

Section 6

MONETARY SECTOR

Table (24) Developments in Main Monetary Aggregates-----	45
Table (25) Monetary Survey-----	46 -47
Table (26) Central Bank Reserve Money-----	48
Table (27) Deposits With Banks-----	49
Table (28) Credit Provided By Banks-----	50
Table (29) Domestic Interest Rates-----	51
Table (30) Average Interbank Rates-----	52

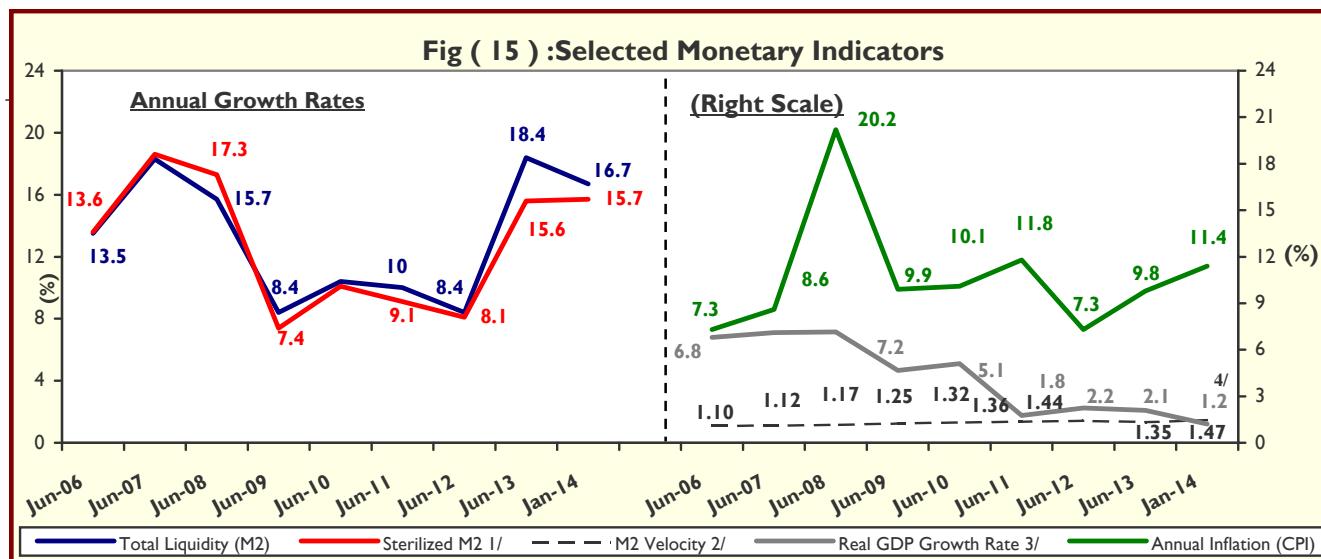
Table (24) : Developments in Main Monetary Aggregates
(January 2014)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	4.3	0.5	-11.2	-17.8
CBE NFA	1.8	-7.1	-6.4	-38.5
CBE NIR	1.3	-7.0	33.5	25.2
Banks NFA 2/	5.5	4.5	-13.2	0.2
Net Foreign Assets (US dollar terms)	3.4	-0.5	-16.4	-27.3
CBE NFA	0.9	-8.1	-12.0	-45.5
CBE NIR	0.4	-8.0	25.6	10.6
Banks NFA 2/	4.6	3.5	-18.4	-11.6
Net Domestic Assets	0.5	4.0	20.4	24.1
Net Claims on Government and GASC	0.8	5.6	32.5	36.1
Claims on Public Companies	-0.7	-0.4	-2.6	3.8
Claims on Private Sector	0.9	0.6	5.4	8.8
Total Liquidity (M2)	0.8	3.7	16.7	18.1
Money (M1)	0.9	2.2	23.8	26.1
Quasi Money	0.7	4.3	14.3	15.5

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.

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

Table (25) : Monetary Survey
Assets and Liabilities of The Banking Sector
(January 2014)

(LE Millions)

	Jan-09	Jan-10	Jan-11	Jan-12	Jan-13	Oct-13	Nov-13	Dec-13	Jan-14 *
Net Foreign Assets 1/	244,547	261,192	286,196	179,716	138,054	121,994	116,459	117,609	122,631
	(1.7)	(6.8)	(9.6)	-(37.2)	-(23.2)	-(21.0)	-(20.8)	-(11.8)	-(11.2)
Central bank (Net)	182,293	176,524	193,507	86,205	41,831	42,133	40,218	38,448	39,137
Foreign Assets	183,656	184,967	201,551	96,580	85,199	125,104	119,189	114,764	115,684
Foreign Liabilities	1,363	8,443	8,044	10,375	43,368	82,971	78,971	76,316	76,547
Banks (Net)	62,254	84,668	92,689	93,511	96,223	79,861	76,241	79,161	83,494
Foreign Assets	90,548	110,207	132,870	122,600	127,486	113,696	110,794	113,596	117,271
Foreign Liabilities	28,294	25,539	40,181	29,089	31,263	33,835	34,553	34,435	33,777
Net Domestic Assets of which:	548,807	606,542	683,516	864,161	1,060,041	1,226,490	1,243,675	1,270,079	1,276,031
	(13.3)	(10.5)	(12.7)	(26.4)	(22.7)	(23.9)	(24.3)	(22.9)	(20.4)
Net Claims on Government, and GASC 1/	249,221	321,324	368,796	535,955	701,800	880,806	896,153	922,542	930,155
National Currency	304,798	382,703	449,599	601,645	748,946	935,380	891,617	910,786	919,756
Foreign Currency	-55,577	-61,379	-80,803	-65,690	-47,146	-54,574	4,536	11,756	10,399
Claims on Public Business Sector	29,612	37,569	32,840	38,830	44,494	43,543	43,911	43,665	43,352
National Currency	21,287	28,855	24,322	30,163	35,167	34,904	35,232	34,719	34,504
Foreign Currency	8,325	8,714	8,518	8,667	9,327	8,639	8,679	8,946	8,848
Claims on Private Sector 2/	387,481	384,720	413,103	435,446	474,222	496,961	498,609	495,593	499,948
National Currency	279,821	284,727	301,213	331,620	361,151	377,159	378,114	374,983	380,606
Foreign Currency	107,660	99,993	111,890	103,826	113,071	119,802	120,495	120,610	119,342
Other Items (net) 1/ 3/	-117,507	-137,071	-131,223	-146,070	-160,475	-194,820	-194,998	-191,721	-197,424
Total Liquidity (M2)	793,354	867,734	969,712	1,043,877	1,198,095	1,348,484	1,360,134	1,387,688	1,398,662
	(9.5)	(9.4)	(11.8)	(7.6)	(14.8)	(17.8)	(18.5)	(18.9)	(16.7)
Money (M1) 4/	172,148	197,256	229,528	258,977	304,502	369,024	369,561	373,624	377,044
	(12.8)	(14.6)	(16.4)	(12.8)	(17.6)	(26.5)	(28.4)	(29.7)	(23.8)
Currency in Circulation	112,724	126,332	145,857	179,598	215,999	258,332	254,057	251,050	255,208
Demand Deposits in Local Currency	59,424	70,924	83,671	79,379	88,503	110,692	115,504	122,574	121,836
Quasi Money	621,206	670,478	740,184	784,900	893,593	979,460	990,573	1,014,064	1,021,618
	(8.6)	(7.9)	(10.4)	(6.0)	(13.8)	(14.8)	(15.2)	(15.4)	(14.3)
Local Currency Time & Savings Deposit	457,039	512,854	579,119	600,277	674,962	766,120	778,722	796,896	804,859
Foreign Currency Demand Deposits	27,985	33,573	38,134	43,051	53,928	52,924	51,725	57,295	54,195
Foreign Currency Time and Savings Deposits	136,182	124,051	122,931	141,572	164,703	160,416	160,126	159,873	162,564

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)

(January 2014)

	Jan-09	Jan-10	Jan-11	Jan-12	Jan-13	Oct-13	Nov-13	Dec-13	Jan-14
Net Foreign Assets (In Million US\$)^{4/}	44,314	48,037	49,367	29,840	21,091	17,717	16,917	17,048	17,629
Central bank NFA	33,033	32,465	33,379	14,314	6,391	6,119	5,842	5,573	5,626
Net International Reserves	44,561	49,590	50,754	31,563	27,717	29,767	28,388	28,111	28,632
Central Bank (Gross)	33,431	34,211	35,007	16,354	13,613	18,590	17,766	17,032	17,105
Banks (net)	11,281	15,572	15,988	15,527	14,700	11,598	11,075	11,475	12,003
Foreign assets	16,408	20,269	22,919	20,357	19,477	16,512	16,094	16,467	16,858
Foreign Liabilities	5,127	4,697	6,931	4,830	4,776	4,914	5,019	4,992	4,856
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	-7.7%	0.8%	0.4%	-7.31%	-1.8%	-0.1%	-0.5%	-0.4%	-0.04%
Net Domestic Assets	11.2%	3.5%	5.3%	10.7%	11.3%	4.1%	5.5%	7.5%	8.0%
Money (M1)	0.2%	1.7%	1.7%	1.0%	2.7%	1.9%	2.0%	2.3%	2.5%
Quasi Money	3.3%	2.7%	4.0%	2.4%	6.7%	2.1%	3.0%	4.8%	5.4%
Dollarization (% of Total Liquidity)^{6/}	20.7	18.2	16.6	17.7	18.2	15.8	15.6	15.6	15.5
M2 Multiplier^{7/}	4.71	4.51	4.20	4.01	4.49	4.03	4.02	4.13	4.17
M2 Velocity^{8/}	1.31	1.39	1.41	1.51	1.46	1.52	1.51	1.48	1.47
M2 (annual percentage change)	9.5	9.4	11.8	7.6	14.8	17.8	18.5	18.9	16.7
Credit to private sector (annual percentage change)^{9/}	11.1	-0.7	7.4	5.4	8.9	8.4	8.0	6.4	5.4
Exchange Rate^{10/}	5.52	5.44	5.80	6.02	6.55	6.89	6.88	6.90	6.96

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.

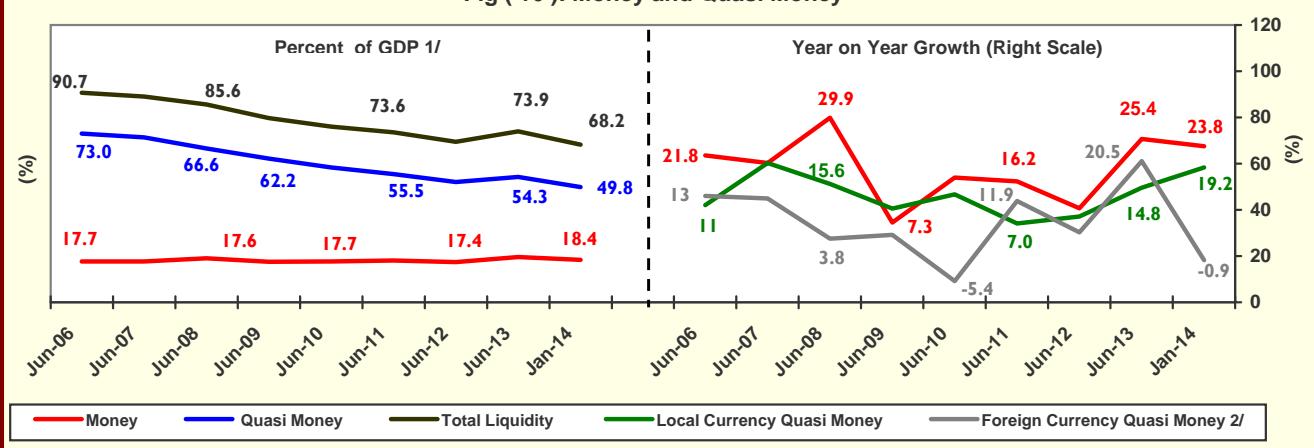
7/ M2 / Reserve Money.

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)

	Jan-09	Jan-10	Jan-11	Jan-12	Jan-13	Oct-13	Nov-13	Dec-13	Jan-14 [*]
Reserve Money	168,505	192,232	230,862	260,619	266,657	334,745	337,980	336,368	335,195
	(12.6)	(11.5)	(20.1)	(12.9)	(2.3)	(24.8)	(27.9)	(27.3)	(25.7)
Currency in Circulation	119,389	134,073	154,156	190,978	226,911	272,721	266,787	264,882	269,130
	(16.0)	(12.3)	(15.0)	(23.9)	(18.8)	(25.7)	(25.1)	(22.5)	(18.6)
Banks LE Deposits with CBE	49,116	58,159	76,706	69,641	39,746	62,024	71,193	71,486	66,065
	(5.1)	2.72	-(3.5)	-(9.2)	-(42.9)	(20.8)	(39.4)	(48.9)	(66.2)
Counter Assets:									
Net Foreign Assets ^{2/}	182,293	176,524	193,507	86,205	41,831	42,133	40,218	38,448	39,137
	(62.4)	-(3.2)	(9.6)	-(55.5)	-(51.5)	-(39.7)	-(37.2)	-(21.6)	-(6.4)
Net Domestic Assets ^{2/}	-13,788	15,708	37,355	174,414	224,826	292,612	297,762	297,920	296,058
	-(136.9)	(26.7)	(137.8)	(366.9)	(28.9)	(47.5)	(48.7)	(38.4)	(31.7)
Net Claims on Government ^{3/}	83,085	98,880	104,468	183,836	246,631	356,501	364,399	379,703	381,540
	-(29.3)	(19.0)	(5.7)	(76.0)	(34.2)	(70.0)	(79.9)	(77.3)	(54.7)
Claims	157,033	171,218	183,667	263,563	338,326	446,409	402,897	419,044	423,964
	-(19.5)	(9.0)	(7.3)	(43.5)	(28.4)	(54.2)	(42.0)	(40.7)	(25.3)
Securities	123,123	124,559	130,597	129,097	178,831	240,331	240,331	240,331	240,331
Credit Facilities	33,910	46,659	53,070	134,466	159,495	206,078	162,566	178,713	183,633
Deposits ^{4/}	73,948	72,338	79,199	79,727	91,695	89,908	38,498	39,341	42,424
	-(4.5)	-(2.2)	(9.5)	(0.7)	(15.0)	(12.7)	-(52.7)	-(53.0)	-(53.7)
Net Claims on Banks	-185	10,055	17,936	-1,918	-116	-6,865	-7,390	-2,544	1,258
Net Balancing Items ^{5/}	-95,100	-93,227	-85,049	-7,504	-21,689	-57,024	-59,247	-79,239	-86,740
Memorandum Items									
Reserve Money Velocity ^{6/ 7/}	6.18	6.28	5.94	6.05	6.58	6.12	6.07	6.09	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)

	Jan-09	Jan-10	Jan-11	Jan-12	Jan-13	Oct-13	Nov-13	Dec-13	Jan-14 *
Total Deposits	780,467	857,977	944,700	992,356	1,113,974	1,241,516	1,262,220	1,316,008	1,325,137
	(8.6)	(9.9)	(10.1)	(5.0)	(12.3)	(16.7)	(18.0)	(20.6)	(19.0)
In local currency	576,514	656,463	733,513	753,886	833,269	951,413	972,910	1,003,305	1,012,835
In foreign currency	203,953	201,514	211,187	238,470	280,705	290,103	289,310	312,703	312,302
Non Government Deposits ^{2/}	685,013	746,385	830,359	870,998	989,727	1,098,777	1,115,028	1,145,306	1,152,284
	(8.2)	(9.0)	(11.3)	(4.9)	(13.6)	(16.0)	(17.1)	(18.1)	(16.4)
In local currency	518,946	586,417	666,004	682,651	766,899	881,607	899,261	924,313	931,393
In foreign currency	166,067	159,968	164,355	188,347	222,828	217,170	215,767	220,993	220,891
Government Deposits	95,454	111,592	114,341	121,358	124,247	142,739	147,192	170,702	172,853
	(11.5)	(16.9)	(2.5)	(6.1)	(2.4)	(22.6)	(25.7)	(40.8)	(39.1)
In local currency	57,568	70,046	67,509	71,235	66,370	69,806	73,649	78,992	81,442
In foreign currency	37,886	41,546	46,832	50,123	57,877	72,933	73,543	91,710	91,411
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	26.1	23.5	22.4	24.0	25.2	23.4	22.9	23.8	23.6
Dollarization in Non-Government Deposits	24.2	21.4	19.8	21.6	22.5	19.8	19.4	19.3	19.2
Dollarization in Government Deposits	39.7	37.2	41.0	41.3	46.6	51.1	50.0	53.7	52.9

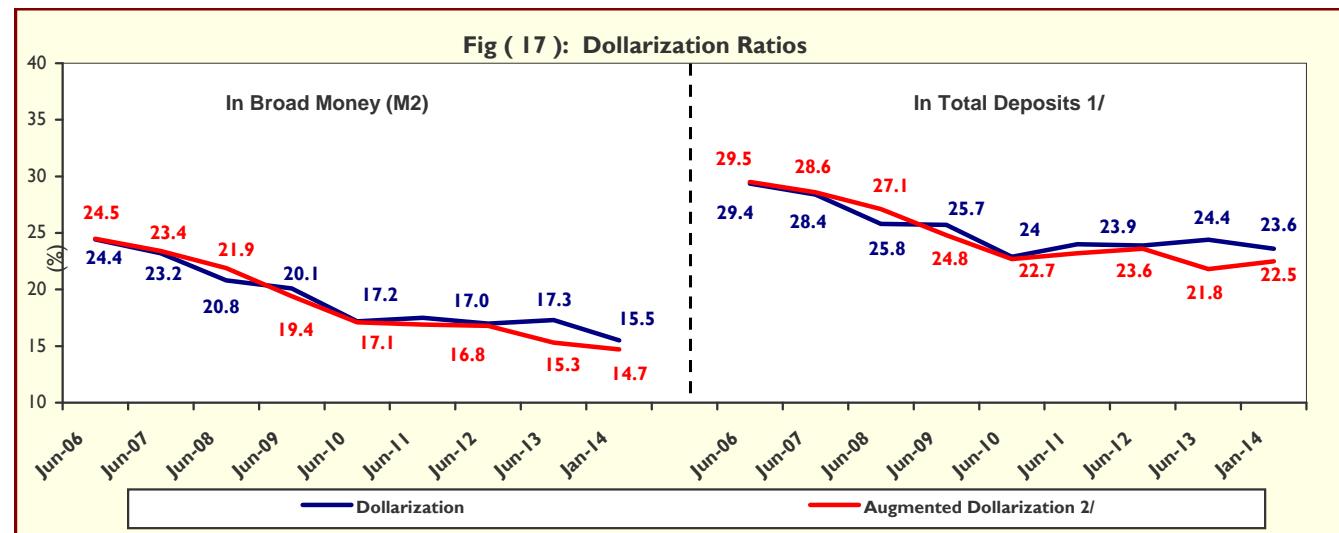
Source: Central bank of Egypt.

() 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)

	Jan-09	Jan-10	Jan-11	Jan-12	Jan-13	Oct-13	Nov-13	Dec-13	Jan-14*
Total lending	428,950	435,331	465,109	492,290	528,012	549,950	550,210	550,303	552,457
	(11.8)	(1.5)	(6.8)	(5.8)	(7.3)	(7.9)	(7.5)	(6.5)	(4.6)
To Government ^{2/}	31,164	32,991	38,782	36,880	36,281	38,390	37,237	41,555	40,613
	(-0.2)	(5.9)	(17.6)	(-4.9)	(-1.6)	(16.1)	(17.2)	(18.3)	(11.9)
In local currency	7,876	12,788	19,175	16,120	12,280	10,656	10,396	12,093	12,075
In foreign currency	23,288	20,203	19,607	20,760	24,001	27,734	26,841	29,462	28,538
To Non-Government	397,786	402,340	426,327	455,410	491,731	511,560	512,973	508,748	511,844
	(12.9)	(1.1)	(6.0)	(6.8)	(8.0)	(7.4)	(6.9)	(5.6)	(4.1)
In local currency	277,714	284,261	292,360	331,549	360,891	377,715	378,608	374,051	378,815
In foreign currency	120,071	118,079	133,967	123,861	130,840	133,845	134,365	134,697	133,029
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	85.9	83.9	84.6	84.7	84.7	85.1	85.3	84.6	84.8
Non Government Loans/ Deposits ^{4/}	58.1	53.9	51.3	52.3	49.7	46.6	46.0	44.4	44.4
Government Loans / Deposits	32.6	29.6	33.9	30.4	29.2	26.9	25.3	24.3	23.5
Foreign currency denominated credit to total credit	33.4	31.8	33.0	29.4	29.3	29.4	29.3	29.8	29.2
Government foreign currency denominated credit to total government credit	74.7	61.2	50.6	56.3	66.2	72.2	72.1	70.9	70.3
Non - government foreign currency denominated credit to total non-government credit	30.2	29.3	31.4	27.2	26.6	26.2	26.2	26.5	26.0

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

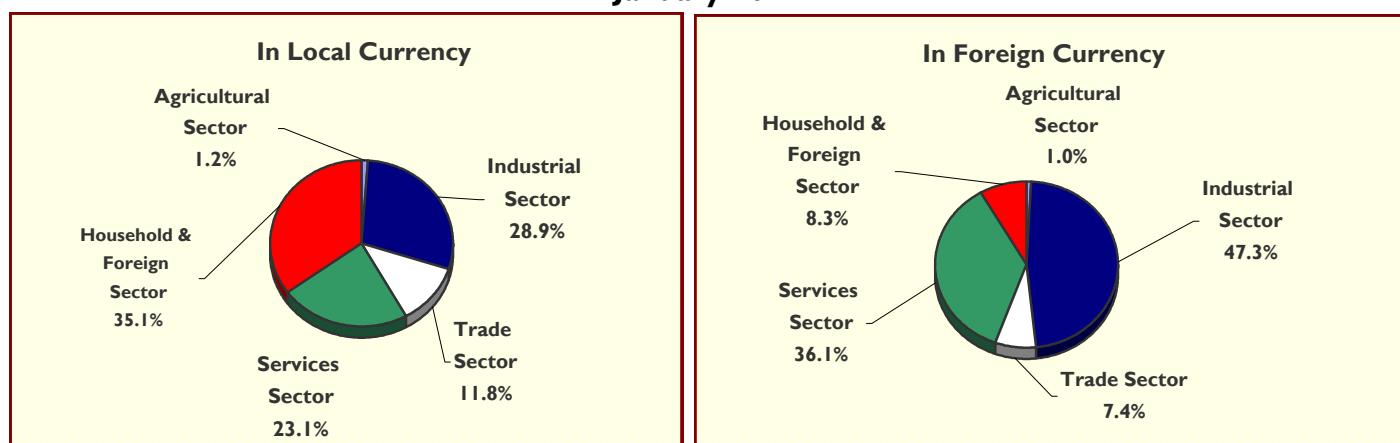
1/ Excludes credit provided by the Central Bank of Egypt.

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
January-2014**



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						
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
Feb-14	8.75	--	--	10.22	9.75	8.50

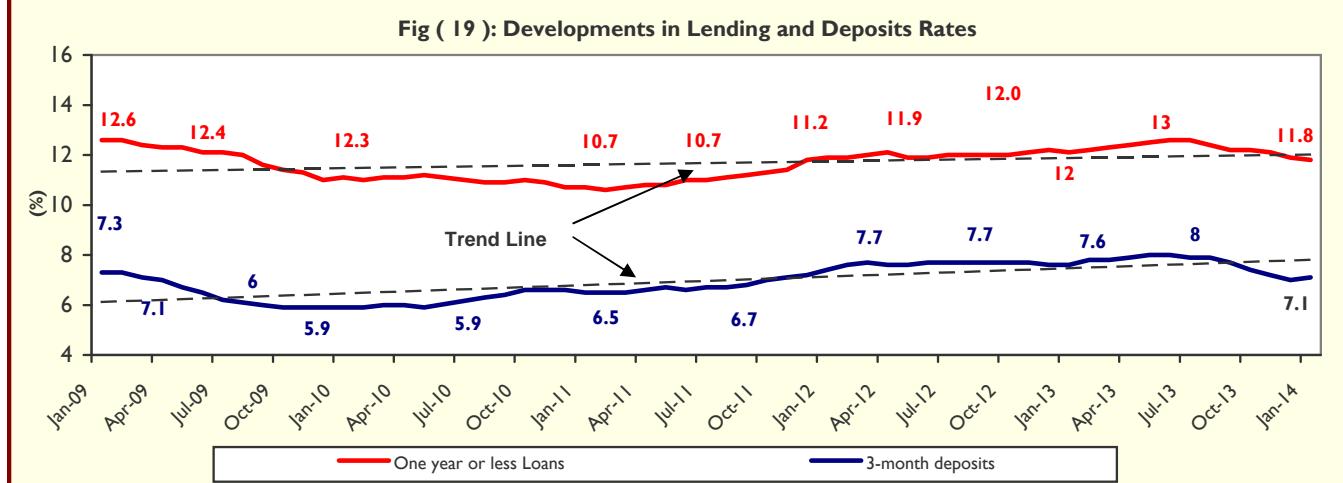
Source: Central Bank of Egypt.

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.

Fig (19) : Developments in Lending and Deposits Rates



Source: Central Bank of Egypt.

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

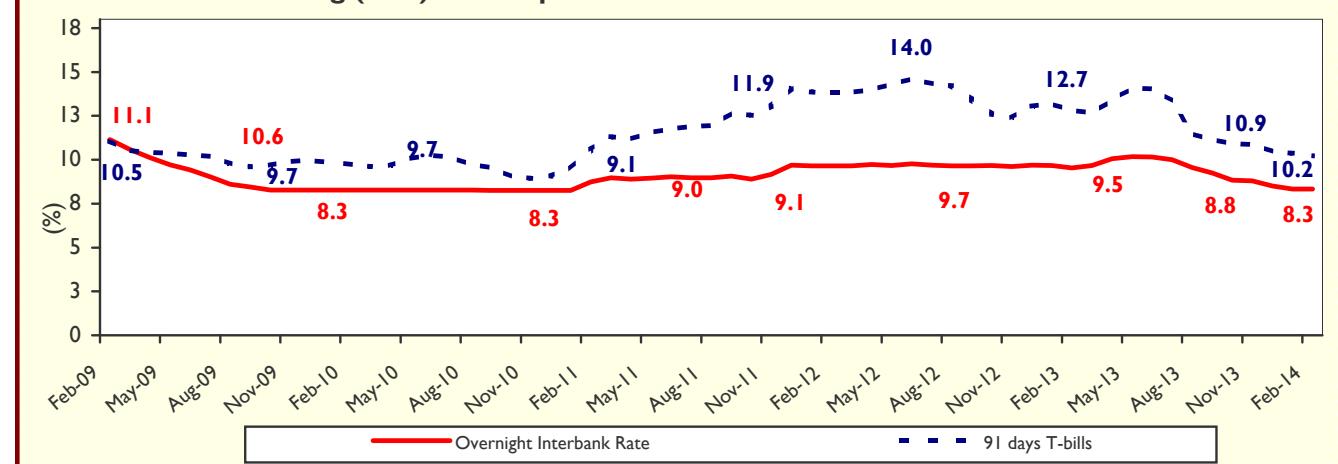
	Overnight	One Week	Month	More than One Month
Yearly Average				
2004	8.2	9.8	10.7	10.3
2005	9.5	10.1	10.4	10.7
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
2011	9.0	9.2	9.5	9.5
2012	9.4	10.0	10.2	10.2
2013	9.4	10.0	10.2	10.2
Monthly Average				
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	--	--
Feb-14	8.32	8.57	--	--

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.