

Section 6

MONETARY SECTOR

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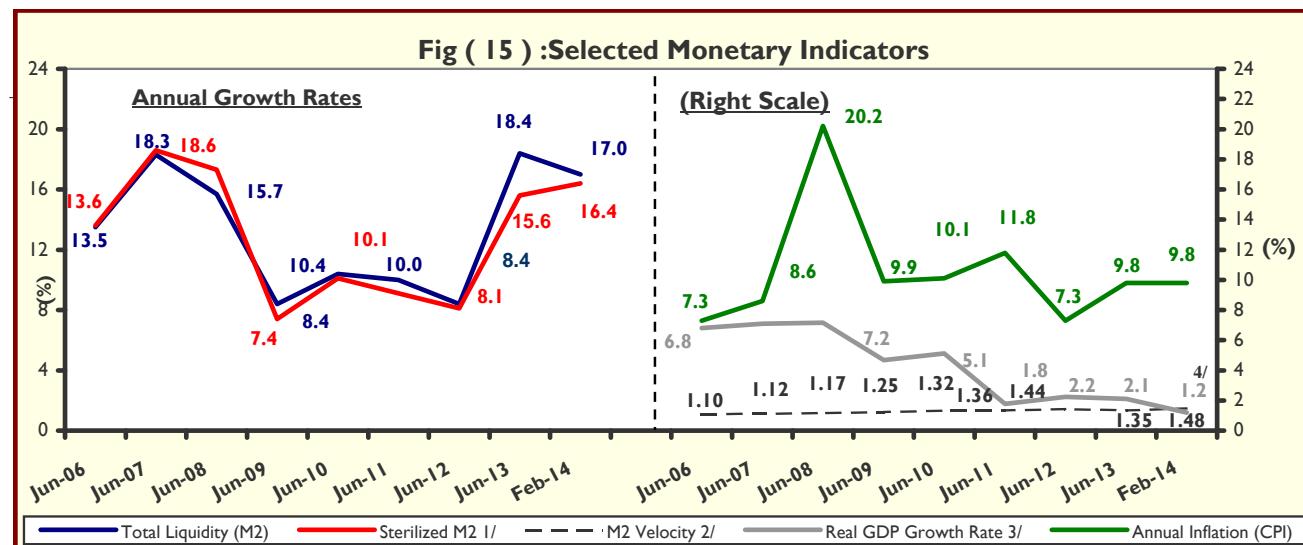
Table (24) : Developments in Main Monetary Aggregates
(February 2014)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	3.4	8.9	-4.7	-16.1
CBE NFA	3.4	0.6	-2.6	-34.6
CBE NIR	1.2	-1.6	32.8	28.2
Banks NFA 2/	3.4	13.3	-5.7	0.1
Net Foreign Assets (US dollar terms)	3.4	7.8	-8.0	-25.3
CBE NFA	3.4	-0.4	-6.0	-41.5
CBE NIR	1.2	-2.6	28.1	14.1
Banks NFA 2/	3.4	12.1	-9.0	-11.2
Net Domestic Assets	1.2	3.8	19.7	23.8
Net Claims on Government and GASC	0.8	4.6	30.6	35.9
Claims on Public Companies	0.4	-0.9	-1.8	2.9
Claims on Private Sector	0.9	1.2	5.5	8.5
Total Liquidity (M2)	1.4	4.2	17.0	18.3
Money (M1)	0.3	2.4	22.5	26.4
Quasi Money	1.8	4.9	15.1	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
(February 2014)

(LE Millions)

	Feb-09	Feb-10	Feb-11	Feb-12	Feb-13	Nov-13	Dec-13	Jan-14 [#]	Feb-14 [*]
Net Foreign Assets 1/	248,472	255,859	274,549	177,927	133,126	116,459	117,609	122,631	126,847
	(8.8)	(5.0)	(1.4)	-(35.2)	-(25.2)	-(20.8)	-(11.8)	-(11.2)	-(4.7)
Central bank (Net)	184,397	177,126	184,740	82,411	41,558	40,218	38,448	39,137	40,475
Foreign Assets	185,787	185,621	192,784	92,741	85,304	119,189	114,764	115,684	117,011
Foreign Liabilities	1,390	8,495	8,044	10,330	43,746	78,971	76,316	76,547	76,536
Banks (Net)	64,073	78,731	89,809	95,516	91,568	76,241	79,161	83,494	86,372
Foreign Assets	92,994	105,446	132,332	123,722	122,433	110,794	113,596	117,271	120,454
Foreign Liabilities	28,921	26,715	42,523	28,206	30,865	34,553	34,435	33,777	34,082
Net Domestic Assets of which:	542,908	610,497	707,998	872,201	1,078,191	1,243,675	1,270,079	1,275,624	1,290,694
	(12.3)	(12.4)	(17.0)	(23.2)	(23.6)	(24.3)	(22.9)	(20.3)	(19.7)
Net Claims on Government, and GASC 1/	244,417	328,753	401,928	539,371	717,808	896,153	922,542	929,836	937,112
National Currency	298,480	389,913	485,646	602,406	771,686	891,617	910,786	918,829	925,443
Foreign Currency	-54,061	-61,158	-83,718	-63,035	-53,878	4,536	11,756	11,007	11,669
Claims on Public Business Sector	28,840	35,633	33,296	40,350	44,319	43,911	43,665	43,352	43,521
National Currency	20,862	27,942	24,516	31,627	35,107	35,232	34,719	34,504	34,679
Foreign Currency	7,978	7,691	8,780	8,723	9,212	8,679	8,946	8,848	8,842
Claims on Private Sector 2/	388,539	382,427	416,371	437,918	478,167	498,609	495,593	499,948	504,547
National Currency	280,061	282,426	304,294	334,405	363,684	378,114	374,983	380,606	383,297
Foreign Currency	108,478	100,001	112,077	103,513	114,483	120,495	120,610	119,342	121,250
Other Items (net) 1/ 3/	-118,886	-136,314	-143,597	-145,438	-162,103	-194,998	-191,721	-197,512	-194,486
Total Liquidity (M2)	791,380	866,356	982,547	1,050,128	1,211,317	1,360,134	1,387,688	1,398,255	1,417,541
	(12.5)	(11.5)	(12.2)	(6.9)	(15.3)	(18.5)	(18.9)	(16.7)	(17.0)
Money (M1) 4/	174,462	196,975	239,401	258,736	308,786	369,561	373,624	377,041	378,314
	(16.9)	(14.9)	(19.9)	(8.1)	(19.3)	(28.4)	(29.7)	(23.8)	(22.5)
Currency in Circulation	114,036	126,666	161,818	179,176	218,585	254,057	251,050	255,208	255,111
Demand Deposits in Local Currency	60,424	70,307	77,583	79,560	90,201	115,504	122,574	121,833	123,203
Quasi Money	616,918	669,381	743,146	791,392	902,531	990,573	1,014,064	1,021,214	1,039,227
	(11.3)	(10.5)	(9.9)	(6.5)	(14.0)	(15.2)	(15.4)	(14.3)	(15.1)
Local Currency Time & Savings Deposits	453,733	514,528	568,572	604,981	683,998	778,722	796,896	804,462	814,339
Foreign Currency Demand Deposits	25,889	29,124	45,829	44,869	53,436	51,725	57,295	54,195	61,067
Foreign Currency Time and Savings Deposits	137,296	125,729	128,745	141,542	165,097	160,126	159,873	162,557	163,821

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)
 (February 2014)

	Feb-09	Feb-10	Feb-11	Feb-12	Feb-13	Nov-13	Dec-13	Jan-14 [#]	Feb-14 [*]
Net Foreign Assets (In Million US\$)^{4/}	44,489	49,464	46,693	29,543	19,829	16,917	17,048	17,629	18,235
Central bank NFA	32,676	32,547	31,419	13,684	6,190	5,842	5,573	5,626	5,819
Net International Reserves	44,730	51,008	48,062	31,258	26,344	28,388	28,111	28,632	29,238
Central Bank (Gross)	33,053	34,324	33,321	15,718	13,508	17,766	17,032	17,105	17,307
Banks (net)	11,813	16,917	15,274	15,860	13,639	11,075	11,475	12,003	12,417
Foreign assets	16,701	21,225	22,506	20,543	18,236	16,094	16,467	16,858	17,316
Foreign Liabilities	4,888	4,308	7,232	4,683	4,597	5,019	4,992	4,856	4,900
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	-7.4%	2.0%	-0.9%	-7.49%	-2.2%	-0.5%	-0.4%	0.0%	0.3%
Net Domestic Assets	11.7%	3.4%	8.0%	11.5%	12.9%	5.5%	7.5%	7.9%	9.1%
Money (M1)	0.1%	2.0%	2.8%	1.0%	3.1%	2.0%	2.3%	2.5%	2.6%
Quasi Money	4.2%	3.3%	4.3%	3.0%	7.6%	3.0%	4.8%	5.3%	6.7%
Dollarization (% of Total Liquidity)^{6/}	20.8	18.1	17.8	17.8	18.0	15.6	15.6	15.5	15.9
M2 Multiplier^{7/}	4.77	4.68	3.98	4.15	4.39	4.02	4.13	4.17	4.33
M2 Velocity^{8/}	1.30	1.38	1.40	1.50	1.45	1.51	1.47	1.45	1.43
M2 (annual percentage change)	8.3	9.5	12.2	6.9	15.3	18.5	18.9	16.7	17.0
Credit to private sector (annual percentage change)^{9/}	10.6	-0.3	7.6	5.2	9.2	8.0	6.4	5.4	5.5
Exchange Rate^{10/}	5.56	5.47	5.88	6.02	6.71	6.88	6.90	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.

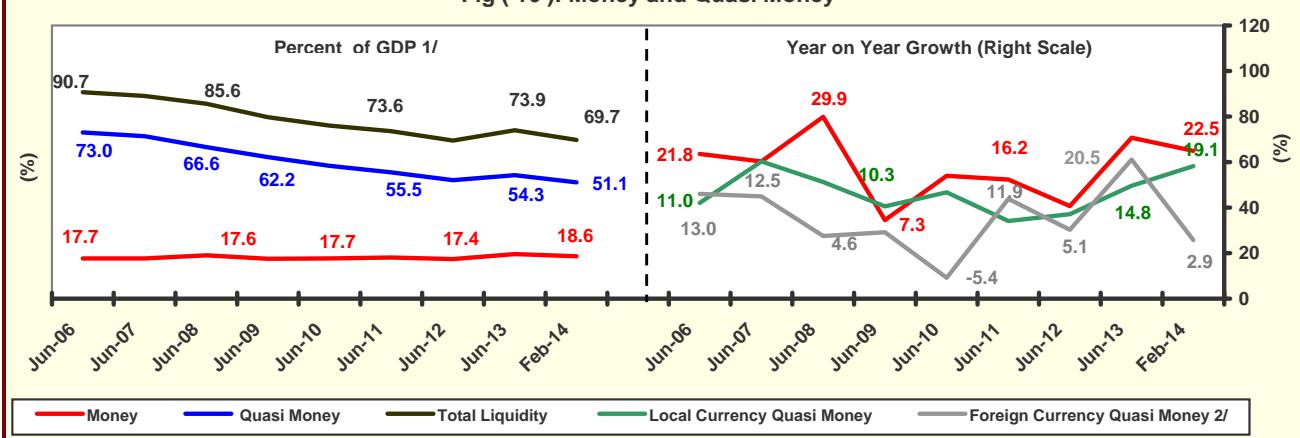
7/ M2 / Reserve Money.

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 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 Millions)

	Feb-09	Feb-10	Feb-11	Feb-12	Feb-13	Nov-13	Dec-13	Jan-14 [#]	Feb-14 [*]
Reserve Money	167,741	187,077	246,961	252,926	275,706	337,980	336,368	335,196	327,171
	(11.5)	(8.9)	(32.0)	(2.4)	(9.0)	(27.9)	(27.3)	(25.7)	(18.7)
Currency in Circulation	118,847	135,578	177,017	189,413	229,457	266,787	264,882	269,131	267,726
	(15.6)	(14.1)	(30.6)	(7.0)	(21.1)	(25.1)	(22.5)	(18.6)	(16.7)
Banks LE Deposits with CBE	48,894	51,499	69,944	63,513	46,249	71,193	71,486	66,065	59,445
	(2.7)	-3.52	-(7.0)	-(9.2)	-(27.2)	(39.4)	(48.9)	(66.2)	(28.5)
Counter Assets:									
Net Foreign Assets ^{2/}	181,539	178,084	184,740	82,411	41,558	40,218	38,448	39,138	40,475
	(58.9)	-(1.9)	(3.7)	-(55.4)	-(49.6)	-(37.2)	-(21.6)	-(6.4)	-(2.6)
Net Domestic Assets ^{2/}	-13,798	8,993	62,221	170,515	234,148	297,762	297,920	296,058	286,696
	-(138.1)	(137.8)	(591.9)	(174.0)	(37.3)	(48.7)	(38.4)	(31.7)	(22.4)
Net Claims on Government ^{3/}	77,540	95,783	106,555	177,316	256,832	364,399	379,703	381,541	375,350
	-(36.2)	(23.5)	(11.2)	(66.4)	(44.8)	(79.9)	(77.3)	(54.7)	(46.1)
Claims	153,313	170,187	187,983	256,735	351,706	402,897	419,044	423,965	422,171
	-(22.7)	(11.0)	(10.5)	(36.6)	(37.0)	(42.0)	(40.7)	(25.3)	(20.0)
Securities	123,123	124,559	130,597	129,097	178,831	240,331	240,331	240,331	240,331
Credit Facilities	30,190	45,628	57,386	127,638	172,875	162,566	178,713	183,634	181,840
Deposits ^{4/}	75,773	74,404	81,428	79,419	94,874	38,498	39,341	42,424	46,821
	-(1.5)	-(1.8)	(9.4)	-(2.5)	(19.5)	-(52.7)	-(53.0)	-(53.7)	-(50.6)
Net Claims on Banks	-4,022	16,137	2,169	-1,685	-1,338	-7,390	-2,544	1,258	361
Net Balancing Items ^{5/}	-93,227	-102,927	-46,503	-5,116	-21,346	-59,247	-79,239	-86,741	-89,015
Memorandum Items									
Reserve Money Velocity ^{6/, 7/}	6.21	6.45	5.55	6.23	6.36	6.07	6.05	6.07	6.22

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)

	Feb-09	Feb-10	Feb-11	Feb-12	Feb-13	Nov-13	Dec-13	Jan-14	Feb-14 *
Total Deposits	789,550	862,571	943,706	999,354	1,128,608	1,262,220	1,316,008	1,325,049	1,341,827
	(7.5)	(9.2)	(9.4)	(5.9)	(12.9)	(18.0)	(20.6)	(18.9)	(18.9)
In local currency	580,644	660,755	716,017	757,012	849,475	972,910	1,003,305	1,012,747	1,022,432
In foreign currency	208,906	201,816	227,689	242,342	279,133	289,310	312,703	312,302	319,395
Non Government Deposits ^{2/}	691,952	752,475	827,056	877,462	1,000,543	1,115,028	1,145,306	1,151,877	1,171,492
	(7.1)	(8.7)	(9.9)	(6.1)	(14.0)	(17.1)	(18.1)	(16.4)	(17.1)
In local currency	523,423	591,849	648,989	687,531	777,687	899,261	924,313	930,993	942,723
In foreign currency	168,529	160,626	178,067	189,931	222,856	215,767	220,993	220,884	228,769
Government Deposits	97,598	110,096	116,650	121,892	128,065	147,192	170,702	173,172	170,335
	(10.6)	(12.8)	(6.0)	(4.5)	(5.1)	(25.7)	(40.8)	(39.4)	(33.0)
In local currency	57,221	68,906	67,028	69,481	71,788	73,649	78,992	81,754	79,709
In foreign currency	40,377	41,190	49,622	52,411	56,277	73,543	91,710	91,418	90,626
<u>Memorandum Items</u>									
(In Percent):									
Dollarization in Total Deposits	26.5	23.4	24.1	24.2	24.7	22.9	23.8	23.6	23.8
Dollarization in Non-Government Deposits	24.4	21.3	21.5	21.6	22.3	19.4	19.3	19.2	19.5
Dollarization in Government Deposits	41.4	37.4	42.5	43.0	43.9	50.0	53.7	52.8	53.2

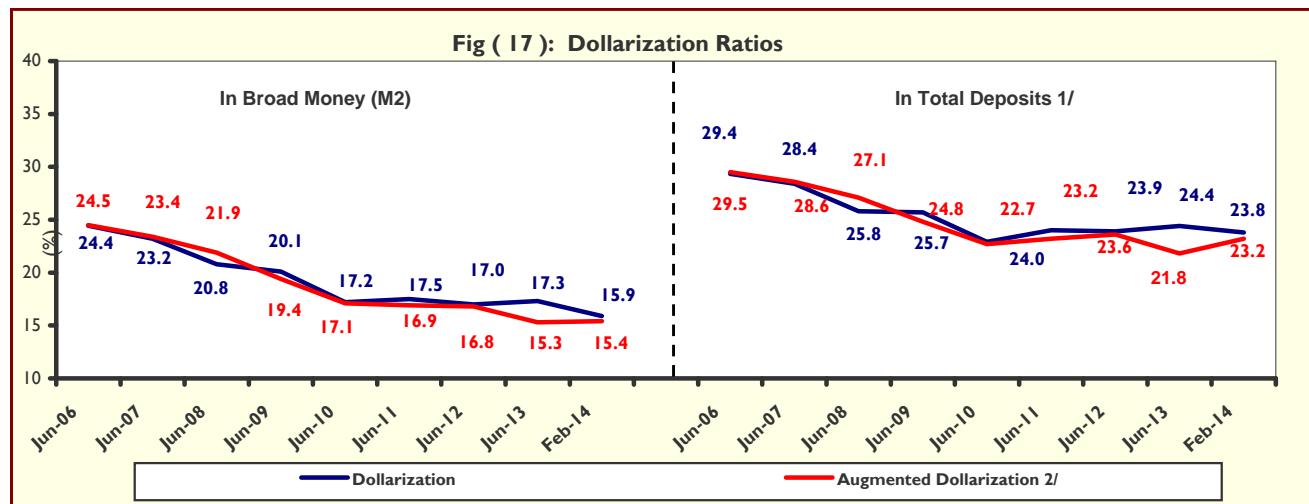
Source: Central bank of Egypt.

() 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.



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)

	Feb-09	Feb-10	Feb-11	Feb-12	Feb-13	Nov-13	Dec-13	Jan-14	#	*	Feb-14
Total lending	430,339	437,072	469,496	495,125	530,492	550,210	550,303	552,457	556,014		
	(11.7)	(1.6)	(7.4)	(5.5)	(7.1)	(7.5)	(6.5)	(4.6)	(4.8)		
To Government ^{2/}	31,742	32,634	38,821	36,303	34,559	37,237	41,555	40,613	39,874		
	(2.3)	(2.8)	(19.0)	-(6.5)	-(4.8)	(17.2)	(18.3)	(11.9)	(15.4)		
In local currency	8,143	12,395	18,956	16,115	11,995	10,396	12,093	12,075	11,839		
In foreign currency	23,599	20,239	19,865	20,188	22,564	26,841	29,462	28,538	28,035		
To Non-Government	398,597	404,438	430,675	458,822	495,933	512,973	508,748	511,844	516,140		
	(12.5)	(1.5)	(6.5)	(6.5)	(8.1)	(6.9)	(5.6)	(4.1)	(4.1)		
In local currency	278,180	285,229	295,812	335,156	363,388	378,608	374,051	378,815	381,217		
In foreign currency	120,417	119,209	134,863	123,666	132,545	134,365	134,697	133,029	134,923		
Memorandum Items (In Percent):											
Credit to private sector ^{3/} / Total Credit	85.7	83.9	84.7	84.6	85.2	85.3	84.6	84.8	85.0		
Non Government Loans/ Deposits ^{4/}	57.6	53.7	52.1	52.3	49.6	46.0	44.4	44.4	44.1		
Government Loans / Deposits	32.5	29.6	33.3	29.8	27.0	25.3	24.3	23.5	23.4		
Foreign currency denominated credit to total credit	33.5	31.9	33.0	29.1	29.2	29.3	29.8	29.2	29.3		
Government foreign currency denominated credit to total government credit	74.3	62.0	51.2	55.6	65.3	72.1	70.9	70.3	70.3		
Non - government foreign currency denominated credit to total non-government credit	30.2	29.5	31.3	27.0	26.7	26.2	26.5	26.0	26.1		

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

Revised

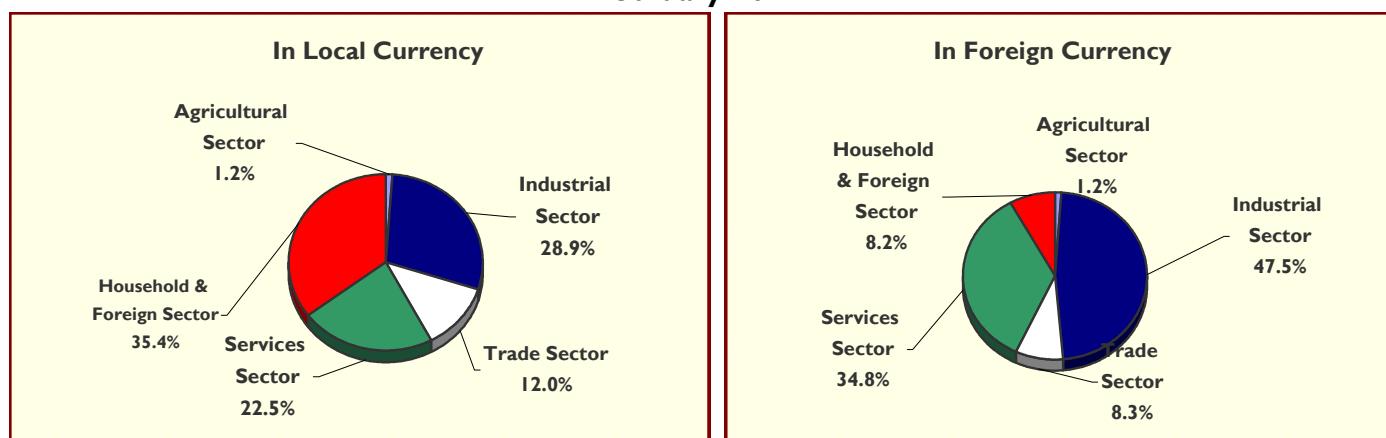
1/ Excludes credit provided by the Central Bank of Egypt.

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 February-2014



Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

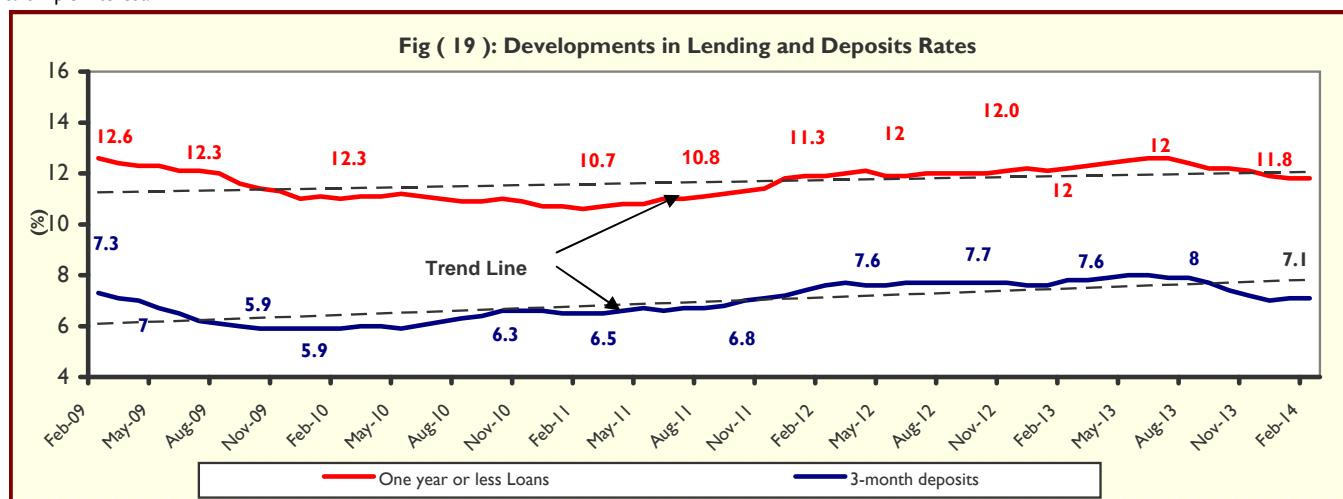
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/ 3/}	Post office Saving Deposits ^{1/}
Yearly Average						
2002/2003	10.00	13.70	8.69	8.31	10.50	10.50
2003/2004	10.00	13.40	7.96	8.41	10.50	10.50
2004/2005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

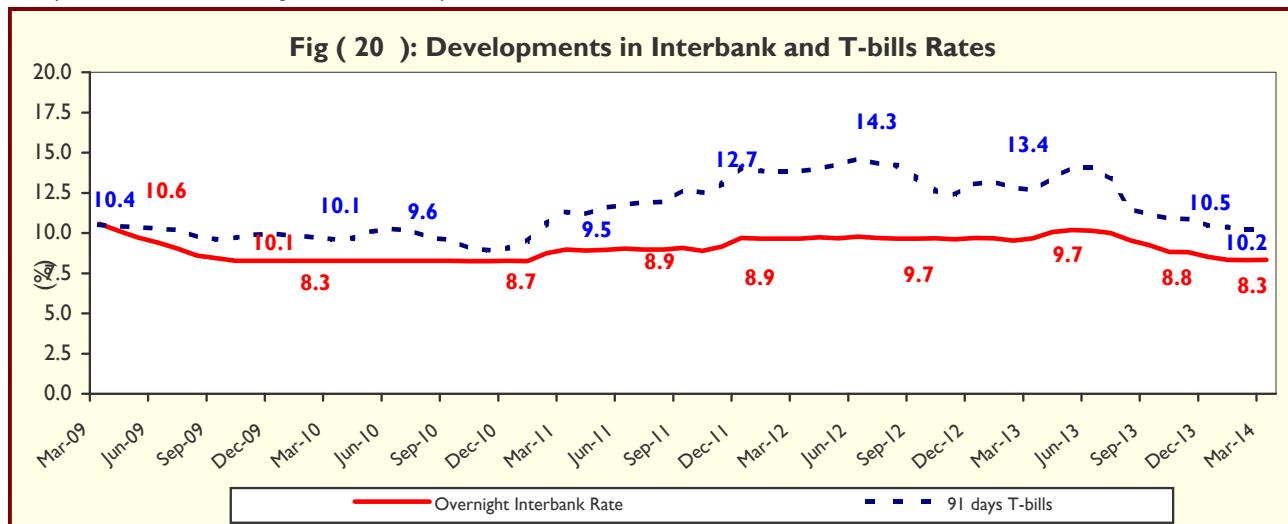
Table (30) : Average Interbank Rates ^{1/}

	Overnight	One Week	Month	More than One Month
<u>Yearly Average</u>				
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
<u>Monthly Average</u>				
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	--	--
Mar-14	8.34	8.61	--	--

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.