

Section 6

MONETARY SECTOR

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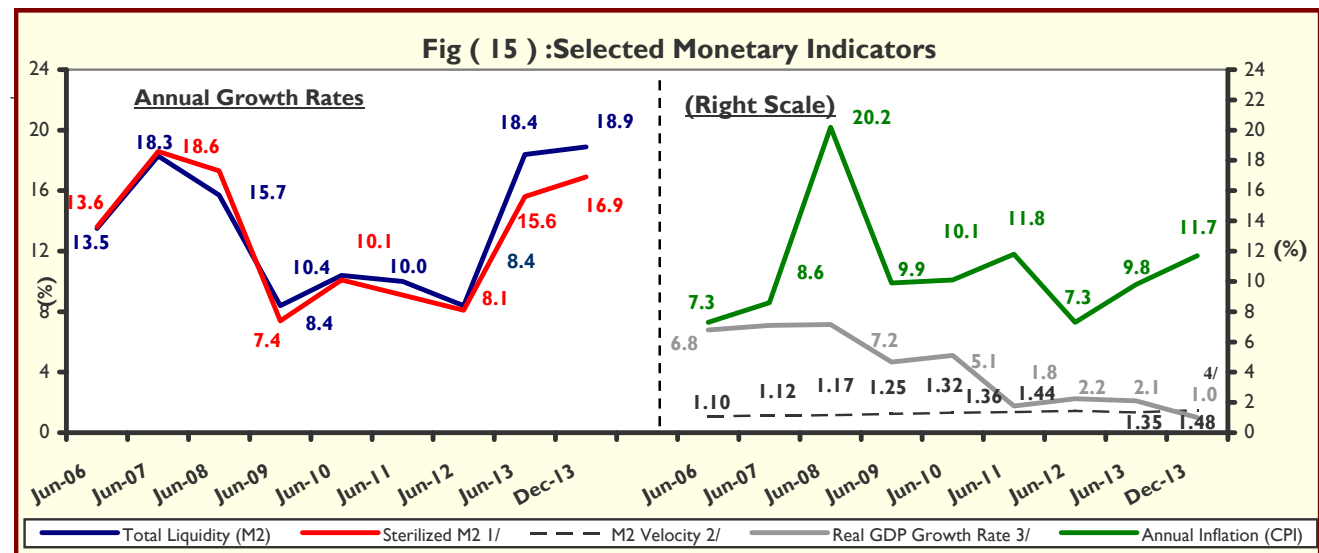
**Table (24) : Developments in Main Monetary Aggregates
(December 2013)**

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	1.0	-5.5	-11.8	-18.8
CBE NFA	-4.4	-10.5	-21.6	-42.3
CBE NIR	-3.9	-9.1	27.3	21.6
Banks NFA 2/	3.8	-2.9	-6.1	1.6
Net Foreign Assets (US dollar terms)	0.8	-5.4	-21.4	-28.4
CBE NFA	-4.6	-10.4	-30.2	-49.1
CBE NIR	-4.1	-9.0	13.4	7.0
Banks NFA 2/	3.6	-2.8	-16.3	-10.5
Net Domestic Assets	2.1	4.9	22.9	24.3
Net Claims on Government and GASC	2.9	7.9	36.0	36.0
Claims on Public Companies	-0.6	0.7	-0.6	5.3
Claims on Private Sector	-0.6	-0.2	6.4	9.1
Total Liquidity (M2)	2.0	3.9	18.9	18.0
Money (M1)	1.1	2.2	29.7	25.6
Quasi Money	2.4	4.6	15.4	15.4

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.

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

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

(LE Millions)

	Dec-08	Dec-09	Dec-10	Dec-11	Dec-12	Sep-13	Oct-13	Nov-13	Dec-13 [*]
Net Foreign Assets 1/	248,470	255,857	305,252	190,179	133,369	124,503	121,994	116,459	117,609
	(6.8)	(3.0)	(19.3)	-(37.7)	-(29.9)	-(17.0)	-(21.0)	-(20.8)	-(11.8)
Central bank (Net)	184,397	177,126	198,207	96,828	49,051	42,958	42,133	40,218	38,448
Foreign Assets	185,787	185,621	206,313	107,201	90,051	126,065	125,104	119,189	114,764
Foreign Liabilities	1,390	8,495	8,106	10,373	41,000	83,107	82,971	78,971	76,316
Banks (Net)	64,073	78,731	107,045	93,351	84,318	81,545	79,861	76,241	79,161
Foreign Assets	92,994	105,446	148,104	123,741	115,033	114,715	113,696	110,794	113,596
Foreign Liabilities	28,921	26,715	41,059	30,390	30,715	33,170	33,835	34,553	34,435
Net Domestic Assets of which:	542,908	610,497	668,710	848,692	1,033,791	1,210,464	1,226,490	1,243,675	1,270,079
	(12.3)	(12.4)	(9.5)	(26.9)	(21.8)	(24.2)	(23.9)	(24.3)	(22.9)
Net Claims on Government, and GASC 1/	244,417	328,753	364,674	515,774	678,428	854,645	880,806	896,153	922,542
National Currency	298,480	389,913	434,886	588,870	724,074	907,285	935,380	891,617	910,786
Foreign Currency	-54,063	-61,160	-70,212	-73,096	-45,646	-52,640	-54,574	4,536	11,756
Claims on Public Business Sector	28,840	35,633	32,478	38,838	43,914	43,354	43,543	43,911	43,665
National Currency	20,862	27,942	24,030	29,958	35,050	34,704	34,904	35,232	34,719
Foreign Currency	7,978	7,691	8,448	8,880	8,864	8,650	8,639	8,679	8,946
Claims on Private Sector 2/	388,539	382,427	407,905	432,788	465,687	496,370	496,961	498,609	495,593
National Currency	280,061	282,426	298,490	328,862	358,833	377,964	377,159	378,114	374,983
Foreign Currency	108,478	100,001	109,415	103,926	106,854	118,406	119,802	120,495	120,610
Other Items (net) 1/ 3/	-118,888	-136,316	-136,347	-138,708	-154,238	-183,905	-194,820	-194,998	-191,721
Total Liquidity (M2)	791,378	866,354	973,962	1,038,871	1,167,160	1,334,967	1,348,484	1,360,134	1,387,688
	(10.5)	(9.5)	(12.4)	(6.7)	(12.3)	(18.7)	(17.8)	(18.5)	(18.9)
Money (M1) 4/	174,460	196,973	223,456	255,581	288,139	365,745	369,024	369,561	373,624
	(14.9)	(12.9)	(13.4)	(14.4)	(12.7)	(29.3)	(26.5)	(28.4)	(29.7)
Currency in Circulation	114,036	126,666	143,633	176,578	205,020	257,206	258,332	254,057	251,050
Demand Deposits in Local Currency	60,424	70,307	79,823	79,003	83,119	108,539	110,692	115,504	122,574
Quasi Money	616,918	669,381	750,506	783,290	879,021	969,222	979,460	990,573	1,014,064
	(9.3)	(8.5)	(12.1)	(4.4)	(12.2)	(15.2)	(14.8)	(15.2)	(15.4)
Local Currency Time & Savings Deposits	453,733	514,528	592,451	602,253	673,098	754,610	766,120	778,722	796,896
Foreign Currency Demand Deposits	25,889	29,124	34,072	40,850	50,784	53,594	52,924	51,725	57,295
Foreign Currency Time and Savings Deposits	137,296	125,729	123,983	140,187	155,139	161,018	160,416	160,126	159,873

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)
(December 2013)

	Dec-08	Dec-09	Dec-10	Dec-11	Dec-12	Sep-13	Oct-13	Nov-13	Dec-13 [*]
Net Foreign Assets (In Million US\$)^{4/}	45,107	46,742	53,471	31,641	21,695	18,030	17,717	16,917	17,048
Central bank NFA	33,475	32,359	34,720	16,110	7,979	6,221	6,119	5,842	5,573
Net International Reserves	45,359	48,294	54,891	33,367	28,365	30,066	29,767	28,388	28,111
Central Bank (Gross)	34,112	34,163	36,005	18,119	15,015	18,709	18,590	17,766	17,032
Banks (net)	11,632	14,383	18,751	15,531	13,716	11,809	11,598	11,075	11,475
Foreign assets	16,882	19,264	25,943	20,587	18,712	16,613	16,512	16,094	16,467
Foreign Liabilities	5,250	4,880	7,192	5,056	4,996	4,804	4,914	5,019	4,992
<u>In Percent of Beginning of Money Stocks^{5/}</u>									
Net Foreign Assets	-7.2%	0.2%	2.5%	-6.27%	-2.2%	0.1%	-0.1%	-0.5%	-0.4%
Net Domestic Assets	10.4%	4.0%	3.7%	9.2%	8.9%	2.9%	4.1%	5.5%	7.5%
Money (M1)	0.5%	1.7%	1.0%	0.7%	1.2%	1.7%	1.9%	2.0%	2.3%
Quasi Money	2.7%	2.5%	5.1%	2.2%	5.4%	1.3%	2.1%	3.0%	4.8%
Dollarization (% of Total Liquidity) ^{6/}	20.6	17.9	16.2	17.4	17.6	16.1	15.8	15.6	15.6
M2 Multiplier ^{7/}	4.71	4.49	4.46	4.04	4.42	3.93	4.03	4.02	4.13
M2 Velocity ^{8/}	1.32	1.39	1.41	1.52	1.50	1.54	1.52	1.51	1.48
M2 (annual percentage change)	10.5	9.5	12.4	6.7	12.3	18.7	17.8	18.5	18.9
Credit to private sector (annual percentage change) ^{9/}	12.1	-1.6	6.7	6.1	7.6	8.8	8.4	8.0	6.4
Exchange Rate ^{10/}	5.51	5.47	5.71	6.01	6.15	6.91	6.89	6.88	6.90

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.

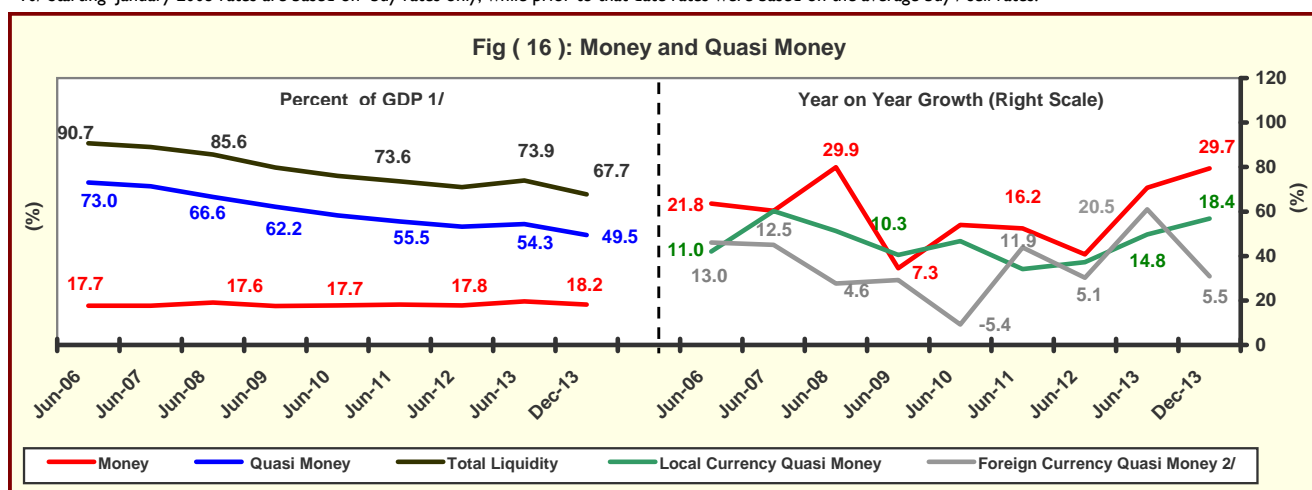
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity. It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

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 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.



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)

	Dec-08	Dec-09	Dec-10	Dec-11	Dec-12	Sep-13	Oct-13	Nov-13	Dec-13 [*]
Reserve Money	167,906	193,063	218,393	257,346	264,297	339,295	334,745	337,980	336,368
	(19.2)	(12.6)	(13.1)	(17.8)	(2.7)	(34.8)	(24.8)	(27.9)	(27.3)
Currency in Circulation	121,280	134,039	153,209	187,292	216,301	271,271	272,721	266,787	264,882
	(17.0)	(10.5)	(14.3)	(22.2)	(15.5)	(29.2)	(25.7)	(25.1)	(22.5)
Banks LE Deposits with CBE	46,626	59,024	65,184	70,054	47,996	68,024	62,024	71,193	71,486
	(25.5)	5.08	(2.7)	(7.5)	-(31.5)	(62.8)	(20.8)	(39.4)	(48.9)
Counter Assets:									
Net Foreign Assets ^{2/}	184,397	177,126	198,207	96,828	49,051	42,958	42,133	40,218	38,448
	(72.0)	-(3.9)	(11.9)	-(51.1)	-(49.3)	-(38.8)	-(39.7)	-(37.2)	-(21.6)
Net Domestic Assets ^{2/}	-16,491	15,937	20,186	160,518	215,246	296,337	292,612	297,762	297,920
	-(149.1)	(77.2)	(26.7)	(695.2)	(34.1)	(63.3)	(47.5)	(48.7)	(38.4)
Net Claims on Government ^{3/}	86,147	103,989	100,252	153,250	214,194	340,773	356,501	364,399	379,703
	-(24.9)	(20.7)	-(3.6)	(52.9)	(39.8)	(73.3)	(70.0)	(79.9)	(77.3)
Claims	158,886	176,961	176,459	233,811	297,832	432,458	446,409	402,897	419,044
	-(17.1)	(11.4)	-(0.3)	(32.5)	(27.4)	(57.4)	(54.2)	(42.0)	(40.7)
Securities	123,123	127,474	130,597	129,097	178,831	240,331	240,331	240,331	240,331
Credit Facilities	35,763	49,487	45,862	104,714	119,001	192,127	206,078	162,566	178,713
Deposits ^{4/}	72,739	72,972	76,207	80,561	83,638	91,685	89,908	38,498	39,341
	-(5.4)	(0.3)	(4.4)	(5.7)	(3.8)	(17.3)	(12.7)	-(52.7)	-(53.0)
Net Claims on Banks	4,169	7,048	39,848	-1,665	-848	-6,361	-6,865	-7,390	-2,544
Net Balancing Items ^{5/}	-102,008	-95,100	-119,914	8,933	1,900	-38,075	-57,024	-59,247	-79,239
Memorandum Items									
Reserve Money Velocity ^{6/, 7/}	6.21	6.25	6.28	6.12	6.63	6.04	6.12	6.07	6.09

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)

	Dec-08	Dec-09	Dec-10	Dec-11	Dec-12	Sep-13	Oct-13	Nov-13	Dec-13 [*]
Total Deposits	775,958	859,223	952,133	989,427	1,090,874	1,230,196	1,241,516	1,262,220	1,316,008
	(9.4)	(10.7)	(10.8)	(3.9)	(10.3)	(17.1)	(16.7)	(18.0)	(20.6)
In local currency	573,854	660,087	743,551	755,416	824,898	940,380	951,413	972,910	1,003,305
In foreign currency	202,104	199,136	208,582	234,011	265,976	289,816	290,103	289,310	312,703
Non Government Deposits ^{2/}	682,264	744,826	836,636	868,903	969,640	1,086,517	1,098,777	1,115,028	1,145,306
	(9.2)	(9.2)	(12.3)	(3.9)	(11.6)	(16.4)	(16.0)	(17.1)	(18.1)
In local currency	517,176	587,529	675,283	684,312	759,673	868,143	881,607	899,261	924,313
In foreign currency	165,088	157,297	161,353	184,591	209,967	218,374	217,170	215,767	220,993
Government Deposits	93,694	114,397	115,497	120,524	121,234	143,679	142,739	147,192	170,702
	(10.3)	(22.1)	(1.0)	(4.4)	(0.6)	(23.0)	(22.6)	(25.7)	(40.8)
In local currency	56,678	72,558	68,268	71,104	65,225	72,237	69,806	73,649	78,992
In foreign currency	37,016	41,839	47,229	49,420	56,009	71,442	72,933	73,543	91,710
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	26.0	23.2	21.9	23.7	24.4	23.6	23.4	22.9	23.8
Dollarization in Non-Government Deposits	24.2	21.1	19.3	21.2	21.7	20.1	19.8	19.4	19.3
Dollarization in Government Deposits	39.5	36.6	40.9	41.0	46.2	49.7	51.1	50.0	53.7

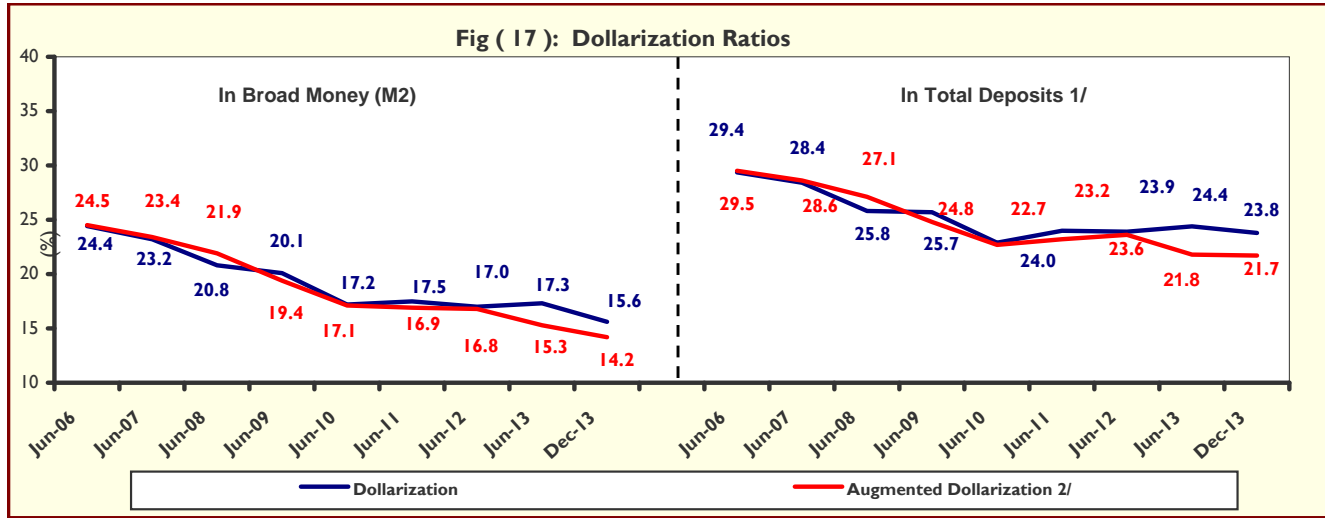
Source: Central bank of Egypt.

() 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)

	Dec-08	Dec-09	Dec-10	Dec-11	Dec-12	Sep-13	Oct-13	Nov-13	Dec-13 [*]
Total lending	429,188	432,597	458,081	489,729	516,842	549,468	549,950	550,210	550,303
	(12.4)	(0.8)	(5.9)	(6.9)	(5.5)	(8.1)	(7.9)	(7.5)	(6.5)
To Government ^{2/}	31,679	34,191	38,172	37,227	35,141	38,196	38,390	37,237	41,555
	-(0.9)	(7.9)	(11.6)	-(2.5)	-(5.6)	(9.1)	(16.1)	(17.2)	(18.3)
In local currency	8,034	13,082	19,457	16,844	12,579	10,814	10,656	10,396	12,093
In foreign currency	23,645	21,109	18,715	20,383	22,562	27,382	27,734	26,841	29,462
To Non-Government	397,509	398,406	419,909	452,502	481,701	511,272	511,560	512,973	508,748
	(13.6)	(0.2)	(5.4)	(7.8)	(6.5)	(8.0)	(7.4)	(6.9)	(5.6)
In local currency	276,948	281,143	288,094	328,537	358,181	378,592	377,715	378,608	374,051
In foreign currency	120,561	117,263	131,815	123,965	123,520	132,680	133,845	134,365	134,697
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	85.9	83.9	84.6	84.5	84.8	85.2	85.1	85.3	84.6
Non Government Loans/ Deposits ^{4/}	58.3	53.5	50.2	52.1	49.7	47.1	46.6	46.0	44.4
Government Loans / Deposits	33.8	29.9	33.1	30.9	29.0	26.6	26.9	25.3	24.3
Foreign currency denominated credit to total credit	33.6	32.0	32.9	29.5	28.3	29.1	29.4	29.3	29.8
Government foreign currency denominated credit to total government credit	74.6	61.7	49.0	54.8	64.2	71.7	72.2	72.1	70.9
Non - government foreign currency denominated credit to total non-government credit	30.3	29.4	31.4	27.4	25.6	26.0	26.2	26.2	26.5

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

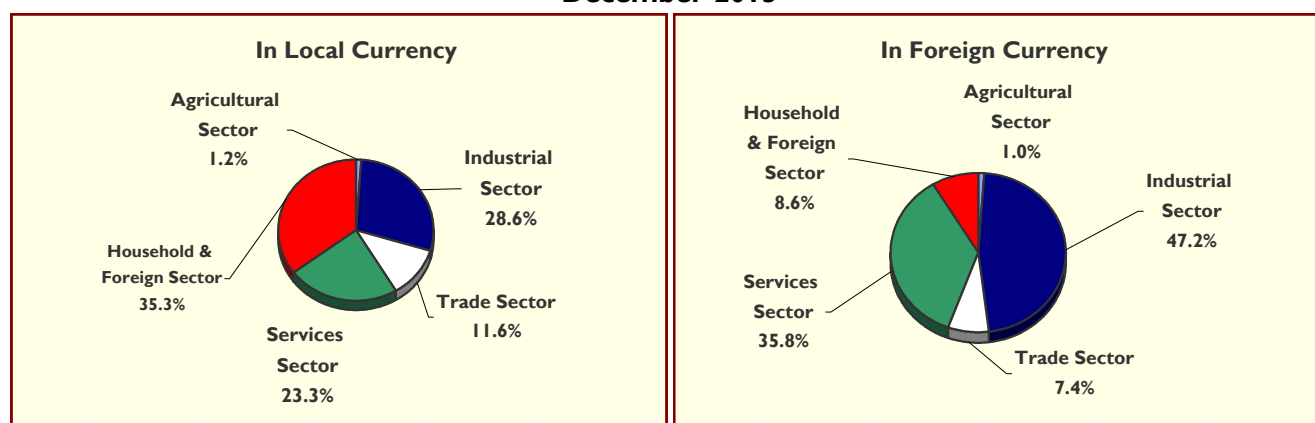
1/ Excludes credit provided by the Central Bank of Egypt.

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
December-2013**



Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

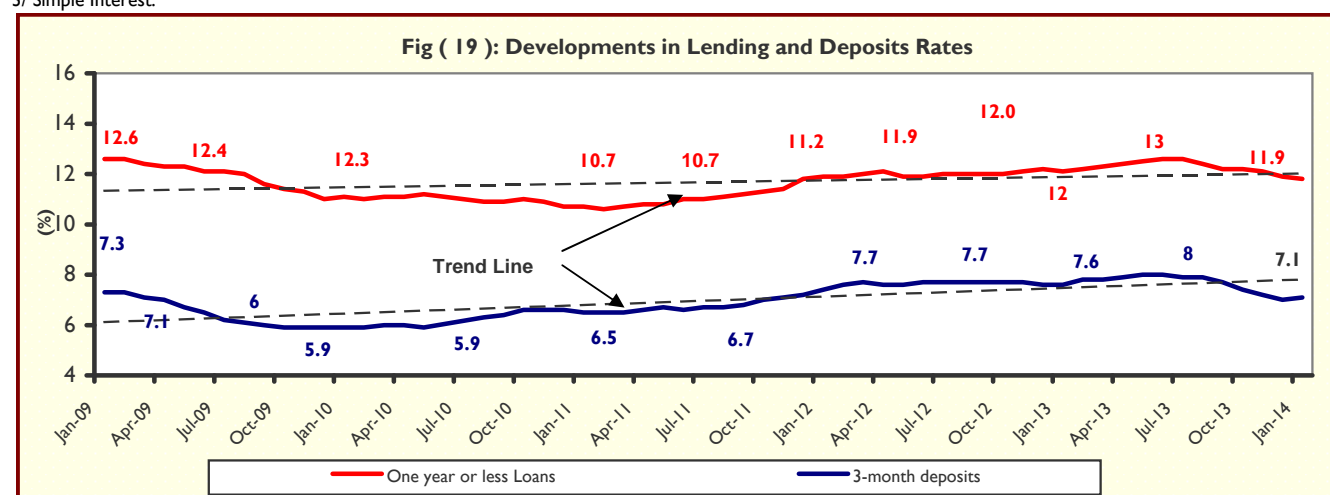
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/ 3/}	Post office Saving Deposits ^{1/}
Yearly Average						
2002/2003	10.00	13.70	8.69	8.31	10.50	10.50
2003/2004	10.00	13.40	7.96	8.41	10.50	10.50
2004/2005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

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.

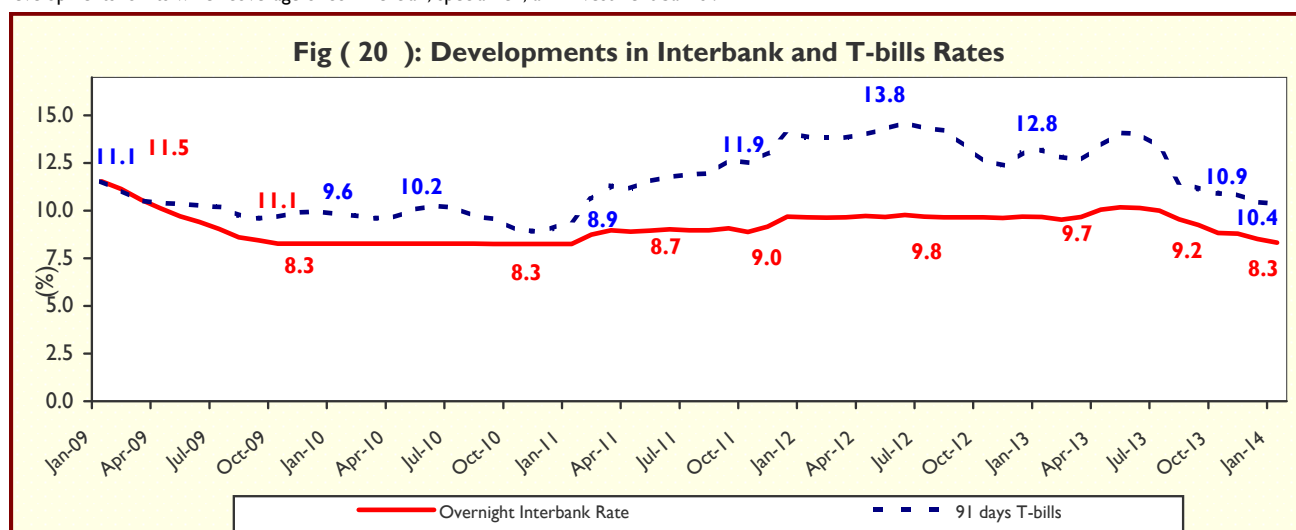
Table (30) : Average Interbank Rates ^{1/}

	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				
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	--	--
Dec-13	8.51	8.91	--	--
Jan-14	8.33	8.62	--	--

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.