

Section 6

MONETARY SECTOR

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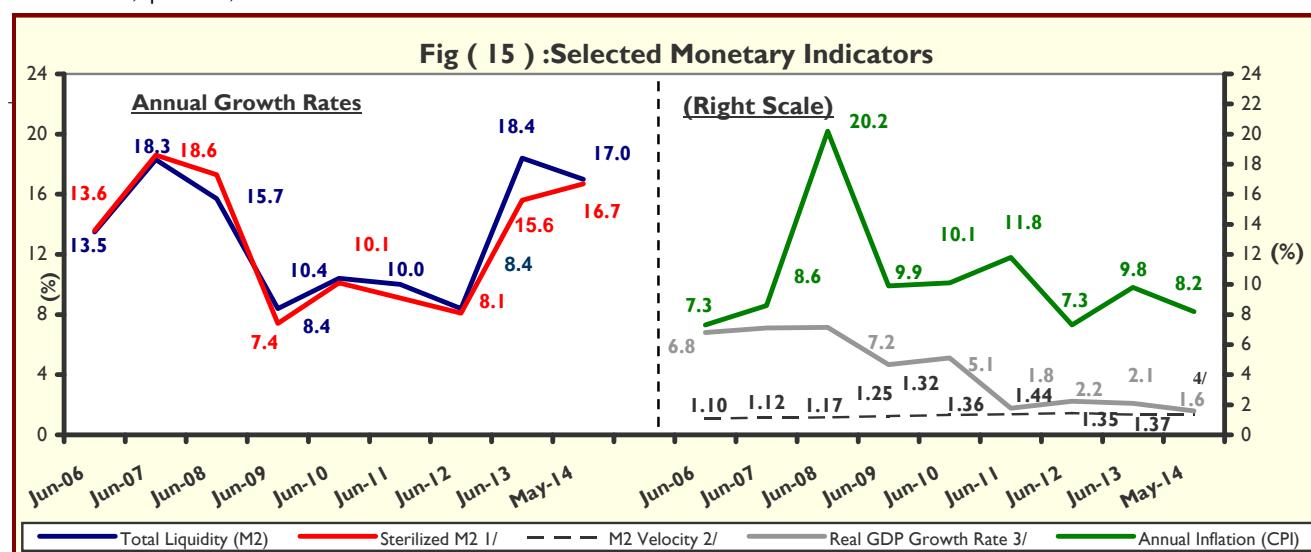
Table (24) : Developments in Main Monetary Aggregates
(May 2014)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	2.8	-0.6	-6.9	-11.4
CBE NFA	-0.4	3.0	-2.6	-20.9
CBE NIR	0.3	1.7	9.6	31.5
Banks NFA 2/	4.5	-2.3	-8.9	-2.3
Net Foreign Assets (US dollar terms)	1.3	-2.4	-8.5	-18.6
CBE NFA	-1.9	1.2	-4.3	-26.7
CBE NIR	-1.2	-0.1	7.8	20.1
Banks NFA 2/	3.0	-4.1	-10.4	-10.9
Net Domestic Assets	1.6	5.2	19.9	22.1
Net Claims on Government and GASC	1.3	6.0	26.8	33.3
Claims on Public Companies	0.5	6.5	5.9	2.6
Claims on Private Sector	1.7	4.4	6.9	7.5
Total Liquidity (M2)	1.7	4.7	17.0	17.9
Money (M1)	1.8	6.1	20.9	25.0
Quasi Money	1.7	4.2	15.6	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 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-March 2013/2014.

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

(LE Million)

	May-09	May-10	May-11	May-12	May-13	Feb-14	Mar-14	Apr-14	May-14*
Net Foreign Assets 1/	252,357	273,763	253,644	157,609	135,421	126,847	124,283	122,614	126,059
	(2.8)	(8.5)	-(7.3)	-(37.9)	-(14.1)	-(4.7)	-(3.9)	(1.4)	-(6.9)
Central bank (Net)	171,241	188,375	150,123	75,449	42,839	40,475	41,275	41,896	41,709
Foreign Assets	172,798	196,598	159,314	91,672	105,994	117,011	117,889	118,812	119,991
Foreign Liabilities	1,557	8,223	9,191	16,223	63,155	76,536	76,614	76,916	78,282
Banks (Net)	81,116	85,388	103,521	82,160	92,582	86,372	83,008	80,718	84,350
Foreign Assets	109,821	117,628	140,090	114,941	125,707	120,454	117,765	114,075	117,886
Foreign Liabilities	28,705	32,240	36,569	32,781	33,125	34,082	34,757	33,357	33,536
Net Domestic Assets of which:	574,490	622,270	740,787	909,972	1,133,092	1,290,777	1,314,138	1,336,954	1,358,361
	(11.2)	(8.3)	(19.0)	(22.8)	(24.5)	(19.7)	(18.6)	(18.1)	(19.9)
Net Claims on Government, and GASC 1/	276,434	316,450	434,684	564,769	783,578	937,043	959,979	980,557	993,710
National Currency	339,480	378,749	518,986	625,854	830,581	925,374	949,302	969,827	986,054
Foreign Currency	-63,046	-62,299	-84,302	-61,085	-47,003	11,669	10,677	10,730	7,656
Claims on Public Business Sector	31,954	37,432	33,083	42,025	43,765	43,522	45,931	46,131	46,353
National Currency	22,852	28,057	24,812	33,136	34,412	34,680	36,272	36,308	36,464
Foreign Currency	9,102	9,375	8,271	8,889	9,353	8,842	9,659	9,823	9,889
Claims on Private Sector 2/	387,735	406,365	417,336	447,948	492,823	504,547	510,854	517,557	526,614
National Currency	284,068	298,997	311,908	344,338	373,167	383,297	388,289	392,713	400,333
Foreign Currency	103,667	107,368	105,428	103,610	119,656	121,250	122,565	124,844	126,281
Other Items (net) 1/ 3/	-121,633	-137,977	-144,316	-144,770	-187,074	-194,335	-202,626	-207,291	-208,316
Total Liquidity (M2)	826,847	896,033	994,431	1,067,581	1,268,513	1,417,624	1,438,421	1,459,568	1,484,420
	(8.5)	(8.4)	(11.0)	(7.4)	(18.8)	(17.0)	(16.3)	(16.5)	(17.0)
Money (M1) 4/	180,164	204,718	244,041	264,626	331,757	378,314	388,665	394,139	401,254
	(5.6)	(13.6)	(19.2)	(8.4)	(25.4)	(22.5)	(19.0)	(19.9)	(20.9)
Currency in Circulation	117,238	133,082	167,450	187,396	231,575	255,111	255,886	259,294	267,732
Demand Deposits in Local Currency	62,926	71,636	76,591	77,230	100,182	123,203	132,779	134,845	133,522
Quasi Money	646,683	691,315	750,390	802,955	936,756	1,039,310	1,049,756	1,065,429	1,083,166
	(9.3)	(6.9)	(8.5)	(7.0)	(16.7)	(15.2)	(15.3)	(15.3)	(15.6)
Local Currency Time & Savings Deposits	475,747	534,126	571,957	617,905	711,100	814,422	824,430	836,692	846,870
Foreign Currency Demand Deposits	32,593	33,870	44,129	46,053	56,298	61,067	59,226	60,900	64,790
Foreign Currency Time and Savings Deposits	138,343	123,319	134,304	138,997	169,358	163,821	166,100	167,837	171,506

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)

(May 2014)

	May-09	May-10	May-11	May-12	May-13	Feb-14	Mar-14	Apr-14	May-14*
Net Foreign Assets (In Million US\$)^{4/}	44,969	48,850	42,740	26,146	19,447	18,235	17,865	17,571	17,802
Central bank NFA	30,514	33,613	25,297	12,516	6,152	5,819	5,933	6,004	5,890
Net International Reserves	45,246	50,317	44,289	28,837	28,516	29,238	28,878	28,594	28,858
Central Bank (Gross)	31,208	35,100	27,228	15,515	16,039	17,307	17,414	17,489	17,284
Banks (net)	14,454	15,236	17,444	13,630	13,295	12,417	11,932	11,567	11,912
Foreign assets	19,570	20,989	23,606	19,068	18,052	17,316	16,928	16,348	16,648
Foreign Liabilities	5,115	5,753	6,162	5,438	4,757	4,900	4,996	4,780	4,736
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	-6.7%	2.4%	-3.1%	-9.5%	-2.0%	0.3%	0.1%	-0.05%	0.2%
Net Domestic Assets	14.5%	5.4%	11.5%	15.3%	17.9%	9.1%	10.9%	12.7%	14.3%
Money (M1)	1.3%	2.6%	3.3%	1.6%	5.2%	2.6%	3.4%	3.9%	4.4%
Quasi Money	6.6%	5.2%	5.1%	4.2%	10.7%	6.7%	7.5%	8.8%	10.1%
Dollarization (% of Total Liquidity) ^{6/}	20.7	17.5	17.9	17.3	17.8	15.9	15.7	15.7	15.9
M2 Multiplier ^{7/}	4.84	4.66	4.02	4.07	4.16	4.33	4.46	4.27	4.27
M2 Velocity ^{8/}	1.26	1.35	1.38	1.48	1.38	1.43	1.41	1.39	1.37
M2 (annual percentage change)	8.5	8.4	11.0	7.4	18.8	17.0	16.3	16.5	17.0
Credit to private sector (annual percentage change) ^{9/}	6.8	4.8	2.7	7.3	10.0	5.5	5.3	5.5	6.9
Exchange Rate ^{10/}	5.61	5.60	5.93	6.03	6.96	6.96	6.96	6.98	7.08

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.

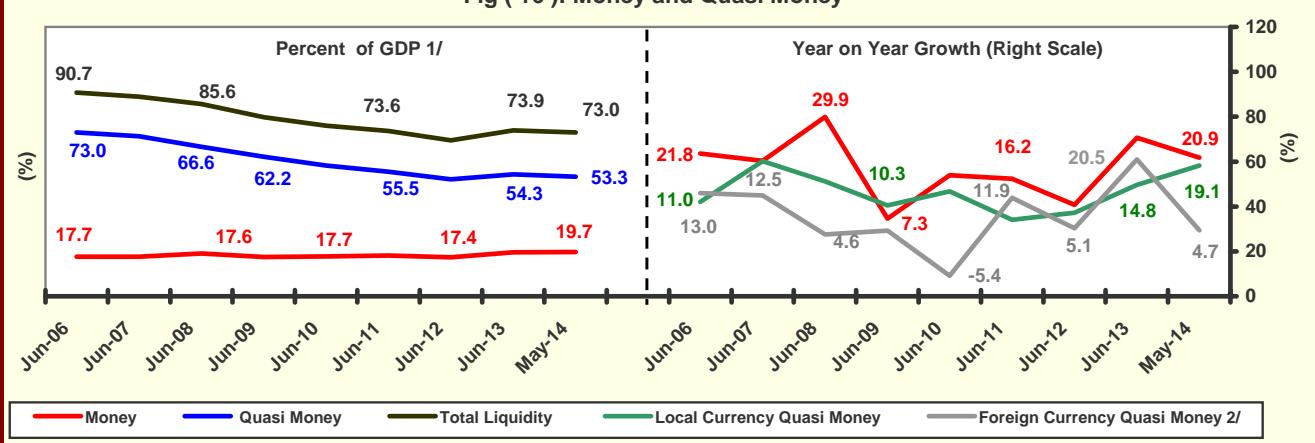
7/ M2 / Reserve Money.

8/ GDP / M2. According to the Ministry of Planning, GDP (at market prices) for 2013/2014 is projected to reach LE 2033.8 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 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 Million)

	May-09	May-10	May-11	May-12	May-13	Feb-14	Mar-14	Apr-14	May-14*
Reserve Money	170,796	192,250	247,102	262,213	304,620	327,171	322,714	341,611	347,865
	(4.3)	(3.1)	(28.5)	(6.1)	(16.2)	(18.7)	(14.8)	(18.0)	(14.2)
Currency in Circulation	124,761	141,877	178,632	197,071	243,402	267,726	270,621	273,373	282,461
	(12.8)	(13.7)	(25.9)	(10.3)	(23.5)	(16.7)	(15.8)	(15.1)	(16.0)
Banks LE Deposits with CBE	46,035	50,373	68,470	65,142	61,218	59,445	52,093	68,238	65,404
	-(13.5)	-(16.5)	-(21.1)	-(4.9)	-(6.0)	(28.5)	(10.2)	(31.0)	(6.8)
Counter Assets:									
Net Foreign Assets ^{2/}	171,241	188,375	150,123	75,449	42,839	40,475	41,275	41,896	41,709
	(48.1)	(10.0)	-(20.3)	-(49.7)	-(43.2)	-(2.6)	-(0.02)	(20.4)	-(2.6)
Net Domestic Assets ^{2/}	-445	3,875	96,979	186,764	261,781	286,696	281,439	299,715	306,156
	-(100.9)	(378.8)	(2402.7)	(92.6)	(40.2)	(22.4)	(17.4)	(17.6)	(17.0)
Net Claims on Government ^{3/}	74,202	75,311	117,198	175,688	296,911	375,350	369,744	380,865	382,536
	-(35.6)	(1.5)	(55.6)	(49.9)	(69.0)	(46.1)	(35.4)	(33.6)	(28.8)
Claims	151,860	153,931	201,543	257,741	396,779	422,171	414,472	426,556	432,015
	-(20.1)	(1.4)	(30.9)	(27.9)	(53.9)	(20.0)	(11.9)	(10.3)	(8.9)
Securities	122,378	123,900	130,597	129,097	178,831	240,331	240,331	240,331	240,331
Credit Facilities	29,482	30,031	70,946	128,644	217,948	181,840	174,141	186,225	191,684
Deposits ^{4/}	77,658	78,620	84,345	82,053	99,868	46,821	44,728	45,691	49,479
	(3.8)	(1.2)	(7.3)	-(2.7)	(21.7)	-(50.6)	-(54.0)	-(55.0)	-(50.5)
Net Claims on Banks	-659	21,788	-1,544	-1,767	-1,860	361	-547	-8,022	-9,132
Net Balancing Items ^{5/}	-92,454	-93,224	-18,675	12,843	-33,270	-89,015	-87,758	-73,128	-67,248
Memorandum Items									
Reserve Money Velocity ^{6/, 7/}	6.10	6.28	5.55	6.01	5.76	6.22	6.30	5.95	5.85

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

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

(LE Million)

	May-09	May-10	May-11	May-12	May-13	Feb-14	Mar-14	Apr-14	May-14 *
Total Deposits	813,569	882,784	951,703	1,011,174	1,169,613	1,341,979	1,361,083	1,382,804	1,403,339
	(8.3)	(8.5)	(7.8)	(6.2)	(15.7)	(18.9)	(18.6)	(19.2)	(20.0)
In local currency	599,311	677,496	718,499	768,418	879,706	1,022,583	1,040,807	1,059,109	1,067,067
In foreign currency	214,258	205,288	233,204	242,756	289,907	319,396	320,276	323,695	336,272
Non Government Deposits ^{2/}	713,987	768,149	833,286	887,341	1,045,752	1,171,575	1,191,671	1,208,866	1,225,376
	(7.5)	(7.6)	(8.5)	(6.5)	(17.9)	(17.1)	(16.4)	(16.7)	(17.2)
In local currency	541,183	608,530	651,450	698,633	815,591	942,806	962,458	976,245	985,101
In foreign currency	172,804	159,619	181,836	188,708	230,161	228,769	229,213	232,621	240,275
Government Deposits	99,582	114,635	118,417	123,833	123,861	170,404	169,412	173,938	177,963
	(14.4)	(15.1)	(3.3)	(4.6)	(0.02)	(33.1)	(36.5)	(40.2)	(43.7)
In local currency	58,128	68,966	67,049	69,785	64,115	79,777	78,349	82,864	81,966
In foreign currency	41,454	45,669	51,368	54,048	59,746	90,627	91,063	91,074	95,997
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	26.3	23.3	24.5	24.0	24.8	23.8	23.5	23.4	24.0
Dollarization in Non-Government Deposits	24.2	20.8	21.8	21.3	22.0	19.5	19.2	19.2	19.6
Dollarization in Government Deposits	41.6	39.8	43.4	43.6	48.2	53.2	53.8	52.4	53.9

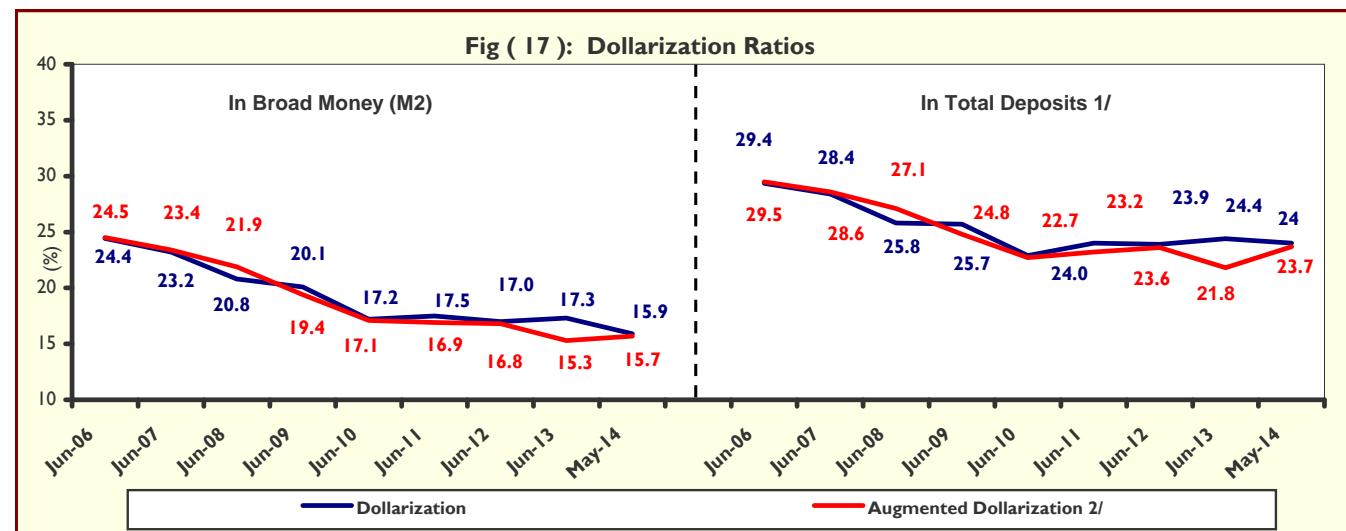
Source: Central bank of Egypt.

() 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 Million)

	May-09	May-10	May-11	May-12	May-13	Feb-14	Mar-14	Apr-14	* May-14
Total lending	431,158	457,365	470,933	502,274	545,640	556,014	563,133	569,471	579,499
	(8.4)	(6.1)	(3.0)	(6.7)	(8.6)	(4.8)	(4.9)	(4.8)	(6.2)
To Government ^{2/}	32,182	38,948	40,389	32,660	35,475	39,874	38,623	38,134	39,117
	(4.6)	(21.0)	(3.7)	(-19.1)	(8.6)	(15.4)	(10.9)	(9.3)	(10.3)
In local currency	12,140	14,813	18,327	15,562	11,579	11,839	11,680	11,558	12,095
In foreign currency	20,042	24,135	22,062	17,098	23,896	28,035	26,943	26,576	27,022
To Non-Government	398,976	418,417	430,544	469,614	510,165	516,140	524,510	531,337	540,382
	(8.7)	(4.9)	(2.9)	(9.1)	(8.6)	(4.1)	(4.5)	(4.5)	(5.9)
In local currency	282,609	291,998	304,727	346,445	373,260	381,217	388,274	392,673	400,471
In foreign currency	116,367	126,419	125,817	123,169	136,905	134,923	136,236	138,664	139,911
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	85.2	83.4	84.5	85.2	85.5	85.0	85.0	85.3	85.3
Non Government Loans/ Deposits ^{4/}	55.9	54.5	51.7	52.9	48.8	44.1	44.0	44.0	44.1
Government Loans / Deposits	32.3	34.0	34.1	26.4	28.6	23.4	22.8	21.9	22.0
Foreign currency denominated credit to total credit	31.6	32.9	31.4	27.9	29.5	29.3	29.0	29.0	28.8
Government foreign currency denominated credit to total government credit	62.3	62.0	54.6	52.4	67.4	70.3	69.8	69.7	69.1
Non - government foreign currency denominated credit to total non-government credit	29.2	30.2	29.2	26.2	26.8	26.1	26.0	26.1	25.9

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

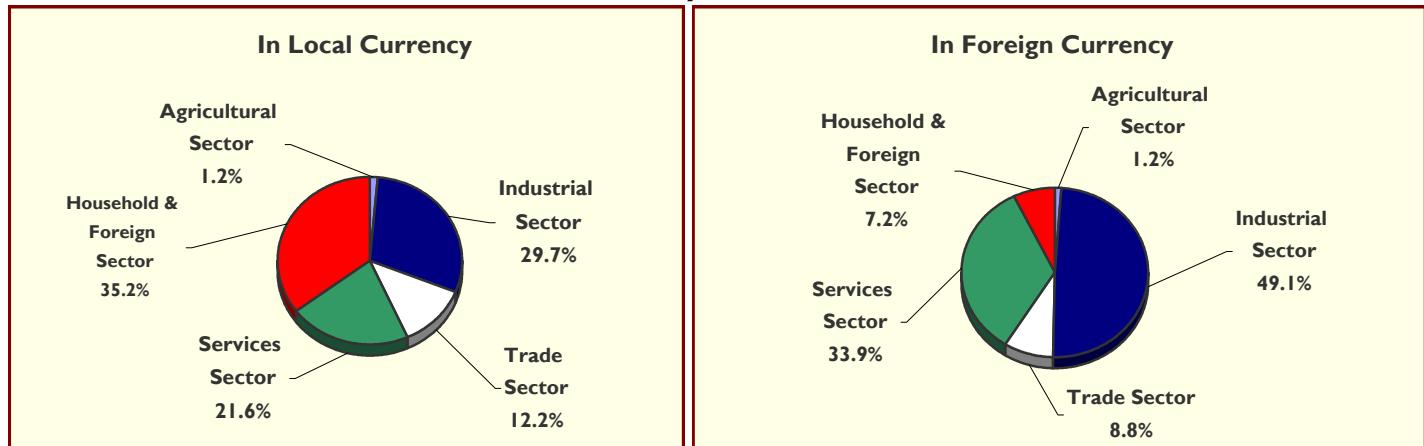
1/ Excludes credit provided by the Central Bank of Egypt.

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
May-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						
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	11.60	6.80	10.40	9.75	8.50
May-14	8.75	11.40	6.70	10.52	9.75	8.50
Jun-14	8.75	--	--	10.60	9.75	8.50

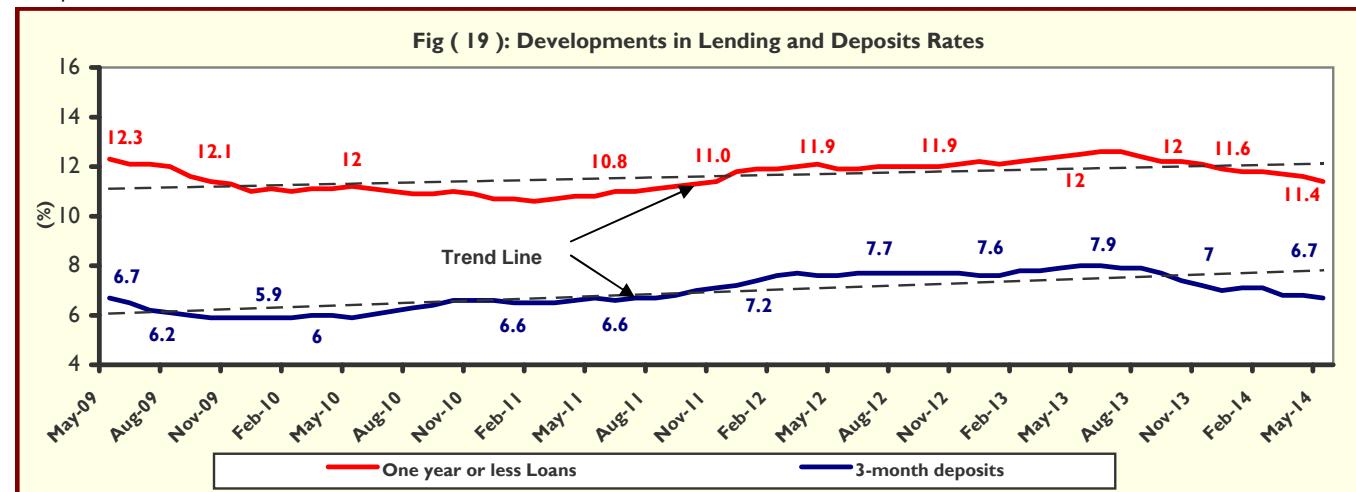
Source: Central Bank of Egypt.

-- Data unavailable.

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.

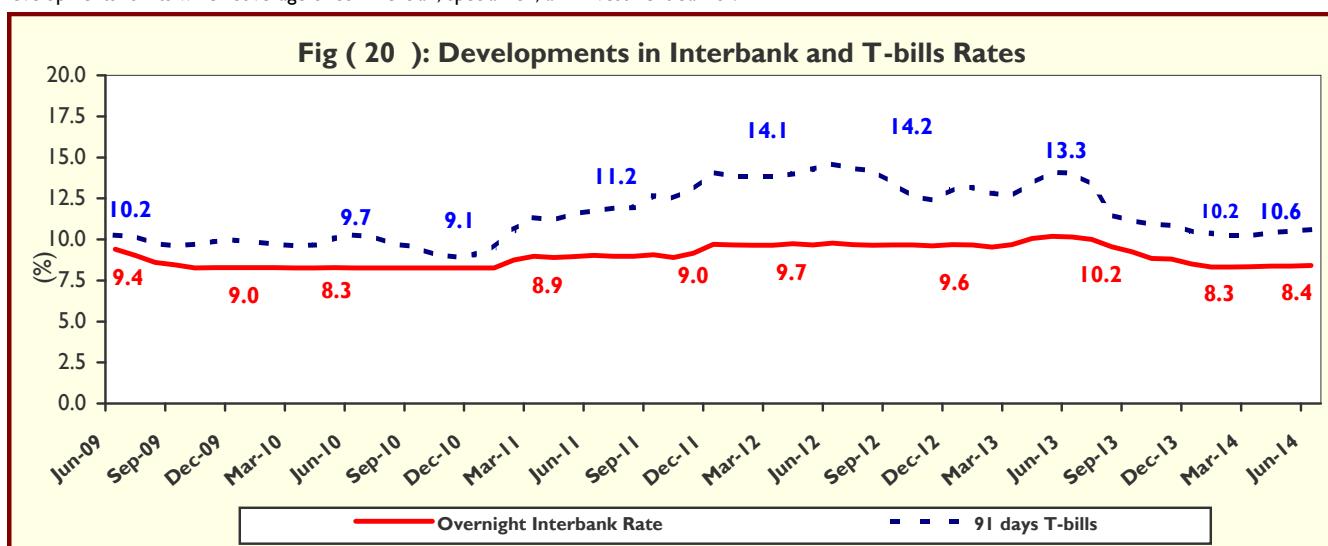
Table (30) : Average Interbank Rates ^{1/}

	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				
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	--	--
May-14	8.38	8.70	--	--
Jun-14	8.41	8.72	--	--

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.