	-63,705	-68,879	-87,706	-53,806	-55,374	-54,464	-52,640	-54,574
Claims on Public Business Sector	28,629	34,093	31,828	35,997	43,059	43,604	44,135	43,354	43,543
National Currency	20,587	26,144	23,027	27,567	34,447	34,798	35,271	34,704	34,904
Foreign Currency	8,042	7,949	8,801	8,430	8,612	8,806	8,864	8,650	8,639
Claims on Private Sector 2/	390,042	385,903	423,580	427,560	458,433	497,300	496,117	496,370	496,961
National Currency	279,612	284,790	309,999	324,264	353,519	374,627	374,220	377,964	377,159
Foreign Currency	110,430	101,113	113,581	103,296	104,914	122,673	121,897	118,406	119,802
Other Items (net) 1/ 3/	-117,894	-142,356	-157,727	-146,527	-158,550	-191,141	-178,936	-183,905	-194,820
Total Liquidity (M2)	780,543	847,757	961,244	1,030,934	1,144,653	1,316,054	1,329,492	1,334,967	1,348,484
	(13.1)	(8.6)	(13.4)	(7.2)	(11.0)	(19.4)	(19.2)	(18.7)	(17.8)
Money (M1) 4/	172,849	192,609	222,674	259,887	291,684	353,844	362,971	365,745	369,024
	(19.4)	(11.4)	(15.6)	(16.7)	(12.2)	(27.1)	(27.9)	(29.3)	(26.5)
Currency in Circulation	112,561	126,066	142,783	176,900	205,080	250,930	258,602	257,206	258,332
Demand Deposits in Local Currency	60,288	66,543	79,891	82,987	86,604	102,914	104,369	108,539	110,692
Quasi Money	607,694	655,148	738,570	771,047	852,969	962,210	966,521	969,222	979,460
	(11.5)	(7.8)	(12.7)	(4.4)	(10.6)	(16.8)	(16.2)	(15.2)	(14.8)
Local Currency Time and Savings Deposits	438,853	497,084	576,948	594,770	662,454	736,195	744,064	754,610	766,120
Foreign Currency Demand Deposits	29,725	29,944	36,321	42,199	45,860	57,510	54,833	53,594	52,924
Foreign Currency Time and Savings Deposits	139,116	128,120	125,301	134,078	144,655	168,505	167,624	161,018	160,416

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 2013)

	Oct-08	Oct-09	Oct-10	Oct-11	Oct-12	Jul-13	Aug-13	Sep-13	Oct-13*
Net Foreign Assets (In Million US\$)^{4/}	47,004	47,912	55,172	37,240	25,367	20,814	19,298	18,030	17,717
Central bank NFA	34,549	32,066	33,899	20,202	11,476	6,384	6,424	6,221	6,119
Net International Reserves	47,289	49,507	56,646	38,800	29,040	32,840	31,335	30,066	29,767
Central Bank (Gross)	35,031	34,026	35,545	22,072	15,484	18,890	18,924	18,709	18,590
Banks (net)	12,455	15,846	21,273	17,038	13,891	14,430	12,873	11,809	11,598
Foreign assets	17,734	20,696	27,846	22,397	19,072	19,097	17,706	16,613	16,512
Foreign Liabilities	5,280	4,850	6,573	5,358	5,181	4,667	4,833	4,804	4,914
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	-5.7%	0.9%	3.6%	-3.14%	-0.3%	1.7%	0.9%	0.1%	-0.1%
Net Domestic Assets	7.5%	1.1%	1.2%	5.3%	4.9%	-0.2%	1.7%	2.9%	4.1%
Money (M1)	0.3%	1.2%	0.9%	1.1%	1.6%	0.8%	1.5%	1.7%	1.9%
Quasi Money	1.5%	0.8%	3.8%	1.0%	3.0%	0.8%	1.1%	1.3%	2.1%
Dollarization (% of Total Liquidity) ^{6/}	21.6	18.6	16.8	17.1	16.6	17.2	16.7	16.1	15.8
M2 Multiplier ^{7/}	4.55	4.52	4.57	4.32	4.27	4.04	3.97	3.93	4.03
M2 Velocity ^{8/}	1.34	1.42	1.43	1.53	1.53	1.56	1.54	1.54	1.52
M2 (annual percentage change)	13.1	8.6	13.4	7.2	11.0	19.4	19.2	18.7	17.8
Credit to private sector (annual percentage change) ^{9/}	14.1	-1.1	9.8	0.9	7.2	10.1	9.4	8.8	8.4
Exchange Rate ^{10/}	5.54	5.46	5.71	5.96	6.09	7.01	6.99	6.91	6.89

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.

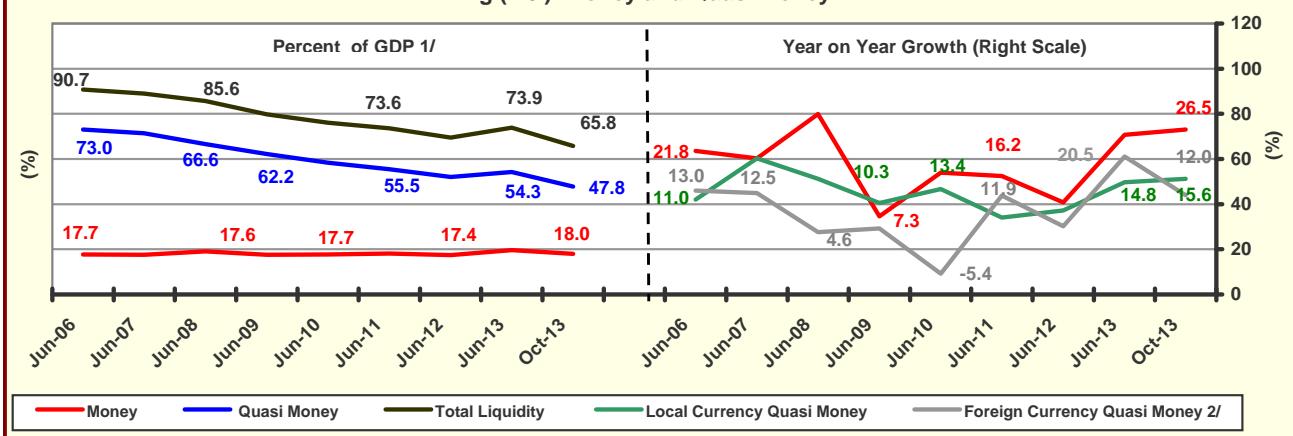
7/ M2 / Reserve Money.

8/ GDP / M2. According to the Ministry of Planning, GDP (at market prices) for 2013/2014 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)

	Oct-08	Oct-09	Oct-10	Oct-11	Oct-12	Jul-13	Aug-13	Sep-13	Oct-13*
Reserve Money	171,676	187,520	210,432	238,818	268,250	325,641	334,549	339,295	334,745
	(19.0)	(12.8)	(12.2)	(13.5)	(12.3)	(27.1)	(30.3)	(34.8)	(24.8)
Currency in Circulation	119,545	133,070	153,037	188,716	216,926	265,639	271,407	271,271	272,721
	(19.4)	(11.3)	(15.0)	(23.3)	(14.9)	(27.5)	(26.4)	(29.2)	(25.7)
Banks LE Deposits with CBE	52,131	54,450	57,395	50,102	51,324	60,002	63,142	68,024	62,024
	(18.1)	-3.99	(25.5)	-(12.7)	(2.4)	(25.4)	(50.1)	(62.8)	(20.8)
Counter Assets:									
Net Foreign Assets ^{2/}	191,353	175,167	193,724	120,315	69,831	44,731	44,884	42,958	42,133
	(83.7)	-(8.5)	(10.6)	-(37.9)	-(42.0)	-(35.6)	-(36.6)	-(38.8)	-(39.7)
Net Domestic Assets ^{2/}	-19,677	12,353	16,708	118,503	198,419	280,910	289,665	296,337	292,612
	-(149.1)	(37.7)	(35.3)	(609.3)	(67.4)	(50.4)	(55.8)	(63.3)	(47.5)
Net Claims on Government ^{3/}	98,396	103,856	107,088	149,542	209,667	329,617	325,546	340,773	356,501
	-(16.9)	(5.5)	(3.1)	(39.6)	(40.2)	(80.2)	(69.0)	(73.3)	(70.0)
Claims	173,018	177,839	181,474	226,615	289,434	420,790	419,240	432,458	446,409
	-(10.8)	(2.8)	(2.0)	(24.9)	(27.7)	(59.9)	(54.4)	(57.4)	(54.2)
Securities	123,123	130,771	130,597	129,097	178,831	240,331	240,331	240,331	240,331
Credit Facilities	49,895	47,068	50,877	97,518	110,603	180,459	178,909	192,127	206,078
Deposits ^{4/}	74,622	73,983	74,386	77,073	79,767	91,173	93,694	91,685	89,908
	-(1.1)	-(0.9)	(0.5)	(3.6)	(3.5)	(13.7)	(18.9)	(17.3)	(12.7)
Net Claims on Banks	5,272	10,935	55,317	-2,231	-2,068	1,232	-3,356	-6,361	-6,865
Net Balancing Items ^{5/}	-84,955	-102,438	-145,697	-28,808	-9,180	-49,939	-32,525	-38,075	-57,024
Memorandum Items									
Reserve Money Velocity ^{6/ 7/}	6.07	6.43	6.52	6.60	6.54	6.30	6.13	6.04	6.12

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 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)

	Oct-08	Oct-09	Oct-10	Oct-11	Oct-12	Jul-13	Aug-13	Sep-13	Oct-13 *
Total Deposits	768,307	836,271	937,733	981,239	1,063,420	1,212,014	1,217,286	1,230,196	1,241,516
	(12.7)	(8.8)	(12.1)	(4.6)	(8.4)	(17.7)	(17.5)	(17.1)	(16.7)
In local currency	561,434	634,979	726,684	751,000	815,022	911,740	919,409	940,380	951,413
In foreign currency	206,873	201,292	211,049	230,239	248,398	300,274	297,877	289,816	290,103
Non Government Deposits ^{2/}	673,742	726,657	824,247	861,242	946,956	1,073,703	1,079,702	1,086,517	1,098,777
	(12.4)	(7.9)	(13.4)	(4.5)	(10.0)	(17.7)	(17.4)	(16.4)	(16.0)
In local currency	502,507	566,186	659,485	681,421	752,500	843,588	853,200	868,143	881,607
In foreign currency	171,235	160,471	164,762	179,821	194,456	230,115	226,502	218,374	218,170
Government Deposits	94,565	109,614	113,486	119,997	116,464	138,311	137,584	143,679	142,739
	(15.0)	(15.9)	(3.5)	(5.7)	-(2.9)	(18.2)	(18.8)	(23.0)	(22.6)
In local currency	58,927	68,793	67,199	69,579	62,522	68,152	66,209	72,237	69,806
In foreign currency	35,638	40,821	46,287	50,418	53,942	70,159	71,375	71,442	72,933
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	26.9	24.1	22.5	23.5	23.4	24.8	24.5	23.6	23.4
Dollarization in Non-Government Deposits	25.4	22.1	20.0	20.9	20.5	21.4	21.0	20.1	19.8
Dollarization in Government Deposits	37.7	37.2	40.8	42.0	46.3	50.7	51.9	49.7	51.1

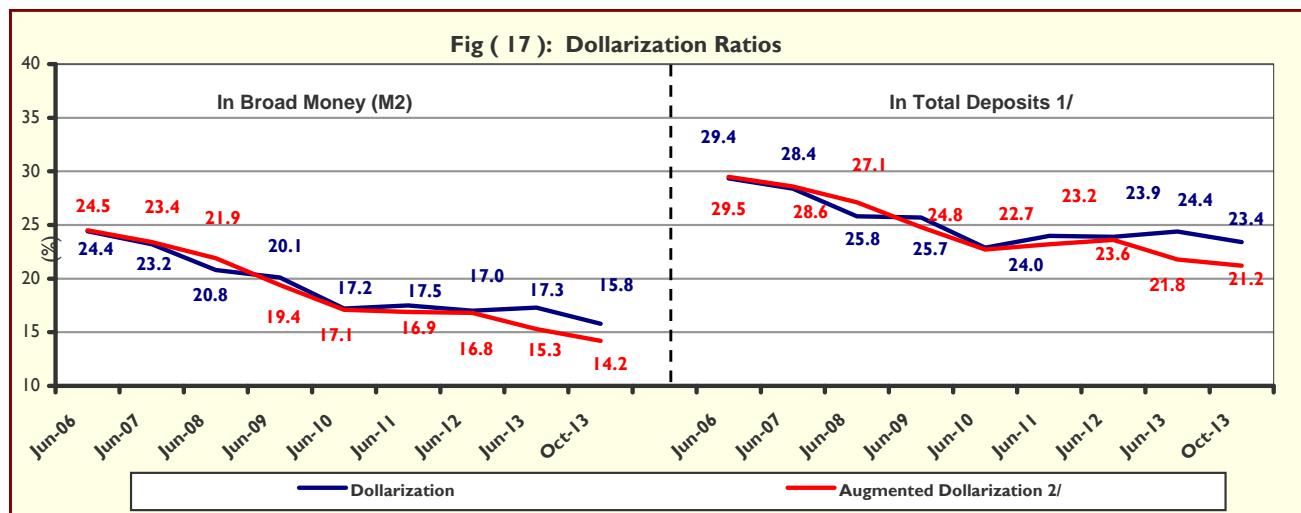
Source: Central bank of Egypt.

() 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)

	Oct-08	Oct-09	Oct-10	Oct-11	Oct-12	Jul-13	Aug-13	Sep-13	* Oct-13
Total lending	429,103	430,934	471,441	481,703	509,469	550,319	550,393	549,468	549,950
	(16.1)	(0.4)	(9.4)	(2.2)	(5.8)	(8.9)	(8.9)	(8.1)	(7.9)
To Government ^{2/}	31,292	31,919	37,656	37,800	33,055	36,270	37,137	38,196	38,390
	(14.7)	(2.0)	(18.0)	(0.4)	-(12.6)	(9.3)	(9.9)	(9.1)	(16.1)
In local currency	8,618	13,778	19,357	17,477	13,306	11,135	10,963	10,814	10,656
In foreign currency	22,674	18,141	18,299	20,323	19,749	25,135	26,174	27,382	27,734
To Non-Government	397,811	399,015	433,785	443,903	476,414	514,049	513,256	511,272	511,560
	(16.2)	(0.3)	(8.7)	(2.3)	(7.3)	(8.9)	(8.8)	(8.0)	(7.4)
In local currency	275,732	281,011	298,342	320,213	354,580	375,591	375,758	378,592	377,715
In foreign currency	122,079	118,004	135,443	123,690	121,834	138,458	137,498	132,680	133,845
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	86.1	84.8	85.3	84.7	85.1	85.5	85.3	85.2	85.1
Non Government Loans/ Deposits ^{4/}	59.0	54.9	52.6	51.5	50.3	47.9	47.5	47.1	46.6
Government Loans / Deposits	33.1	29.1	33.2	31.5	28.4	26.2	27.0	26.6	26.9
Foreign currency denominated credit to total credit	33.7	31.6	32.6	29.9	27.8	29.7	29.7	29.1	29.4
Government foreign currency denominated credit to total government credit	72.5	56.8	48.6	53.8	59.7	69.3	70.5	71.7	72.2
Non - government foreign currency denominated credit to total non-government credit	30.7	29.6	31.2	27.9	25.6	26.9	26.8	26.0	26.2

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

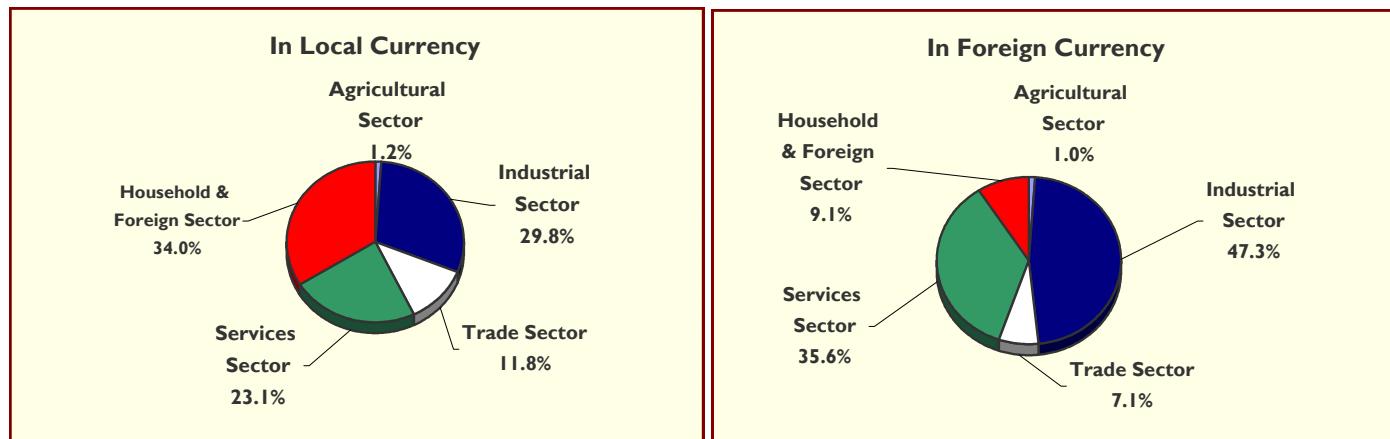
1/ Excludes credit provided by the Central Bank of Egypt.

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-2013**



Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

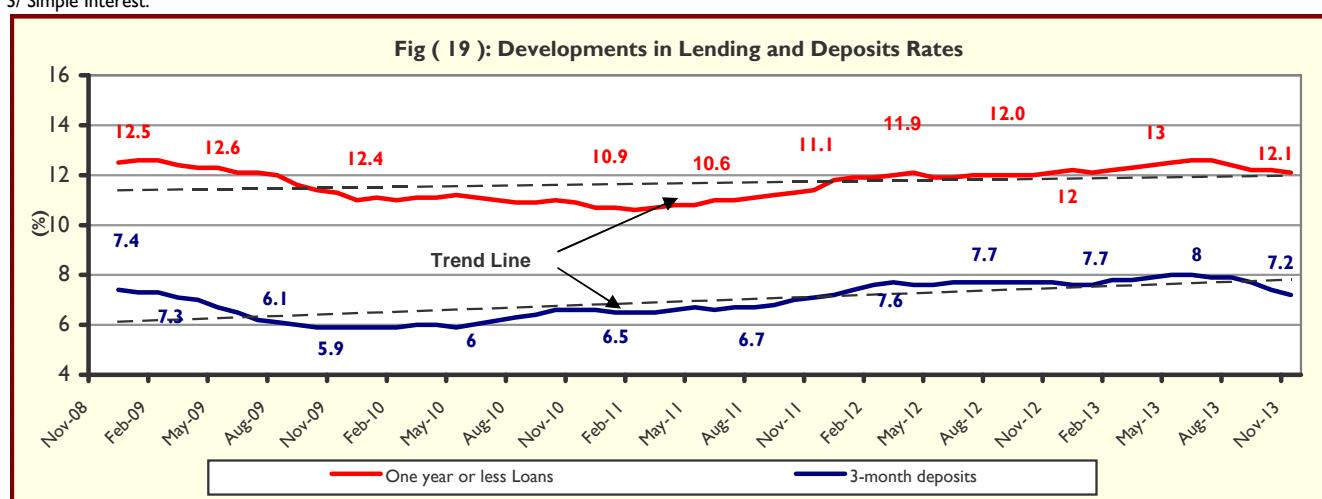
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/ 3/}	Post office Saving Deposits ^{1/}
Yearly Average						
2002/2003	10.00	13.70	8.69	8.31	10.50	10.50
2003/2004	10.00	13.40	7.96	8.41	10.50	10.50
2004/2005	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						
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
Nov-13	9.25	12.10	7.20	10.87	10.50	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/}

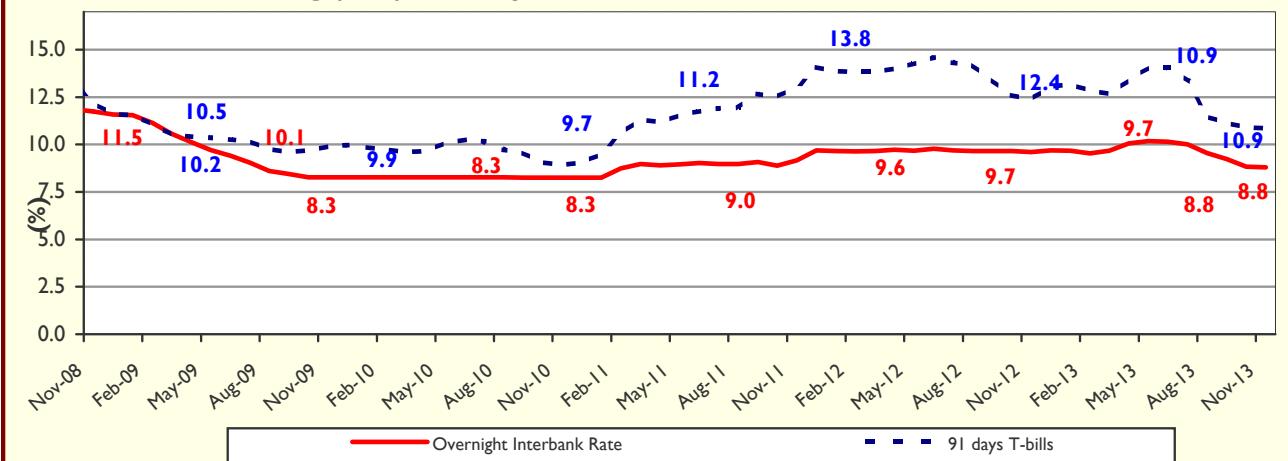
	Overnight	One Week	Month	More than One Month
Yearly Average				
2004	8.2	9.8	10.7	10.3
2005	9.5	10.1	10.4	10.7
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
2011	9.0	9.2	9.5	9.5
2012	9.4	10.0	10.2	10.2
2013	9.4	10.0	10.2	10.2
Monthly Average				
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	--
Nov-13	8.81	9.05	--	--

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.