

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

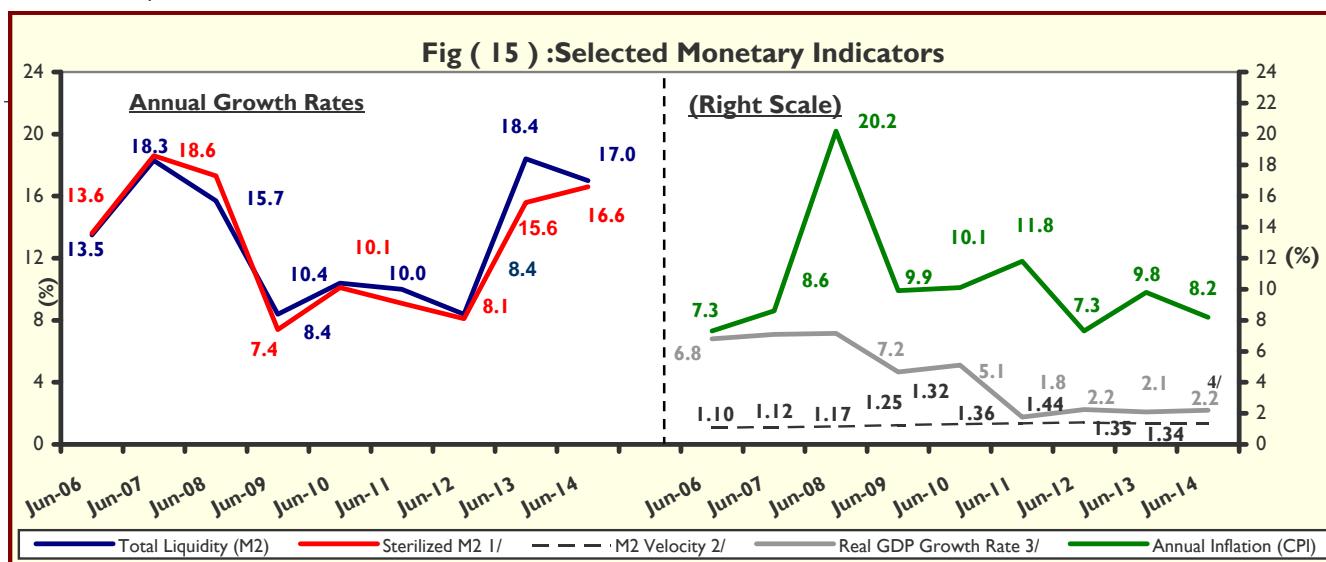
Table (24) : Developments in Main Monetary Aggregates
(June 2014)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	1.9	3.3	4.2	-9.2
CBE NFA	-10.4	-9.5	-2.3	-16.9
CBE NIR	-2.6	-1.6	14.2	31.7
Banks NFA 2/	8.0	9.7	7.2	-2.1
Net Foreign Assets (US dollar terms)	1.0	0.6	2.0	-15.8
CBE NFA	-11.2	-11.9	-4.4	-22.3
CBE NIR	-3.4	-4.2	11.7	21.4
Banks NFA 2/	7.0	6.9	4.9	-9.6
Net Domestic Assets	2.2	5.6	18.4	21.5
Net Claims on Government and GASC	5.3	9.0	30.3	32.6
Claims on Public Companies	-2.1	-1.2	5.8	2.6
Claims on Private Sector	1.5	4.6	7.4	7.3
Total Liquidity (M2)	2.2	5.4	17.0	17.8
Money (M1)	2.3	5.6	19.3	24.5
Quasi Money	2.1	5.4	16.2	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 was revised to reach LE 1997.6 billion compared to LE 1753 billion in 2012/2013.

3/ Real Growth of GDP at market prices.

4/ Reflects Real GDP growth for the fiscal year 2013/2014.

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

	(LE Million)								
	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	Mar-14	Apr-14	May-14	Jun-14*
Net Foreign Assets 1/	254,134	282,408	253,500	157,624	123,198	124,283	122,614	126,059	128,425
	-(16.3)	(11.1)	-(10.2)	-(37.8)	-(21.8)	-(3.9)	(1.4)	-(6.9)	(4.2)
Central bank (Net)	171,732	190,234	147,197	76,059	38,235	41,275	41,896	41,709	37,355
Foreign Assets	173,055	198,605	156,331	92,169	101,685	117,889	118,812	119,991	115,705
Foreign Liabilities	1,323	8,371	9,134	16,110	63,450	76,614	76,916	78,282	78,350
Banks (Net)	82,402	92,174	106,303	81,565	84,963	83,008	80,718	84,350	91,070
Foreign Assets	109,858	123,604	139,150	114,796	118,354	117,765	114,075	117,886	115,838
Foreign Liabilities	27,456	31,430	32,846	33,231	33,391	34,757	33,357	33,536	24,768
Net Domestic Assets of which:	577,077	635,051	755,911	936,784	1,172,888	1,314,138	1,336,954	1,358,361	1,388,166
	(24.6)	(10.0)	(19.0)	(23.9)	(25.2)	(18.6)	(18.1)	(19.9)	(18.4)
Net Claims on Government, and GASC 1/	273,122	326,141	437,337	578,654	802,539	959,979	980,557	993,710	1,045,905
National Currency	338,200	388,592	524,335	638,492	851,425	949,302	969,827	986,054	1,035,288
Foreign Currency	-65,078	-62,451	-86,998	-59,838	-48,886	10,677	10,730	7,656	10,617
Claims on Public Business Sector	33,146	29,985	32,981	40,620	42,866	45,931	46,131	46,353	45,366
National Currency	23,991	21,223	24,853	31,784	33,873	36,272	36,308	36,464	35,373
Foreign Currency	9,155	8,762	8,128	8,836	8,993	9,659	9,823	9,889	9,993
Claims on Private Sector 2/	389,058	419,142	422,448	453,292	497,735	510,854	517,557	526,614	534,590
National Currency	286,988	309,567	316,938	348,849	376,211	388,289	392,713	400,333	407,282
Foreign Currency	102,070	109,575	105,510	104,443	121,524	122,565	124,844	126,281	127,308
Other Items (net) 1/ 3/	-118,249	-140,217	-136,855	-135,782	-170,252	-202,626	-207,291	-208,316	-237,695
Total Liquidity (M2)	831,211	917,459	1,009,411	1,094,408	1,296,086	1,438,421	1,459,568	1,484,420	1,516,591
	(8.4)	(10.4)	(10.0)	(8.4)	(18.4)	(16.3)	(16.5)	(17.0)	(17.0)
Money (M1) 4/	182,991	214,040	248,707	274,510	344,100	388,665	394,139	401,254	410,548
	(7.3)	(17.0)	(16.2)	(10.4)	(25.4)	(19.0)	(19.9)	(20.9)	(19.3)
Currency in Circulation	118,146	135,209	167,887	194,027	241,011	255,886	259,294	267,732	270,856
Demand Deposits in Local Currency	64,845	78,831	80,820	80,483	103,089	132,779	134,845	133,522	139,692
Quasi Money	648,220	703,419	760,704	819,898	951,986	1,049,756	1,065,429	1,083,166	1,106,043
	(8.7)	(8.5)	(8.1)	(7.8)	(16.1)	(15.3)	(15.3)	(15.6)	(16.2)
Local Currency Time & Savings Deposits	481,054	545,303	583,732	633,858	727,778	824,430	836,692	846,870	869,975
Foreign Currency Demand Deposits	32,050	33,901	41,298	44,965	55,152	59,226	60,900	64,790	62,211
Foreign Currency Time and Savings Deposits	135,116	124,215	135,674	141,075	169,056	166,100	167,837	171,506	173,857

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)

(June 2014)

	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	Mar-14	Apr-14	May-14	Jun-14 *
Net Foreign Assets (In Million US\$)^{4/}	45,452	49,861	42,698	26,126	17,623	17,865	17,571	17,802	17,979
Central bank NFA	30,715	33,587	24,793	12,607	5,469	5,933	6,004	5,890	5,230
Net International Reserves	45,689	51,339	44,236	28,796	26,700	28,878	28,594	28,858	28,948
Central Bank (Gross)	31,310	35,221	26,564	15,534	14,936	17,414	17,489	17,284	16,687
Banks (net)	14,738	16,274	17,905	13,519	12,154	11,932	11,567	11,912	12,750
Foreign assets	19,648	21,823	23,437	19,027	16,930	16,928	16,348	16,648	16,217
Foreign Liabilities	4,911	5,549	5,532	5,508	4,777	4,996	4,780	4,736	3,467
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	-6.5%	3.4%	-3.2%	-9.5%	-3.1%	0.1%	-0.05%	0.2%	0.4%
Net Domestic Assets	14.9%	7.0%	13.2%	17.9%	21.6%	10.9%	12.7%	14.3%	16.6%
Money (M1)	1.6%	3.7%	3.8%	2.6%	6.4%	3.4%	3.9%	4.4%	5.1%
Quasi Money	6.8%	6.6%	6.2%	5.9%	12.1%	7.5%	8.8%	10.1%	11.9%
Dollarization (% of Total Liquidity)^{6/}	20.1	17.2	17.5	17.0	17.3	15.7	15.7	15.9	15.6
M2 Multiplier^{7/}	4.75	4.52	4.02	4.15	4.08	4.46	4.27	4.27	4.16
M2 Velocity^{8/}	1.25	1.32	1.36	1.44	1.35	1.39	1.37	1.35	1.32
M2 (annual percentage change)	8.4	10.4	10.0	8.4	18.4	16.3	16.5	17.0	17.0
Credit to private sector (annual percentage change)^{9/}	5.1	7.7	0.8	7.3	9.8	5.3	5.5	6.9	7.4
Exchange Rate^{10/}	5.59	5.66	5.94	6.03	6.99	6.96	6.98	7.08	7.14

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.

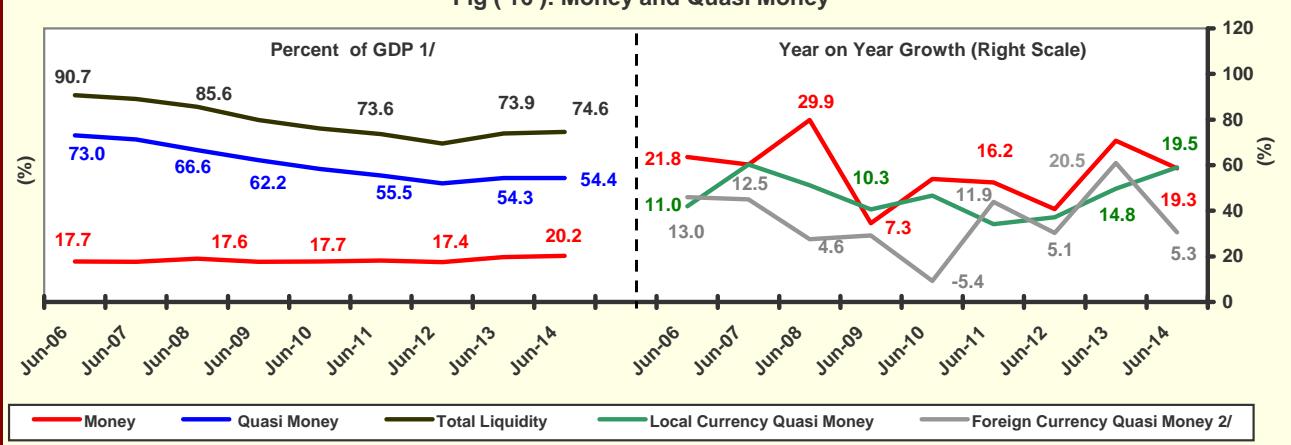
7/ M2 / Reserve Money.

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 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.

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 was revised to reach LE 1997.6 billion compared to LE 1753 billion in 2012/2013.

2/ Foreign currency demand, and time and savings deposits.

Table (26) : Central Bank Reserve Money ^{1/}

(LE Million)

	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	Mar-14	Apr-14	May-14	Jun-14*
Reserve Money	175,104	203,071	250,992	263,668	317,944	322,714	341,611	347,865	364,473
	(3.1)	(2.0)	(23.6)	(5.1)	(20.6)	(14.8)	(18.0)	(14.2)	(14.6)
Currency in Circulation	126,268	144,253	179,096	204,870	260,849	270,621	273,373	282,461	288,651
	(13.3)	(14.2)	(24.2)	(14.4)	(27.3)	(15.8)	(15.1)	(16.0)	(10.7)
Banks LE Deposits with CBE	48,836	58,818	71,896	58,798	57,095	52,093	68,238	65,404	75,822
	-(16.5)	-(21.1)	(4.5)	-(18.2)	-(2.9)	(10.2)	(31.0)	(6.8)	(32.8)
Counter Assets:									
Net Foreign Assets ^{2/}	171,723	190,234	147,197	76,059	38,235	41,275	41,896	41,709	37,355
	-(4.8)	(10.8)	-(22.6)	-(48.3)	-(49.7)	-(0.02)	(20.4)	-(2.6)	-(2.3)
Net Domestic Assets ^{2/}	3,372	12,837	103,795	187,609	279,709	281,439	299,715	306,156	327,118
	(132.4)	(2402.7)	(708.6)	(80.7)	(49.1)	(17.4)	(17.6)	(17.0)	(16.9)
Net Claims on Government ^{3/}	68,613	80,611	102,562	165,374	299,806	369,744	380,865	382,536	419,905
	-(16.2)	(17.5)	(27.2)	(61.2)	(81.3)	(35.4)	(33.6)	(28.8)	(40.1)
Claims	146,899	150,287	189,621	256,605	404,837	414,472	426,556	432,015	464,248
	-(8.0)	(2.3)	(26.2)	(35.3)	(57.8)	(11.9)	(10.3)	(8.9)	(14.7)
Securities	121,709	121,533	130,597	178,831	238,831	240,331	240,331	240,331	240,331
Credit Facilities	25,190	28,754	59,024	77,774	166,006	174,141	186,225	191,684	223,917
Deposits ^{4/}	78,286	69,676	87,059	91,231	105,031	44,728	45,691	49,479	44,343
	(0.6)	-(11.0)	(24.9)	(4.8)	(15.1)	-(54.0)	-(55.0)	-(50.5)	-(57.8)
Net Claims on Banks	334	29,010	147	-2,706	-5,811	-547	-8,022	-9,132	-9,018
Net Balancing Items ^{5/}	-93,224	-96,784	1,086	24,941	-14,286	-87,758	-73,128	-67,248	-83,769
Memorandum Items									
Reserve Money Velocity ^{6/ 7/}	5.95	5.94	5.46	5.98	5.51	6.19	5.85	5.74	5.48

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 was revised to reach LE 1997.6 billion compared to LE 1753 billion in 2012/2013.

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

(LE Million)

	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	Mar-14	Apr-14	May-14	Jun-14 *
Total Deposits	820,175	900,165	965,339	1,026,686	1,190,819	1,361,083	1,382,804	1,403,339	1,433,685
	(8.5)	(9.8)	(7.2)	(6.4)	(16.0)	(18.6)	(19.2)	(20.0)	(20.4)
In local currency	609,168	693,865	733,246	780,886	900,076	1,040,807	1,059,109	1,067,067	1,097,686
In foreign currency	211,007	206,300	232,093	245,800	290,743	320,276	323,695	336,272	335,999
Non Government Deposits ^{2/}	717,840	787,433	848,116	908,070	1,063,832	1,191,671	1,208,866	1,225,376	1,254,872
	(7.5)	(9.7)	(7.7)	(7.1)	(17.2)	(16.4)	(16.7)	(17.2)	(18.0)
In local currency	548,314	626,751	667,426	718,217	835,422	962,458	976,245	985,101	1,014,705
In foreign currency	169,526	160,682	180,690	189,853	228,410	229,213	232,621	240,275	240,167
Government Deposits	102,335	112,732	117,223	118,616	126,987	169,412	173,938	177,963	178,813
	(16.7)	(10.2)	(4.0)	(1.2)	(7.06)	(36.5)	(40.2)	(43.7)	(40.8)
In local currency	60,854	67,114	65,820	62,669	64,654	78,349	82,864	81,966	82,981
In foreign currency	41,481	45,618	51,403	55,947	62,333	91,063	91,074	95,997	95,832
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	25.7	22.9	24.0	23.9	24.4	23.5	23.4	24.0	23.4
Dollarization in Non-Government Deposits	23.6	20.4	21.3	20.9	21.5	19.2	19.2	19.6	19.1
Dollarization in Government Deposit	40.5	40.5	43.9	47.2	49.1	53.8	52.4	53.9	53.6

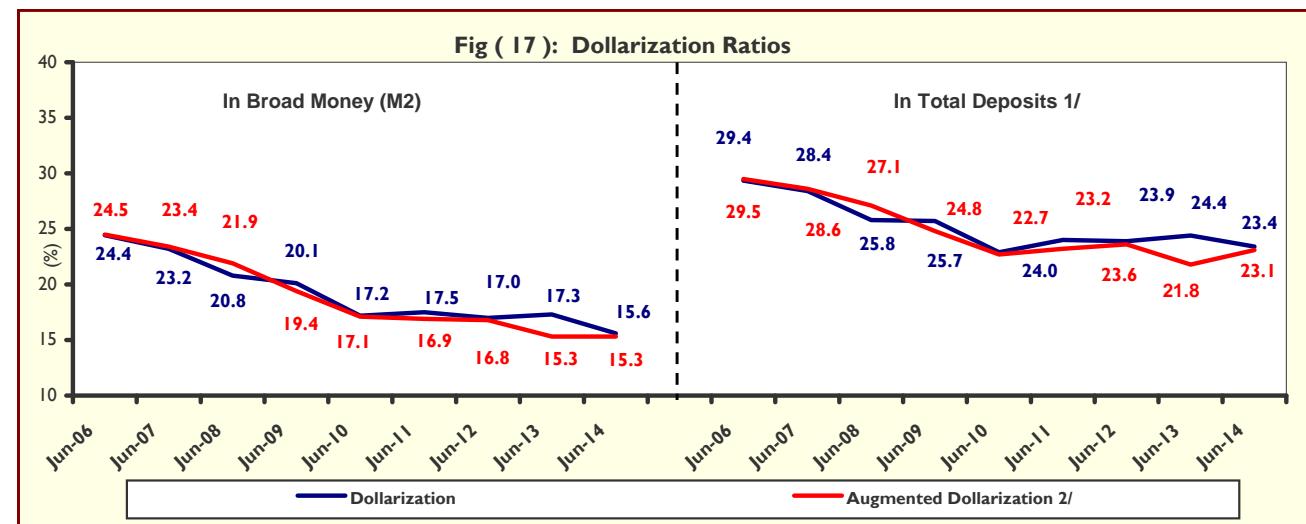
Source: Central bank of Egypt.

() 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)

	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	Mar-14	Apr-14	May-14	* Jun-14
Total lending	429,957	465,990	474,139	506,736	549,120	563,133	569,471	579,499	587,852
	(7.1)	(8.4)	(1.7)	(6.9)	(8.4)	(4.9)	(4.8)	(6.2)	(7.1)
To Government ^{2/}	30,748	39,385	39,802	33,589	35,780	38,623	38,134	39,117	40,802
	-(1.3)	(28.1)	(1.1)	-(15.6)	(6.5)	(10.9)	(9.3)	(10.3)	(14.0)
In local currency	12,946	15,390	18,191	14,615	11,401	11,680	11,558	12,095	11,872
In foreign currency	17,802	23,995	21,611	18,974	24,379	26,943	26,576	27,022	28,930
To Non-Government	399,209	426,605	434,337	473,147	513,340	524,510	531,337	540,382	547,050
	(7.8)	(6.9)	(1.8)	(8.9)	(8.5)	(4.5)	(4.5)	(5.9)	(6.6)
In local currency	282,246	298,264	309,573	349,560	376,479	388,274	392,673	400,471	406,499
In foreign currency	116,963	128,341	124,764	123,587	136,861	136,236	138,664	139,911	140,551
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	85.2	85.2	84.7	85.4	85.7	85.0	85.3	85.3	85.4
Non Government Loans/ Deposits ^{4/}	55.6	54.2	51.2	52.1	48.3	44.0	44.0	44.1	43.6
Government Loans / Deposits	30.0	34.9	34.0	28.3	28.2	22.8	21.9	22.0	22.8
Foreign currency denominated credit to total credit	31.3	32.7	30.9	28.1	29.4	29.0	29.0	28.8	28.8
Government foreign currency denominated credit to total government credit	57.9	60.9	54.3	56.5	68.1	69.8	69.7	69.1	70.9
Non - government foreign currency denominated credit to total non-government credit	29.3	30.1	28.7	26.1	26.7	26.0	26.1	25.9	25.7

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
June-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						
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
2013/2014	8.75	11.92	7.19	10.88	10.48	8.63
Monthly Average						
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	11.30	6.70	10.60	9.75	8.50
Jul-14	9.75	11.80	6.60	11.19	9.75	8.50

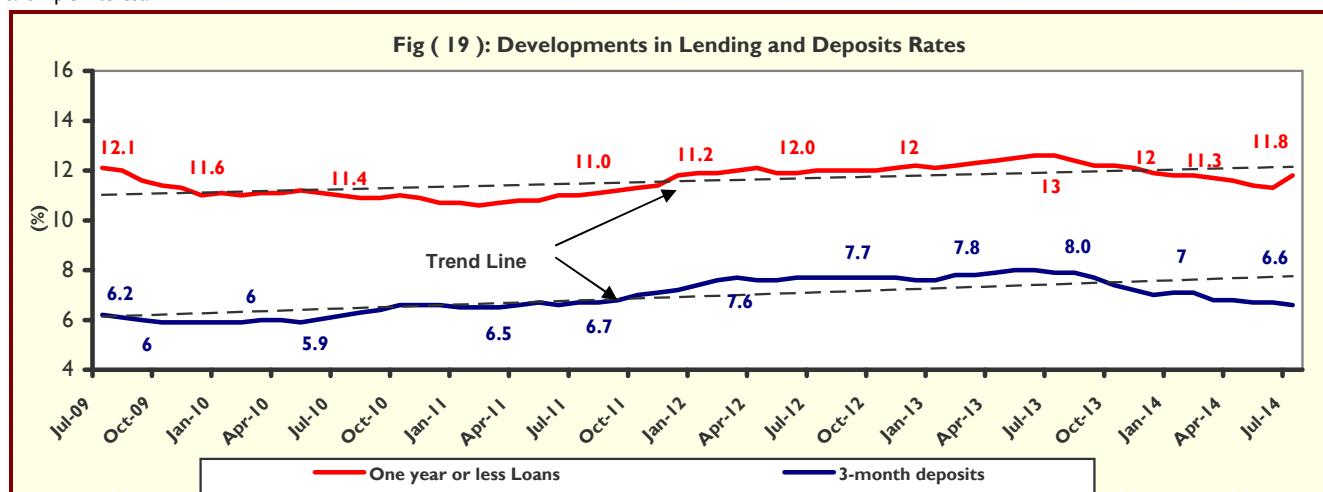
Source: Central Bank of Egypt.

-- 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.

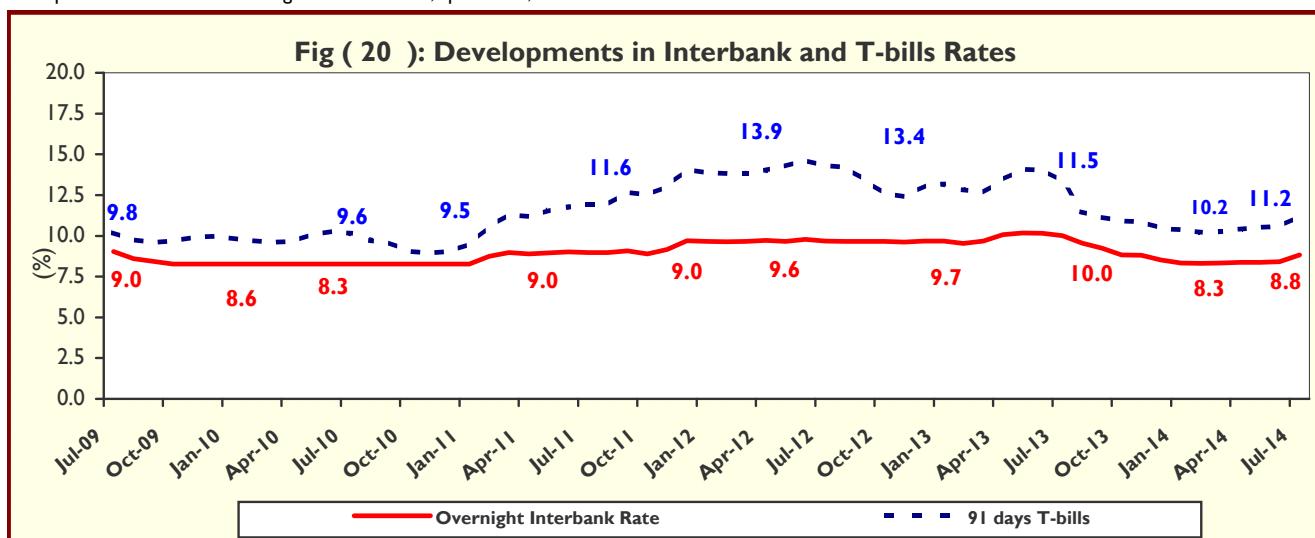
Table (30) : Average Interbank Rates ^{1/}

	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				
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	--	--
Jul-14	8.83	9.08	--	--

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.