Section 6

MONETARY SECTOR

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

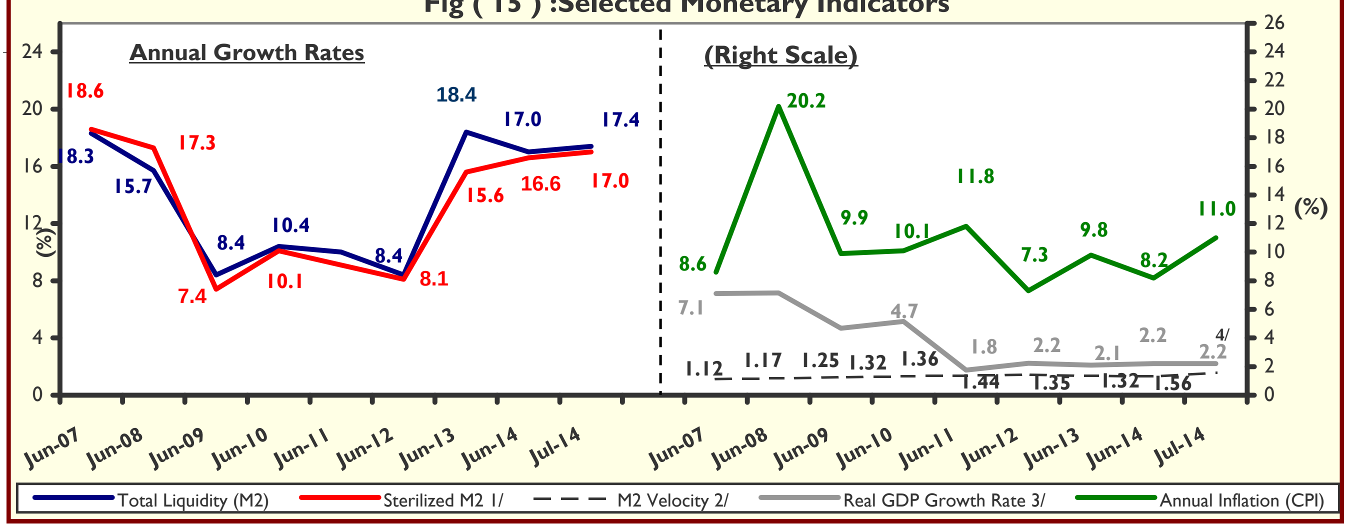
	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change 1/
Net Foreign Assets (LE terms)	**-8.2**	**-3.8**	**-19.1**	**-10.3**
CBE NFA	1.4	-9.6	-15.3	-15.2
CBE NIR	0.4	-1.9	-9.6	26.6
Banks NFA 2/	-12.1	-0.8	-20.8	-5.2
Net Foreign Assets (US dollar terms)	**-8.3**	**-6.1**	**-20.8**	**-15.9**
CBE NFA	1.3	-11.8	-17.0	-20.0
CBE NIR	0.3	-4.3	-11.4	17.8
Banks NFA 2/	-12.2	-3.2	-22.4	-11.5
Net Domestic Assets	**2.8**	**6.7**	**22.0**	**21.4**
Net Claims on Government and GASC	2.5	9.3	30.6	32.1
Claims on Public Companies	-0.3	-1.9	3.8	2.4
Claims on Private Sector	-0.02	3.3	7.5	7.0
Total Liquidity (M2)	**1.9**	**5.9**	**17.4**	**17.6**
Money (M1)	4.2	8.6	20.9	24.0
Quasi Money	1.0	4.9	16.1	15.4

Source: Central Bank of Egypt.

1/ Average year on year growth for twelve successive observations.

2/ Commercial, specialized, business and investment banks.

Fig (15) :Selected Monetary Indicators



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 1753.3 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
(July 2014)

(LE Million)

	Jul-09	Jul-10	Jul-11	Jul-12	Jul-13	Apr-14	May-14	Jun-14	Jul-14*
Net Foreign Assets 1/	**256,676**	**283,386**	**253,654**	**156,065**	**145,832**	**122,614**	**126,059**	**128,425**	**117,934**
	-(13.5)	(10.4)	-(10.5)	-(38.5)	-(6.6)	(1.4)	-(6.9)	(4.2)	-(19.1)
Central bank (Net)	**172,158**	**190,478**	**141,811**	**69,477**	**44,731**	**41,896**	**41,709**	**37,355**	**37,876**
Foreign Assets	173,423	198,884	150,921	85,598	128,994	118,812	119,991	115,705	116,251
Foreign Liabilities	1,265	8,406	9,110	16,121	84,263	76,916	78,282	78,350	78,375
Banks (Net)	**84,518**	**92,908**	**111,843**	**86,588**	**101,101**	**80,718**	**84,350**	**91,070**	**80,058**
Foreign Assets	110,186	123,812	142,545	116,647	133,803	114,075	117,886	115,838	114,716
Foreign Liabilities	25,668	30,904	30,702	30,059	32,702	33,357	33,536	24,768	34,658
Net Domestic Assets of which:	**578,781**	**639,251**	**765,272**	**945,809**	**1,170,222**	**1,336,954**	**1,358,361**	**1,388,166**	**1,427,098**
	(20.9)	(10.4)	(19.7)	(23.6)	(23.7)	(18.1)	(19.9)	(18.4)	(22.0)
Net Claims on Government, and GASC 1/	**294,821**	**346,458**	**454,032**	**599,146**	**820,459**	**980,557**	**993,710**	**1,045,905**	**1,071,899**
National Currency	359,801	410,804	542,249	656,644	875,833	969,827	986,054	1,035,288	1,054,458
Foreign Currency	-64,980	-64,346	-88,217	-57,498	-55,374	10,730	7,656	10,617	17,441
Claims on Public Business Sector	**33,591**	**30,701**	**33,331**	**41,177**	**43,604**	**46,131**	**46,353**	**45,366**	**45,252**
National Currency	24,604	21,899	25,360	32,471	34,798	36,308	36,464	35,373	35,376
Foreign Currency	8,987	8,802	7,971	8,706	8,806	9,823	9,889	9,993	9,876
Claims on Private Sector 2/	**382,491**	**417,195**	**422,692**	**451,527**	**497,300**	**517,557**	**526,614**	**534,590**	**534,470**
National Currency	284,484	307,676	317,129	347,823	374,627	392,713	400,333	407,282	405,380
Foreign Currency	98,007	109,519	105,563	103,704	122,673	124,844	126,281	127,308	129,090
Other Items (net) 1/ 3/	**-132,122**	**-155,103**	**-144,783**	**-146,041**	**-191,141**	**-207,291**	**-208,316**	**-237,695**	**-224,523**
Total Liquidity (M2)	**835,457**	**922,637**	**1,018,926**	**1,101,874**	**1,316,054**	**1,459,568**	**1,484,420**	**1,516,591**	**1,545,032**
	(7.8)	(10.4)	(10.4)	(8.1)	(19.4)	(16.5)	(17.0)	(17.0)	(17.4)
Money (M1) 4/	**185,793**	**213,291**	**254,288**	**278,388**	**353,844**	**394,139**	**401,254**	**410,548**	**427,860**
	(8.7)	(14.8)	(19.2)	(9.5)	(27.1)	(19.9)	(20.9)	(19.3)	(20.9)
Currency in Circulation	122,161	139,528	171,046	196,361	250,930	259,294	267,732	270,856	285,441
Demand Deposits in Local Currency	63,632	73,763	83,242	82,027	102,914	134,845	133,522	139,692	142,419
Quasi Money	**649,664**	**709,346**	**764,638**	**823,486**	**962,210**	**1,065,429**	**1,083,166**	**1,106,043**	**1,117,172**
	(7.5)	(9.2)	(7.8)	(7.7)	(16.8)	(15.3)	(15.6)	(16.2)	(16.1)
Local Currency Time & Savings Deposits	485,935	550,259	585,246	637,110	736,195	836,692	846,870	869,975	877,725
Foreign Currency Demand Deposits	30,031	33,981	43,106	45,224	57,510	60,900	64,790	62,211	64,864
Foreign Currency Time and Savings Deposits	133,698	125,106	136,286	141,152	168,505	167,837	171,506	173,857	174,583

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)

(July 2014)

	Jul-09	Jul-10	Jul-11	Jul-12	Jul-13	Apr-14	May-14	Jun-14	Jul-14 *
Net Foreign Assets (In Million US$) 4/	**46,118**	**49,845**	**42,666**	**25,807**	**20,814**	**17,571**	**17,802**	**17,979**	**16,494**
Central bank NFA	**30,932**	**33,504**	**23,853**	**11,489**	**6,384**	**6,004**	**5,890**	**5,230**	**5,297**
Net International Reserves	**46,345**	**51,324**	**44,198**	**28,473**	**32,840**	**28,594**	**28,858**	**28,948**	**27,456**
Central Bank (Gross)	**31,626**	**35,278**	**25,706**	**14,422**	**18,890**	**17,489**	**17,284**	**16,687**	**16,737**
Banks (net)	**15,186**	**16,342**	**18,812**	**14,318**	**14,430**	**11,567**	**11,912**	**12,750**	**11,197**
Foreign assets	19,797	21,778	23,977	19,289	19,097	16,348	16,648	16,217	16,044
Foreign Liabilities	4,612	5,436	5,164	4,971	4,667	4,780	4,736	3,467	4,847
In Percent of Beginning of Money Stocks 5/									
Net Foreign Assets	0.3%	0.1%	0.02%	-0.1%	1.7%	-0.05%	0.2%	0.4%	-0.7%
Net Domestic Assets	0.2%	0.5%	0.9%	0.8%	-0.2%	12.7%	14.3%	16.6%	2.6%
Money (M1)	0.3%	-0.1%	0.6%	0.4%	0.8%	3.9%	4.4%	5.1%	1.1%
Quasi Money	0.2%	0.6%	0.4%	0.3%	0.8%	8.8%	10.1%	11.9%	0.7%
Dollarization (% of Total Liquidity) 6/	19.6	17.2	17.6	16.9	17.2	15.7	15.9	15.6	15.5
M2 Multiplier 7/	4.85	4.40	4.03	4.30	4.04	4.27	4.27	4.16	4.17
M2 Velocity 8/	1.44	1.49	1.55	1.59	1.52	1.37	1.35	1.32	1.56
M2 (annual percentage change)	7.8	10.4	10.4	8.1	19.4	16.5	17.0	17.0	17.4
Credit to private sector (annual percentage change) 9/	1.9	9.1	1.3	6.8	10.1	5.5	6.9	7.4	7.5
Exchange Rate 10/	5.57	5.69	5.95	6.05	7.01	6.98	7.08	7.14	7.15

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.

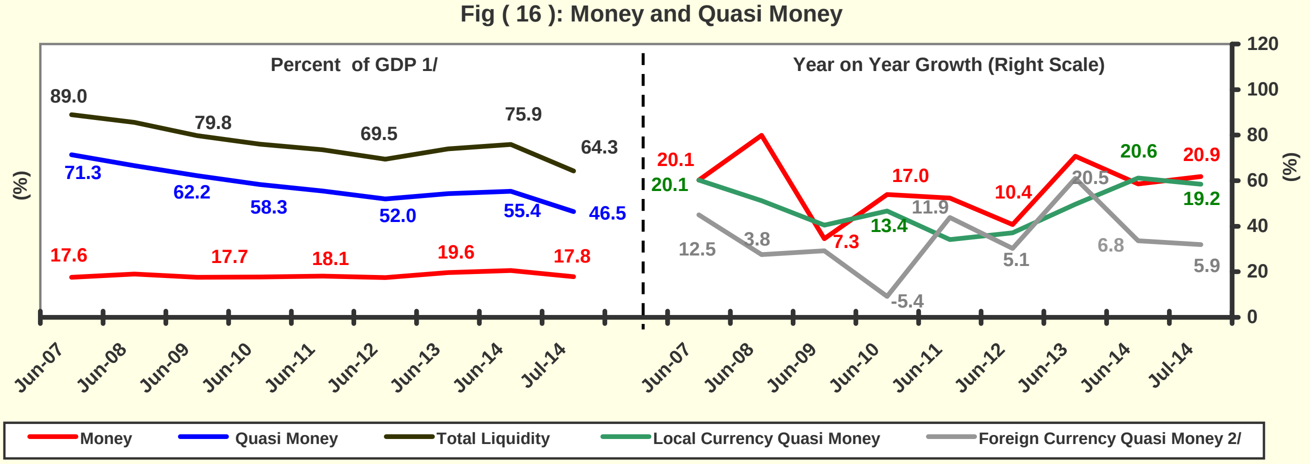
7/ M2 / Reserve Money.

8/ GDP / M2. According to the Ministry of Planning, GDP (at market prices) for 2013/2014 was revised to reach LE 1997.6 billion compared to LE 1753.3 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 1753.3 billion in 2012/2013.

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

Table (26) : Central Bank Reserve Money [1/]

(LE Million)

	Jul-09	Jul-10	Jul-11	Jul-12	Jul-13	Apr-14	May-14	Jun-14	Jul-14 *
Reserve Money	**172,166**	**209,567**	**252,873**	**256,235**	**325,641**	**341,611**	**347,865**	**364,473**	**370,585**
	(2.0)	(21.7)	(20.7)	(1.3)	(27.1)	(18.0)	(14.2)	(14.6)	(13.8)
Currency in Circulation	129,254	148,283	182,548	208,398	265,639	273,373	282,461	288,651	303,986
	(12.9)	(14.7)	(23.1)	(14.2)	(27.5)	(15.1)	(16.0)	(10.7)	(14.4)
Banks LE Deposits with CBE	42,912	61,284	70,325	47,837	60,002	68,238	65,404	75,822	66,599
	-(21.1)	(42.8)	(14.8)	-(32.0)	(25.4)	(31.0)	(6.8)	(32.8)	(11.0)
<u>Counter Assets:</u>									
Net Foreign Assets [2/]	**172,158**	**190,478**	**141,811**	**69,477**	**44,731**	**41,896**	**41,709**	**37,355**	**37,876**
	-(4.5)	(10.6)	-(25.5)	-(51.0)	-(35.6)	(20.4)	-(2.6)	-(2.3)	-(15.3)
Net Domestic Assets [2/]	**8**	**19,089**	**111,062**	**186,758**	**280,910**	**299,715**	**306,156**	**327,118**	**332,709**
	(100.1)	-	(481.8)	(68.2)	(50.4)	(17.6)	(17.0)	(16.9)	(18.4)
Net Claims on Government [3/]	89,075	95,536	127,825	182,962	329,617	380,865	382,536	419,905	450,127
	-(10.5)	(7.3)	(33.8)	(43.1)	(80.2)	(33.6)	(28.8)	(40.1)	(36.6)
Claims	157,632	165,289	203,414	263,167	420,790	426,556	432,015	464,248	484,622
	-(7.4)	(4.9)	(23.1)	(29.4)	(59.9)	(10.3)	(8.9)	(14.7)	(15.2)
Securities	130,771	130,596	129,097	178,831	240,331	240,331	240,331	240,331	214,331
Credit Facilities	26,861	34,693	74,317	84,336	180,459	186,225	191,684	223,917	270,291
Deposits [4/]	68,557	69,753	75,589	80,205	91,173	45,691	49,479	44,343	34,495
	-(2.8)	(1.7)	(8.4)	(6.1)	(13.7)	-(55.0)	-(50.5)	-(57.8)	-(62.2)
Net Claims on Banks	4,130	27,192	1,169	-1,123	1,232	-8,022	-9,132	-9,018	-7,789
Net Balancing Items [5/]	-93,197	-103,639	-17,932	4,919	-49,939	-73,128	-67,248	-83,769	-109,629
<u>Memorandum Items</u>									
Reserve Money Velocity [6/, 7/]	7.01	6.55	6.23	6.84	6.13	5.85	5.74	5.48	6.49

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 1753.3 billion in 2012/2013.

Table (27) : Deposits With Banks 1/

(LE Million)

	Jul-09	Jul-10	Jul-11	Jul-12	Jul-13	Apr-14	May-14	Jun-14	Jul-14 *
Total Deposits	**822,570**	**901,024**	**972,788**	**1,029,584**	**1,212,014**	**1,382,804**	**1,403,339**	**1,433,685**	**1,456,898**
	(7.7)	(9.5)	(8.0)	(5.8)	(17.7)	(19.2)	(20.0)	(20.4)	(20.2)
In local currency	614,630	693,506	737,531	785,611	911,740	1,059,109	1,067,067	1,097,686	1,124,590
In foreign currency	207,940	207,518	235,257	243,973	300,274	323,695	336,272	335,999	332,308
Non Government Deposits 2/	**718,812**	**788,806**	**854,327**	**912,570**	**1,073,703**	**1,208,866**	**1,225,376**	**1,254,872**	**1,269,054**
	(6.9)	(9.7)	(8.3)	(6.8)	(17.7)	(16.7)	(17.2)	(18.0)	(18.2)
In local currency	551,962	627,070	671,214	722,459	843,588	976,245	985,101	1,014,705	1,025,437
In foreign currency	166,850	161,736	183,113	190,111	230,115	232,621	240,275	240,167	243,617
Government Deposits	**103,758**	**112,218**	**118,461**	**117,014**	**138,311**	**173,938**	**177,963**	**178,813**	**187,844**
	(14.3)	(8.2)	(5.6)	-(1.2)	(18.20)	(40.2)	(43.7)	(40.8)	(35.8)
In local currency	62,668	66,436	66,317	63,152	68,152	82,864	81,966	82,981	99,153
In foreign currency	41,090	45,782	52,144	53,862	70,159	91,074	95,997	95,832	88,691
Memorandum Items (In Percent):									
Dollarization in Total Deposits	25.3	23.0	24.2	23.7	24.8	23.4	24.0	23.4	22.8
Dollarization in Non-Government Deposits	23.2	20.5	21.4	20.8	21.4	19.2	19.6	19.1	19.2
Dollarization in Government Deposits	39.6	40.8	44.0	46.0	50.7	52.4	53.9	53.6	47.2

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.

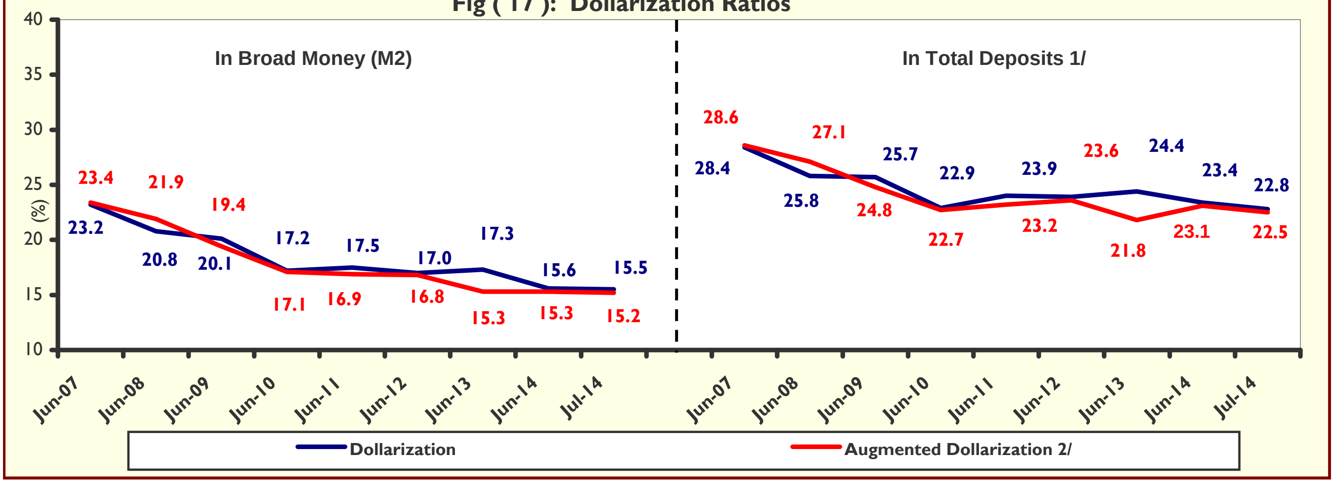


Fig (17): Dollarization Ratios

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)

	Jul-09	Jul-10	Jul-11	Jul-12	Jul-13	Apr-14	May-14	Jun-14	Jul-14 *
Total lending	**427,598**	**464,617**	**475,401**	**505,140**	**550,319**	**569,471**	**579,499**	**587,852**	**588,003**
	(5.2)	(8.7)	(2.3)	(6.3)	(8.9)	(4.8)	(6.2)	(7.1)	(6.8)
To Government [2/]	**30,955**	**39,785**	**40,317**	**33,183**	**36,270**	**38,134**	**39,117**	**40,802**	**40,769**
	(1.5)	(28.5)	(1.3)	-(17.7)	(9.3)	(9.3)	(10.3)	(14.0)	(12.4)
In local currency	13,796	17,742	17,950	14,262	11,135	11,558	12,095	11,872	11,724
In foreign currency	17,159	22,043	22,367	18,921	25,135	26,576	27,022	28,930	29,045
To Non-Government	**396,643**	**424,832**	**435,084**	**471,957**	**514,049**	**531,337**	**540,382**	**547,050**	**547,234**
	(5.5)	(7.1)	(2.4)	(8.5)	(8.9)	(4.5)	(5.9)	(6.6)	(6.5)
In local currency	280,325	296,583	310,380	349,149	375,591	392,673	400,471	406,499	405,167
In foreign currency	116,318	128,249	124,704	122,808	138,458	138,664	139,911	140,551	142,067
Memorandum Items (In Percent):									
Credit to private sector [3/] / Total Credit	85.0	84.9	84.6	85.3	85.5	85.3	85.3	85.4	85.4
Non Government Loans/ Deposits [4/]	55.2	53.9	50.9	51.7	47.9	44.0	44.1	43.6	43.1
Government Loans / Deposits	29.8	35.5	34.0	28.4	26.2	21.9	22.0	22.8	21.7
Foreign currency denominated credit to total credit	31.2	32.3	30.9	28.1	29.7	29.0	28.8	28.8	29.1
Government foreign currency denominated credit to total government credit	55.4	55.4	55.5	57.0	69.3	69.7	69.1	70.9	71.2
Non - government foreign currency denominated credit to total non-government credit	29.3	30.2	28.7	26.0	26.9	26.1	25.9	25.7	26.0

Source: Central Bank of Egypt.

( ) Percent change over previous year

* Preliminary.

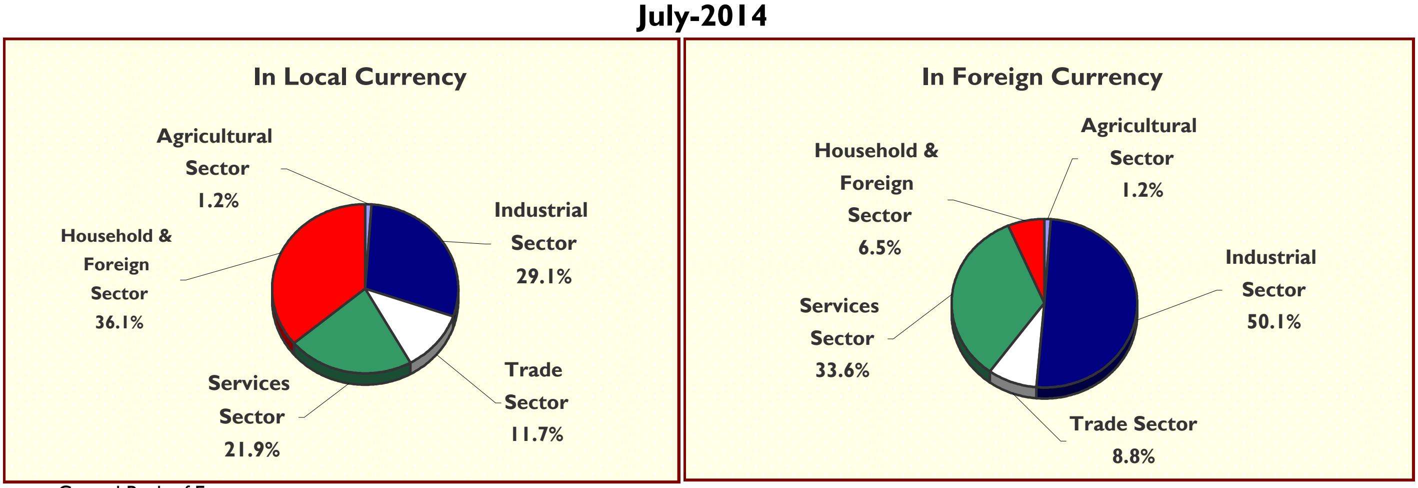
1/ Excludes credit provided by the Central Bank of Egypt.

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 July-2014



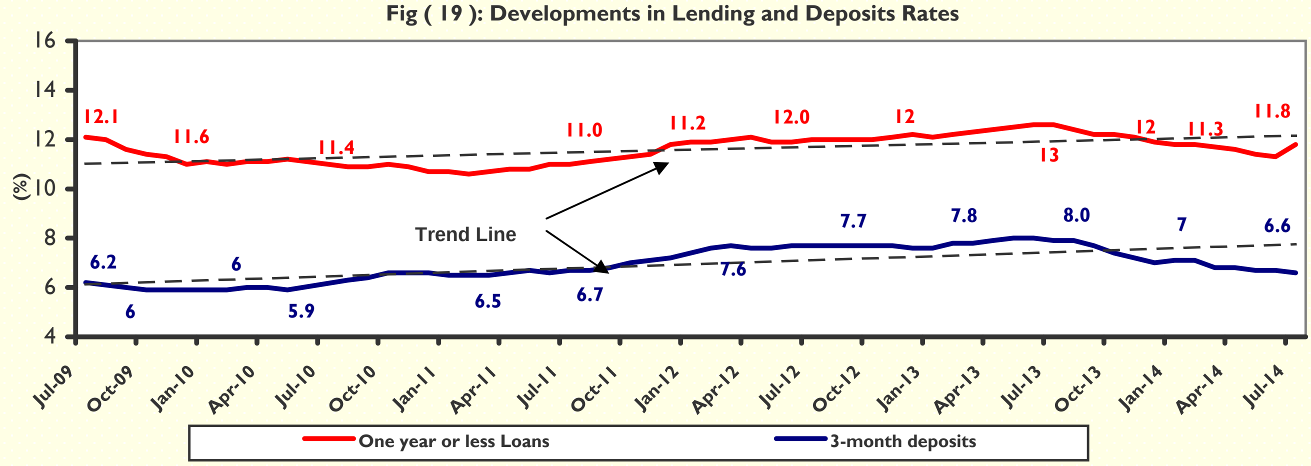
Source: Central Bank of Egypt.

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						
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
Aug-14	9.75	--	--	11.72	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.

Fig (19): Developments in Lending and Deposits Rates



Source: Central Bank of Egypt.

MONETARY SECTOR

Table (30) : Average Interbank Rates 1/

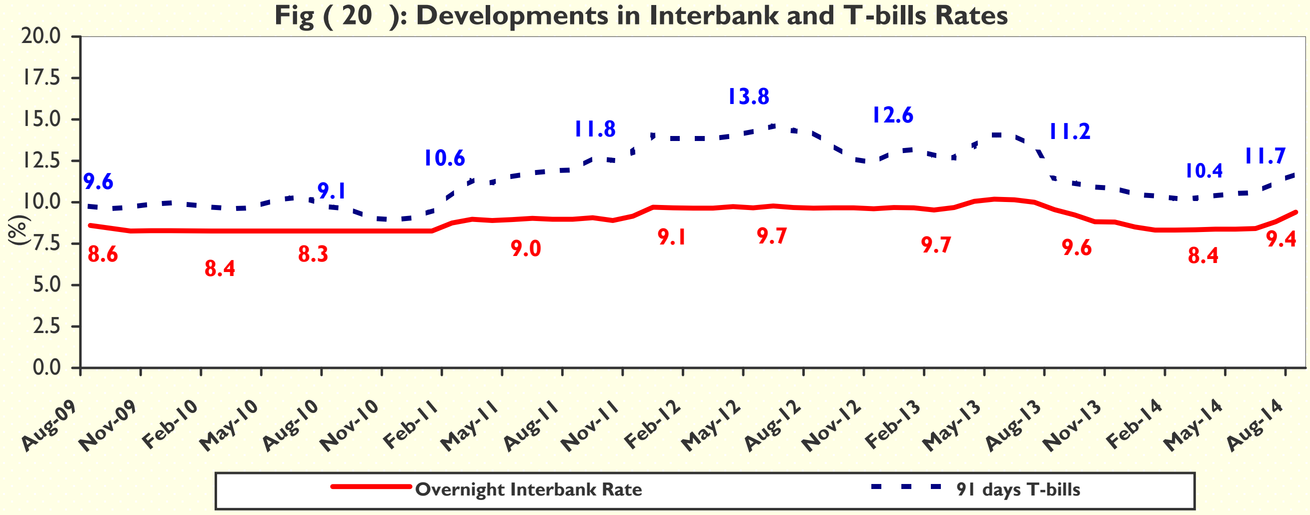
	Overnight	One Week	Month	More than One Month
Yearly Average				
2004	8.2	9.8	10.7	10.3
2005	9.5	10.1	10.4	10.7
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
2011	9.0	9.2	9.5	9.5
2012	9.4	10.0	10.2	10.2
2013	9.4	10.0	10.2	10.2
Monthly Average				
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	--	--
Aug-14	9.41	9.62	--	--

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' .

Fig (20): Developments in Interbank and T-bills Rates



Source: Central Bank of Egypt.