

Section 6

MONETARY SECTOR

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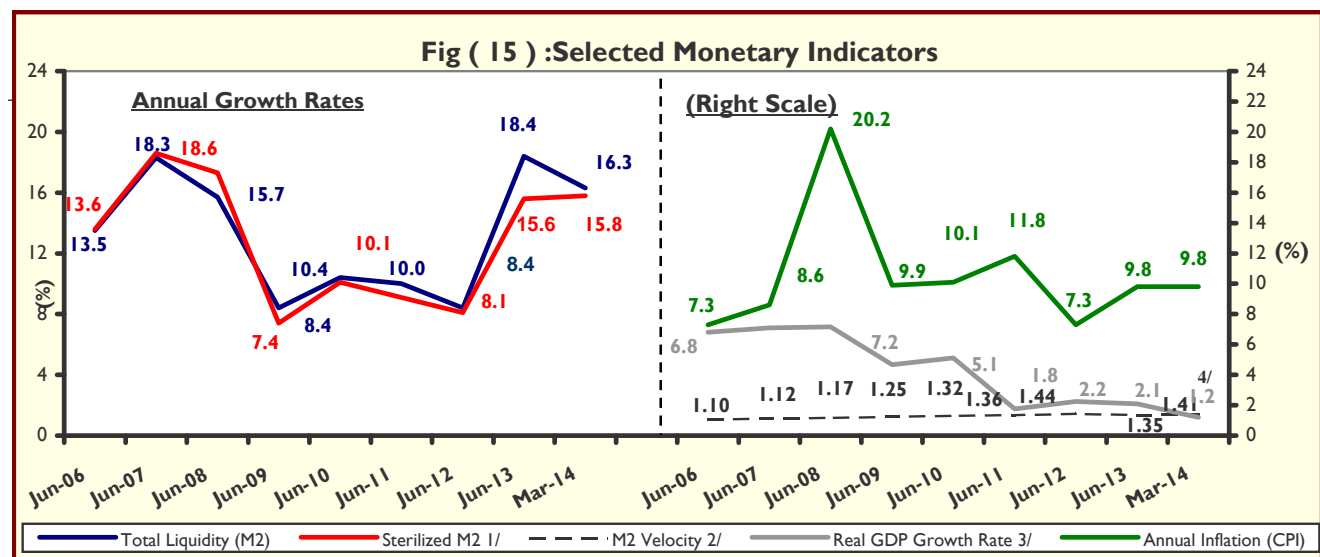
**Table (24) : Developments in Main Monetary Aggregates
(March 2014)**

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-2.0	5.7	-3.9	-14.3
CBE NFA	2.0	7.4	-0.02	-30.7
CBE NIR	0.6	3.1	33.3	31.0
Banks NFA 2/	-3.9	4.9	-5.7	0.1
Net Foreign Assets (US dollar terms)	-2.0	4.8	-6.5	-23.0
CBE NFA	2.0	6.5	-2.7	-37.2
CBE NIR	0.6	2.2	29.7	17.5
Banks NFA 2/	-3.9	4.0	-8.3	-10.5
Net Domestic Assets	1.8	3.5	18.6	23.2
Net Claims on Government and GASC	2.4	4.1	27.7	35.2
Claims on Public Companies	5.5	5.2	4.2	2.6
Claims on Private Sector	1.3	3.1	5.3	8.1
Total Liquidity (M2)	1.5	3.7	16.3	18.2
Money (M1)	2.7	4.0	19.0	25.8
Quasi Money	1.0	3.5	15.3	15.6

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 2033.8 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
(March 2014)**

(LE Millions)

	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Dec-13	Jan-14	Feb-14 [#]	Mar-14 [*]
Net Foreign Assets 1/	246,338	276,379	266,036	172,180	129,346	117,609	122,631	126,847	124,283
	-(2.8)	(12.2)	-(3.7)	-(35.3)	-(24.9)	-(11.8)	-(11.2)	-(4.7)	-(3.9)
Central bank (Net)	177,300	179,809	167,446	78,891	41,282	38,448	39,137	40,475	41,275
Foreign Assets	178,733	188,132	175,498	89,185	85,362	114,764	115,684	117,011	117,889
Foreign Liabilities	1,433	8,323	8,052	10,294	44,080	76,316	76,547	76,536	76,614
Banks (Net)	69,038	96,570	98,590	93,289	88,064	79,161	83,494	86,372	83,008
Foreign Assets	99,013	124,031	136,404	122,398	120,776	113,596	117,271	120,454	117,765
Foreign Liabilities	29,975	27,461	37,814	29,109	32,712	34,435	33,777	34,082	34,757
Net Domestic Assets of which:	562,265	611,797	722,040	882,816	1,107,592	1,270,079	1,275,624	1,290,777	1,314,138
	(11.8)	(8.8)	(18.0)	(22.3)	(25.5)	(22.9)	(20.3)	(19.7)	(18.6)
Net Claims on Government, and GASC 1/	269,438	320,885	419,024	553,186	751,663	922,542	929,836	937,043	959,979
National Currency	328,790	384,979	504,751	618,318	801,276	910,786	918,829	925,374	949,302
Foreign Currency	-59,352	-64,094	-85,727	-65,132	-49,613	11,756	11,007	11,669	10,677
Claims on Public Business Sector	30,859	36,708	33,668	41,151	44,089	43,665	43,352	43,522	45,931
National Currency	21,902	27,830	24,991	32,330	34,864	34,719	34,504	34,680	36,272
Foreign Currency	8,957	8,878	8,677	8,821	9,225	8,946	8,848	8,842	9,659
Claims on Private Sector 2/	389,882	393,290	417,777	440,892	484,954	495,593	499,948	504,547	510,854
National Currency	283,005	290,674	306,645	337,319	367,329	374,983	380,606	383,297	388,289
Foreign Currency	106,877	102,616	111,132	103,573	117,625	120,610	119,342	121,250	122,565
Other Items (net) 1/ 3/	-127,914	-139,086	-148,429	-152,413	-173,114	-191,721	-197,512	-194,335	-202,626
Total Liquidity (M2)	808,603	888,176	988,076	1,054,996	1,236,938	1,387,688	1,398,255	1,417,624	1,438,421
	(6.9)	(9.8)	(11.2)	(6.8)	(17.2)	(18.9)	(16.7)	(17.0)	(16.3)
Money (M1) 4/	173,228	201,868	240,814	260,681	326,547	373,624	377,041	378,314	388,665
	(9.5)	(16.5)	(19.3)	(8.2)	(25.3)	(29.7)	(23.8)	(22.5)	(19.0)
Currency in Circulation	112,986	128,433	163,489	180,637	221,364	251,050	255,208	255,111	255,886
Demand Deposits in Local Currency	60,242	73,435	77,325	80,044	105,183	122,574	121,833	123,203	132,779
Quasi Money	635,375	686,308	747,262	794,315	910,391	1,014,064	1,021,214	1,039,310	1,049,756
	(6.2)	(8.0)	(8.9)	(6.3)	(14.6)	(15.4)	(14.3)	(15.2)	(15.3)
Local Currency Time & Savings Deposits	465,758	528,844	567,394	610,225	690,557	796,896	804,462	814,422	824,430
Foreign Currency Demand Deposits	30,340	33,857	46,257	42,991	54,749	57,295	54,195	61,067	59,226
Foreign Currency Time and Savings Deposits	139,277	123,607	133,611	141,099	165,085	159,873	162,557	163,821	166,100

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)

(March 2014)

	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Dec-13	Jan-14	Feb-14 [#]	Mar-14 [*]
Net Foreign Assets (In Million US\$) ^{4/}	43,812	50,480	44,951	28,590	19,102	17,048	17,629	18,235	17,865
Central bank NFA	31,533	32,842	28,292	13,100	6,097	5,573	5,626	5,819	5,933
Net International Reserves	44,067	52,000	46,311	30,300	25,612	28,111	28,632	29,238	28,878
Central Bank (Gross)	32,177	34,508	30,106	15,119	13,424	17,032	17,105	17,307	17,414
Banks (net)	12,279	17,638	16,658	15,491	13,006	11,475	12,003	12,417	11,932
Foreign assets	17,610	22,654	23,047	20,324	17,837	16,467	16,858	17,316	16,928
Foreign Liabilities	5,331	5,016	6,389	4,834	4,831	4,992	4,856	4,900	4,996
<u>In Percent of Beginning of Money Stocks ^{5/}</u>									
Net Foreign Assets	-7.5%	2.7%	-1.8%	-8.06%	-2.6%	-0.4%	-0.04%	0.3%	0.1%
Net Domestic Assets	12.9%	4.2%	9.5%	12.6%	15.6%	7.5%	7.9%	9.1%	10.9%
Money (M1)	0.3%	2.3%	2.9%	1.2%	4.8%	2.3%	2.5%	2.6%	3.4%
Quasi Money	5.1%	4.6%	4.8%	3.3%	8.3%	4.8%	5.3%	6.7%	7.5%
Dollarization (% of Total Liquidity) ^{6/}	21.0	17.7	18.2	17.4	17.8	15.6	15.5	15.9	15.7
M2 Multiplier ^{7/}	4.65	4.53	4.21	4.20	4.40	4.13	4.17	4.33	4.46
M2 Velocity ^{8/}	1.29	1.36	1.39	1.49	1.42	1.47	1.45	1.43	1.41
M2 (annual percentage change)	6.9	9.8	11.2	6.8	17.2	18.9	16.7	17.0	16.3
Credit to private sector (annual percentage change) ^{9/}	7.9	0.9	6.2	5.5	10.0	6.4	5.4	5.5	5.3
Exchange Rate ^{10/}	5.62	5.48	5.92	6.02	6.77	6.90	6.96	6.96	6.96

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.

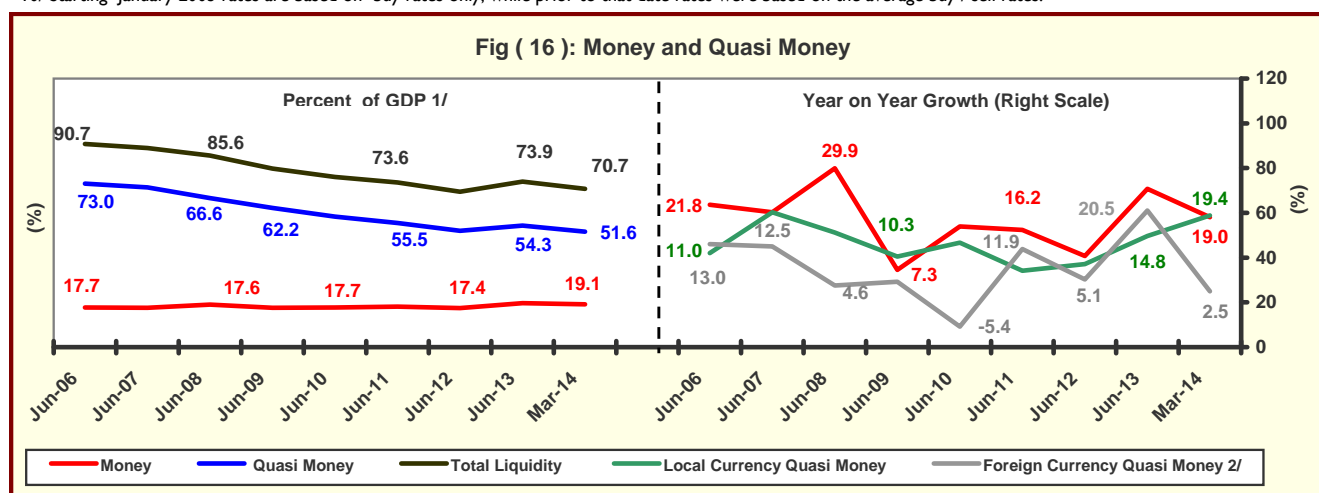
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity. It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

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 2033.8 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 2033.8 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)

	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Dec-13	Jan-14	Feb-14 [#]	Mar-14
Reserve Money	174,016	196,106	234,900	251,302	280,996	336,368	335,195	327,171	322,714
	(8.9)	(6.6)	(19.8)	(7.0)	(11.8)	(27.3)	(25.7)	(18.7)	(14.8)
Currency in Circulation	120,552	136,438	175,647	190,951	233,733	264,882	269,130	267,726	270,621
	(15.5)	(13.2)	(28.7)	(8.7)	(22.4)	(22.5)	(18.6)	(16.7)	(15.8)
Banks LE Deposits with CBE	53,464	59,668	59,253	60,351	47,263	71,486	66,065	59,445	52,093
	-(3.5)	-7.05	-(13.5)	(1.9)	-(21.7)	(48.9)	(66.2)	(28.5)	(10.2)
Counter Assets:									
Net Foreign Assets ^{2/}	177,300	179,809	167,446	78,891	41,282	38,448	39,137	40,475	41,275
	(54.8)	(1.4)	-(6.9)	-(52.9)	-(47.7)	-(21.6)	-(6.4)	-(2.6)	-(0.02)
Net Domestic Assets ^{2/}	-3,284	16,297	67,454	172,411	239,714	297,920	296,058	286,696	281,439
	-(107.3)	(591.9)	(313.9)	(155.6)	(39.0)	(38.4)	(31.7)	(22.4)	(17.4)
Net Claims on Government ^{3/}	88,056	85,140	108,831	178,237	273,152	379,703	381,540	375,350	369,744
	-(26.3)	-(3.3)	(27.8)	(63.8)	(53.3)	(77.3)	(54.7)	(46.1)	(35.4)
Claims	162,880	160,335	189,582	257,827	370,307	419,044	423,964	422,171	414,472
	-(15.4)	-(1.6)	(18.2)	(36.0)	(43.6)	(40.7)	(25.3)	(20.0)	(11.9)
Securities	122,473	124,559	130,597	129,097	178,831	240,331	240,331	240,331	240,331
Credit Facilities	40,407	35,776	58,985	128,730	191,476	178,713	183,633	181,840	174,141
Deposits ^{4/}	74,824	75,195	80,751	79,590	97,155	39,341	42,424	46,821	44,728
	(2.6)	(0.5)	(7.4)	-(1.4)	(22.1)	-(53.0)	-(53.7)	-(50.6)	-(54.0)
Net Claims on Banks	-2,022	23,841	-1,287	-1,607	-2,191	-2,544	1,258	361	-547
Net Balancing Items ^{5/}	-102,927	-92,684	-40,090	-4,219	-31,247	-79,239	-86,740	-89,015	-87,758
Memorandum Items									
Reserve Money Velocity ^{6/, 7/}	5.99	6.15	5.84	6.27	6.24	6.05	6.07	6.22	6.30

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 2033.8 billion compared to a revised figure of LE 1753 billion in 2012/2013.

Table (27) : Deposits With Banks ^{1/}

(LE Millions)

	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Dec-13	Jan-14	Feb-14 [#]	Mar-14 [*]
Total Deposits	799,227	875,158	949,203	1,004,932	1,147,804	1,316,008	1,325,049	1,341,979	1,361,083
	(6.2)	(9.5)	(8.5)	(5.9)	(14.2)	(20.6)	(18.9)	(18.9)	(18.6)
In local currency	586,936	673,121	715,185	763,610	867,502	1,003,305	1,012,747	1,022,583	1,040,807
In foreign currency	212,291	202,037	234,018	241,322	280,302	312,703	312,302	319,396	320,276
Non Government Deposits ^{2/}	700,098	764,570	831,130	880,770	1,023,704	1,145,306	1,151,877	1,171,575	1,191,671
	(5.5)	(9.2)	(8.7)	(6.0)	(16.2)	(18.1)	(16.4)	(17.1)	(16.4)
In local currency	528,669	604,931	647,737	693,259	799,649	924,313	930,993	942,806	962,458
In foreign currency	171,429	159,639	183,393	187,511	224,055	220,993	220,884	228,769	229,213
Government Deposits	99,129	110,588	118,073	124,162	124,100	170,702	173,172	170,404	169,412
	(11.0)	(11.6)	(6.8)	(5.2)	-(0.05)	(40.8)	(39.4)	(33.1)	(36.5)
In local currency	58,267	68,190	67,448	70,351	67,853	78,992	81,754	79,777	78,349
In foreign currency	40,862	42,398	50,625	53,811	56,247	91,710	91,418	90,627	91,063
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	26.6	23.1	24.7	24.0	24.4	23.8	23.6	23.8	23.5
Dollarization in Non-Government Deposits	24.5	20.9	22.1	21.3	21.9	19.3	19.2	19.5	19.2
Dollarization in Government Deposits	41.2	38.3	42.9	43.3	45.3	53.7	52.8	53.2	53.8

Source: Central bank of Egypt.

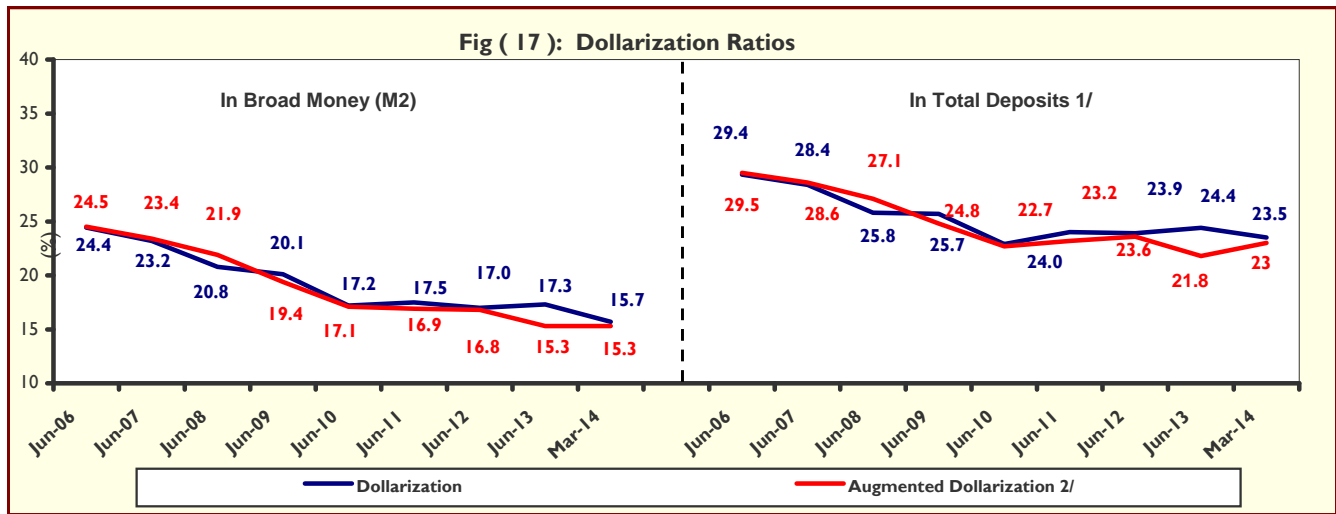
() Percent change over same period in previous year.

* 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)

	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Dec-13	Jan-14	Feb-14	Mar-14 [*]
Total lending	430,622	441,370	469,961	495,878	536,748	550,303	552,457	556,014	563,133
	(9.2)	(2.5)	(6.5)	(5.5)	(8.2)	(6.5)	(4.6)	(4.8)	(4.9)
To Government ^{2/}	31,839	32,973	38,311	34,320	34,819	41,555	40,613	39,874	38,623
	(3.8)	(3.6)	(16.2)	-(10.4)	(1.5)	(18.3)	(11.9)	(15.4)	(10.9)
In local currency	8,645	14,011	18,753	15,878	11,868	12,093	12,075	11,839	11,680
In foreign currency	23,194	18,962	19,558	18,442	22,951	29,462	28,538	28,035	26,943
To Non-Government	398,783	408,397	431,650	461,558	501,929	508,748	511,844	516,140	524,510
	(9.6)	(2.4)	(5.7)	(6.9)	(8.7)	(5.6)	(4.1)	(4.1)	(4.5)
In local currency	281,266	286,917	299,115	338,396	367,494	374,051	378,815	381,217	388,274
In foreign currency	117,517	121,480	132,535	123,162	134,435	134,697	133,029	134,923	136,236
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	85.5	84.3	84.7	84.8	85.3	84.6	84.8	85.0	85.0
Non Government Loans/ Deposits ^{4/}	57.0	53.4	51.9	52.4	49.0	44.4	44.4	44.1	44.0
Government Loans / Deposits	32.1	29.8	32.4	27.6	28.1	24.3	23.5	23.4	22.8
Foreign currency denominated credit to total credit	32.7	31.8	32.4	28.6	29.3	29.8	29.2	29.3	29.0
Government foreign currency denominated credit to total government credit	72.8	57.5	51.1	53.7	65.9	70.9	70.3	70.3	69.8
Non - government foreign currency denominated credit to total non-government credit	29.5	29.7	30.7	26.7	26.8	26.5	26.0	26.1	26.0

Source: Central Bank of Egypt.

() Percent change over previous year

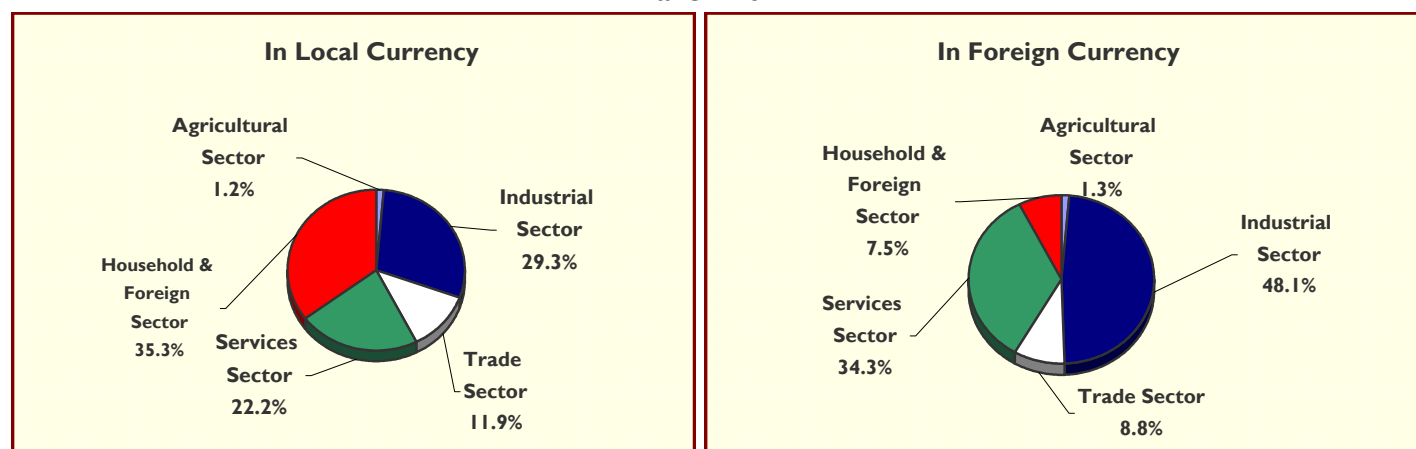
* Preliminary.

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
March-2014**

Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

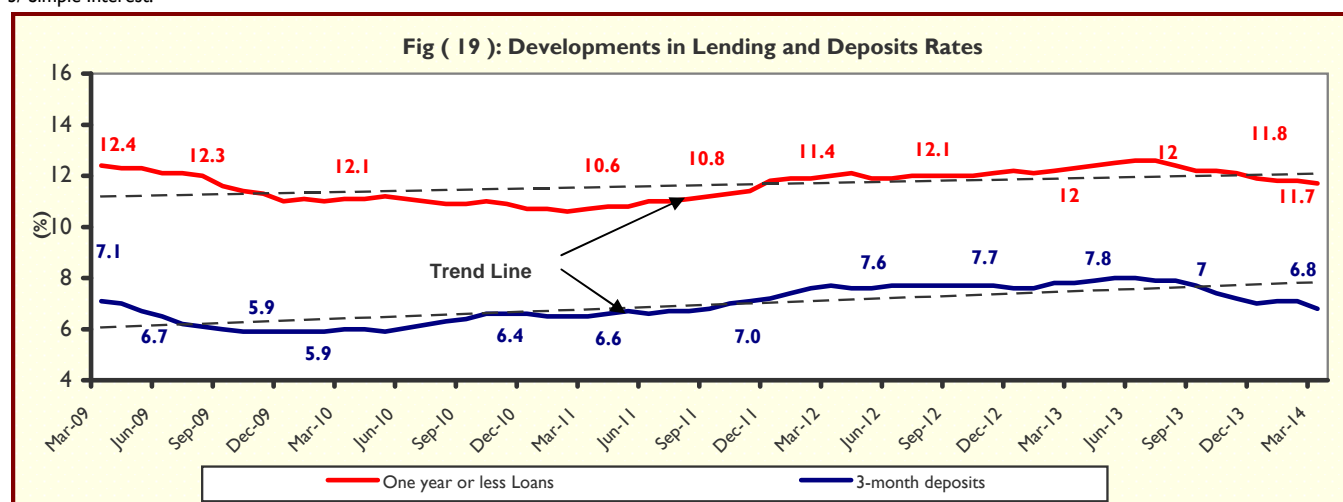
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/ 3/}	Post office Saving Deposits ^{1/}
Yearly Average						
2002/2003	10.00	13.70	8.69	8.31	10.50	10.50
2003/2004	10.00	13.40	7.96	8.41	10.50	10.50
2004/2005	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						
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	11.80	7.10	10.22	9.75	8.50
Mar-14	8.75	11.70	6.80	10.24	9.75	8.50
Apr-14	8.75	--	--	10.40	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.



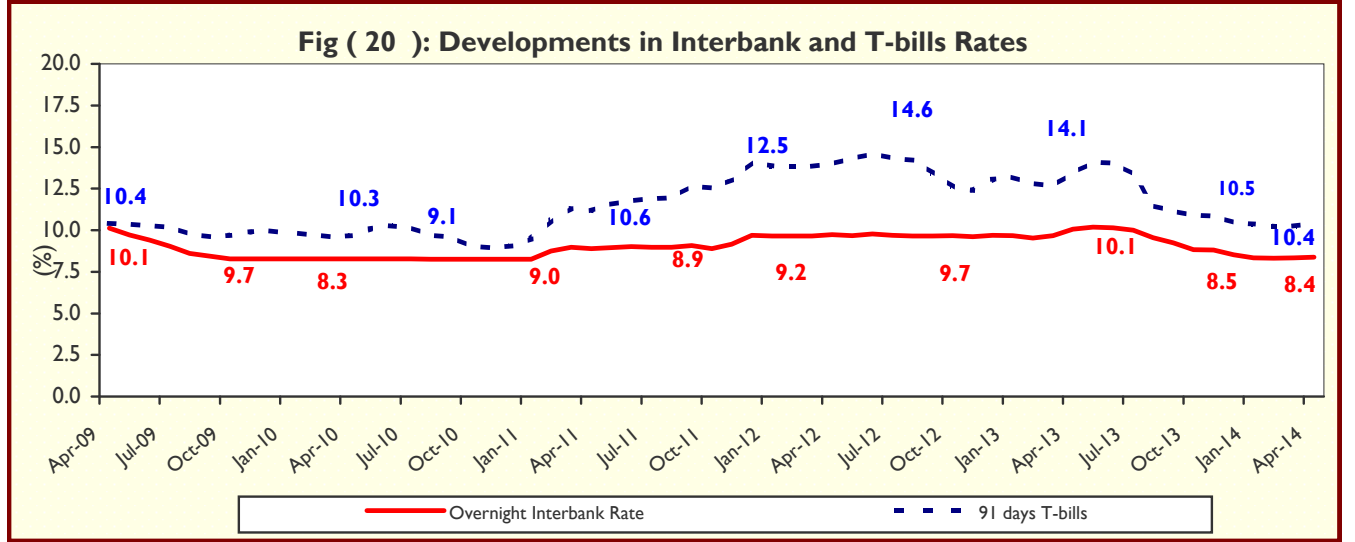
Source: Central Bank of Egypt.

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				
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	--	--
Mar-14	8.34	8.61	--	--
Apr-14	8.37	8.65	--	--

-- 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.