

Section 6

MONETARY SECTOR

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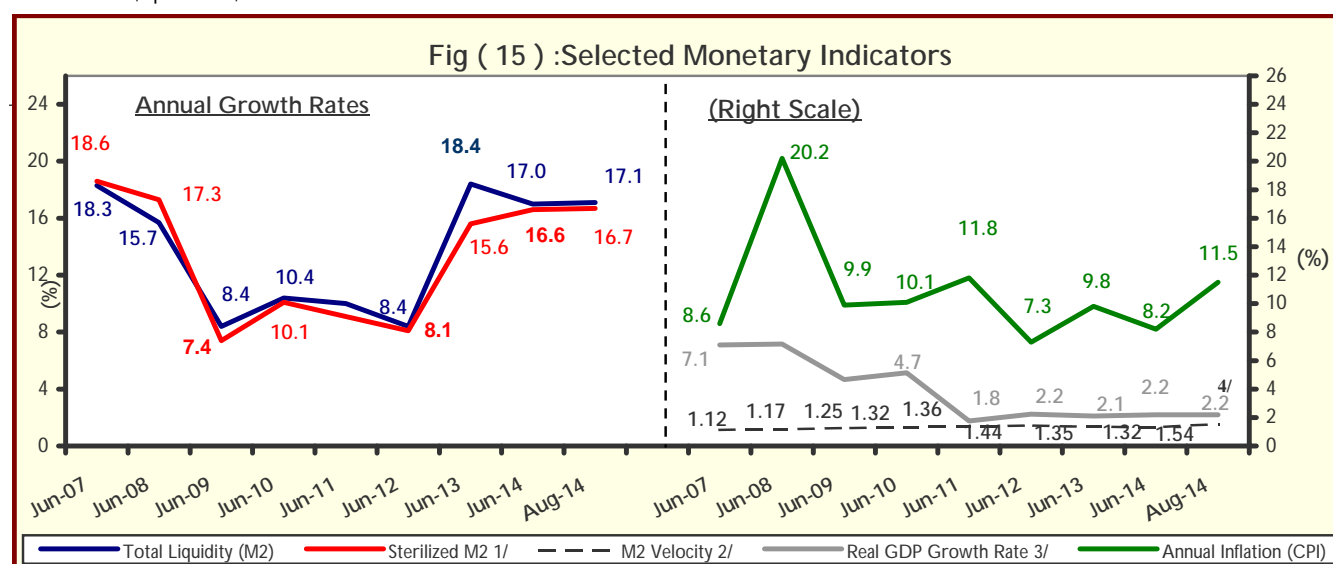
Table (24) : Developments in Main Monetary Aggregates
(August 2014)

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	1.6	-5.0	-11.2	-10.8
CBE NFA	2.3	-7.2	-13.8	-13.3
CBE NIR	0.6	-1.7	-9.0	22.1
Banks NFA 2/	1.2	-3.9	-9.9	-7.6
Net Foreign Assets (US dollar terms)	1.6	-5.9	-13.2	-15.6
CBE NFA	2.3	-8.0	-15.7	-17.6
CBE NIR	0.6	-2.6	-11.0	14.8
Banks NFA 2/	1.2	-4.8	-11.9	-12.9
Net Domestic Assets	0.7	5.8	20.3	21.1
Net Claims on Government and GASC	1.8	9.3	30.3	31.6
Claims on Public Companies	1.4	-1.0	4.0	2.3
Claims on Private Sector	-0.02	1.5	7.7	6.9
Total Liquidity (M2)	0.8	4.9	17.1	17.4
Money (M1)	-0.5	6.1	17.3	23.1
Quasi Money	1.3	4.5	17.1	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. It is also worthy to note that GDP estimates for 2014/2015 have been revised to LE 2321.1 billion in light of 2013/2014 actuals.

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
(August 2014)**

(LE Million)

	Aug-11	Aug-10	Aug-11	Aug-12	Aug-13	May-14	Jun-14 [#]	Jul-14 [#]	Aug-14 [*]
Net Foreign Assets 1/	256,428	305,893	242,729	153,731	134,825	126,059	119,162	117,896	119,732
	(11.9)	(19.3)	-(20.6)	-(36.7)	-(12.3)	-(6.9)	-(3.3)	-(19.2)	-(11.2)
Central bank (Net)	171,542	191,915	137,597	70,843	44,884	41,709	37,395	37,838	38,711
Foreign Assets	179,900	200,322	146,765	89,976	128,980	119,991	115,770	116,213	117,084
Foreign Liabilities	8,358	8,407	9,168	19,133	84,096	78,282	78,375	78,375	78,373
Banks (Net)	84,886	113,978	105,132	82,888	89,941	84,350	81,767	80,058	81,021
Foreign Assets	112,561	152,347	134,860	113,778	123,707	117,886	115,838	114,716	116,833
Foreign Liabilities	27,675	38,369	29,728	30,890	33,766	33,536	34,071	34,658	35,812
Net Domestic Assets of which:	580,075	629,341	781,630	961,536	1,194,667	1,358,361	1,397,439	1,427,135	1,437,647
	(18.4)	(8.5)	(24.2)	(23.0)	(24.2)	(19.9)	(19.1)	(22.0)	(20.3)
Net Claims on Government, and GASC 1/	299,785	334,779	463,579	615,055	833,351	993,710	1,045,186	1,067,210	1,085,964
National Currency	363,887	402,862	552,703	667,566	887,815	986,054	1,034,569	1,049,745	1,071,154
Foreign Currency	-64,102	-68,083	-89,124	-52,511	-54,464	7,656	10,617	17,465	14,810
Claims on Public Business Sector	33,067	30,902	34,231	41,662	44,135	46,353	45,417	45,251	45,901
National Currency	25,023	22,176	26,094	33,043	35,271	36,464	35,424	35,375	36,118
Foreign Currency	8,044	8,726	8,137	8,619	8,864	9,889	9,993	9,876	9,783
Claims on Private Sector 2/	383,685	420,588	424,924	453,497	496,117	526,614	534,538	534,471	534,344
National Currency	285,781	308,461	318,334	349,115	374,220	400,333	407,230	405,380	404,499
Foreign Currency	97,904	112,127	106,590	104,382	121,897	126,281	127,308	129,091	129,845
Other Items (net) 1/ 3/	-136,462	-156,928	-141,104	-148,678	-178,936	-208,316	-227,702	-219,797	-228,562
Total Liquidity (M2)	836,503	935,234	1,024,359	1,115,267	1,329,492	1,484,420	1,516,601	1,545,031	1,557,379
	(7.1)	(11.8)	(9.5)	(8.9)	(19.2)	(17.0)	(17.0)	(17.4)	(17.1)
Money (M1) 4/	187,894	218,489	260,197	283,817	362,971	401,254	410,554	427,864	425,822
	(7.1)	(16.3)	(19.1)	(9.1)	(27.9)	(20.9)	(19.3)	(20.9)	(17.3)
Currency in Circulation	122,890	141,715	178,363	202,586	258,602	267,732	270,856	285,445	280,412
Demand Deposits in Local Currency	65,004	76,774	81,834	81,231	104,369	133,522	139,698	142,419	145,410
Quasi Money	648,609	716,745	764,162	831,450	966,521	1,083,166	1,106,047	1,117,167	1,131,557
	(7.1)	(10.5)	(6.6)	(8.8)	(16.2)	(15.6)	(16.2)	(16.1)	(17.1)
Local Currency Time & Savings Deposits	486,622	558,142	587,523	643,869	744,064	846,870	869,976	877,720	893,249
Foreign Currency Demand Deposits	31,001	35,815	40,848	45,318	54,833	64,790	62,214	64,864	63,901
Foreign Currency Time and Savings Deposits	130,986	122,788	135,791	142,263	167,624	171,506	173,857	174,583	174,407

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)

(August 2014)

	Aug-09	Aug-10	Aug-11	Aug-12	Aug-13	May-14	Jun-14 [#]	Jul-14 [#]	Aug-14 [*]
Net Foreign Assets (In Million US\$)^{4/}	46,386	53,843	40,801	25,342	19,298	17,802	16,682	16,500	16,758
Central bank NFA	31,031	33,781	23,129	11,678	6,424	5,890	5,235	5,296	5,418
Net International Reserves	47,898	55,323	42,342	28,496	31,335	28,858	27,655	27,469	27,727
Central Bank (Gross)	32,914	35,527	25,008	15,127	18,924	17,284	16,687	16,737	16,836
Banks (net)	15,355	20,062	17,672	13,664	12,873	11,912	11,447	11,204	11,340
Foreign assets	20,361	26,816	22,669	18,756	17,706	16,648	16,217	16,055	16,352
Foreign Liabilities	5,006	6,754	4,997	5,092	4,833	4,736	4,770	4,850	5,012
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	0.3%	2.6%	-1.07%	-0.4%	0.9%	0.2%	-0.3%	-0.1%	0.04%
Net Domestic Assets	0.4%	-0.6%	2.5%	2.3%	1.7%	14.3%	17.3%	2.0%	2.7%
Money (M1)	0.6%	0.5%	1.1%	0.9%	1.5%	4.4%	5.1%	1.1%	1.0%
Quasi Money	0.05%	1.5%	0.3%	1.1%	1.1%	10.1%	11.9%	0.7%	1.7%
Dollarization (% of Total Liquidity) ^{6/}	19.4	17.0	17.2	16.8	16.7	15.9	15.6	15.5	15.3
M2 Multiplier ^{7/}	4.53	4.29	4.05	4.34	3.97	4.27	4.16	4.17	4.20
M2 Velocity ^{8/}	1.44	1.47	1.54	1.57	1.50	1.35	1.32	1.50	1.49
M2 (annual percentage change)	7.1	11.8	9.5	8.9	19.2	17.0	17.0	17.4	17.1
Credit to private sector (annual percentage change) ^{9/}	0.9	9.6	1.0	6.7	9.4	6.9	7.4	7.5	7.7
Exchange Rate ^{10/}	5.53	5.68	5.95	6.07	6.99	7.08	7.14	7.15	7.14

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.

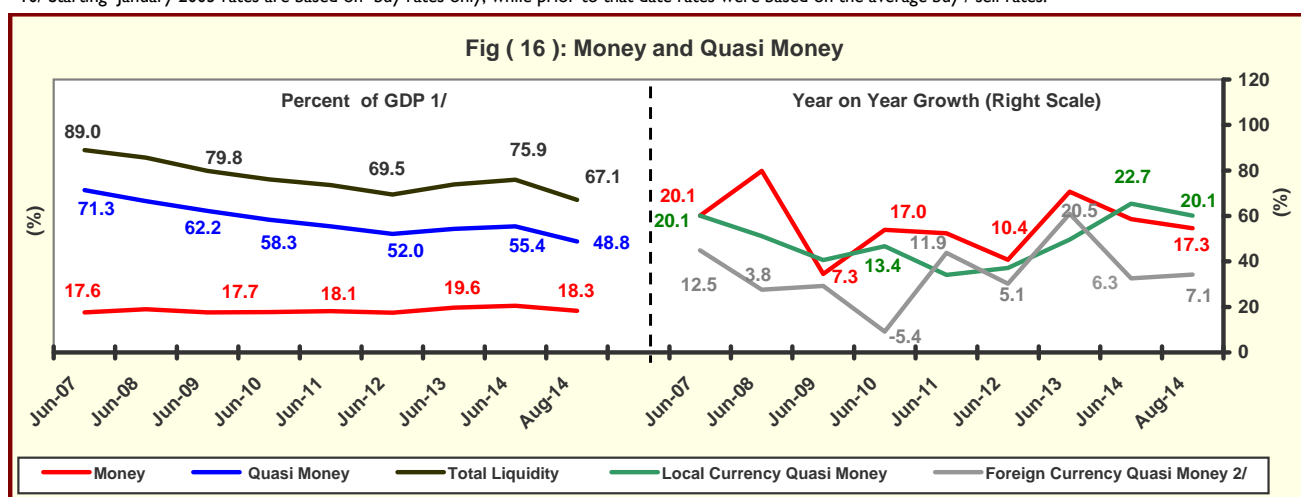
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity. It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

7/ M2 / Reserve Money.

8/ GDP / M2. According to the Ministry of Planning, GDP (at market prices) for 2013/2014 was revised to reach LE 1997.6 billion compared to LE 1753 billion in 2012/2013. It is also worthy to note that GDP estimates for 2014/2015 have been revised to LE 2321.1 billion in light of 2013/2014 actuals.

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 was revised to reach LE 1997.6 billion compared to LE 1753 billion in 2012/2013. It is also worthy to note that GDP estimates for 2014/2015 have been revised to LE 2321.1 billion in light of 2013/2014 actuals.

^{2/} Foreign currency demand, and time and savings deposits.

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

(LE Million)

	Aug-09	Aug-10	Aug-11	Aug-12	Aug-13	May-14	Jun-14 [#]	Jul-14 [#]	Aug-14 [*]
Reserve Money	184,745	217,936	253,221	256,705	334,549	347,865	364,473	370,588	370,901
	(10.6)	(18.0)	(16.2)	(1.4)	(30.3)	(14.2)	(14.6)	(13.8)	(10.9)
Currency in Circulation	131,001	151,661	190,086	214,650	271,407	282,461	288,651	303,989	297,587
	(13.3)	(15.8)	(25.3)	(12.9)	(26.4)	(16.0)	(10.7)	(14.4)	(9.6)
Banks LE Deposits with CBE	53,744	66,275	63,135	42,055	63,142	65,404	75,822	66,599	73,314
	(4.5)	(23.3)	-(4.7)	-(33.4)	(50.1)	(6.8)	(32.8)	(11.0)	(16.1)
Counter Assets:									
Net Foreign Assets ^{2/}	171,542	191,915	137,597	70,843	44,884	41,709	37,395	37,838	38,711
	-(6.3)	(11.9)	-(28.3)	-(48.5)	-(36.6)	-(2.6)	-(2.2)	-(15.4)	-(13.8)
Net Domestic Assets ^{2/}	13,203	26,021	115,624	185,862	289,665	306,156	327,078	332,750	332,190
	(181.8)	(97.1)	(344.3)	(60.7)	(55.8)	(17.0)	(16.9)	(18.5)	(14.7)
Net Claims on Government ^{3/}	96,519	110,475	131,209	192,668	325,546	382,536	419,218	445,293	453,435
	(3.2)	(14.5)	(18.8)	(46.8)	(69.0)	(28.8)	(39.8)	(35.1)	(39.3)
Claims	167,494	182,424	207,266	271,473	419,240	432,015	463,724	484,625	496,511
	(2.5)	(8.9)	(13.6)	(31.0)	(54.4)	(8.9)	(14.5)	(15.2)	(18.4)
Securities	130,771	130,597	129,097	178,831	240,331	240,331	240,331	214,330	210,330
Credit Facilities	36,723	51,827	78,169	92,642	178,909	191,684	223,393	270,295	286,181
Deposits ^{4/}	70,975	71,949	76,057	78,805	93,694	49,479	44,506	39,332	43,076
	(1.6)	(1.4)	(5.7)	(3.6)	(18.9)	-(50.5)	-(57.6)	-(56.9)	-(54.0)
Net Claims on Banks	4,439	46,309	-1,585	-1,105	-3,356	-9,132	-9,045	-7,790	-7,793
Net Balancing Items ^{5/}	-87,755	-130,763	-14,000	-5,701	-32,525	-67,248	-83,095	-104,753	-113,452
Memorandum Items									
Reserve Money Velocity ^{6/, 7/}	6.53	6.29	6.22	6.83	5.97	5.74	5.48	6.26	6.26

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 was revised to reach LE 1997.6 billion compared to LE 1753 billion in 2012/2013. It is also worthy to note that GDP estimates for 2014/2015 have been revised to LE 2321.1 billion in light of 2013/2014 actuals.

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

(LE Million)

	Aug-09	Aug-10	Aug-11	Aug-12	Aug-13	May-14	Jun-14 [#]	Jul-14 [#]	Aug-14 [*]
Total Deposits	824,600	911,246	972,435	1,035,884	1,217,286	1,403,339	1,433,728	1,456,749	1,479,165
	(7.3)	(10.5)	(6.7)	(6.5)	(17.5)	(20.0)	(20.4)	(20.2)	(21.5)
In local currency	617,594	704,789	740,195	791,422	919,409	1,067,067	1,097,729	1,124,441	1,145,390
In foreign currency	207,006	206,457	232,240	244,462	297,877	336,272	335,999	332,308	333,775
Non Government Deposits ^{2/}	719,985	800,012	852,414	920,047	1,079,702	1,225,376	1,254,882	1,269,049	1,286,903
	(6.2)	(11.1)	(6.6)	(7.9)	(17.4)	(17.2)	(18.0)	(18.2)	(19.2)
In local currency	554,021	638,565	672,118	728,530	853,200	985,101	1,014,712	1,025,432	1,044,465
In foreign currency	165,964	161,447	180,296	191,517	226,502	240,275	240,170	243,617	242,438
Government Deposits	104,615	111,234	120,021	115,837	137,584	177,963	178,846	187,700	192,262
	(15.1)	(6.3)	(7.9)	(-3.5)	(18.77)	(43.7)	(40.8)	(35.7)	(39.7)
In local currency	63,573	66,224	68,077	62,892	66,209	81,966	83,017	99,009	100,925
In foreign currency	41,042	45,010	51,944	52,945	71,375	95,997	95,829	88,691	91,337
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	25.1	22.7	23.9	23.6	24.5	24.0	23.4	22.8	22.6
Dollarization in Non-Government Deposits	23.1	20.2	21.2	20.8	21.0	19.6	19.1	19.2	18.8
Dollarization in Government Deposits	39.2	40.5	43.3	45.7	51.9	53.9	53.6	47.3	47.5

Source: Central bank of Egypt.

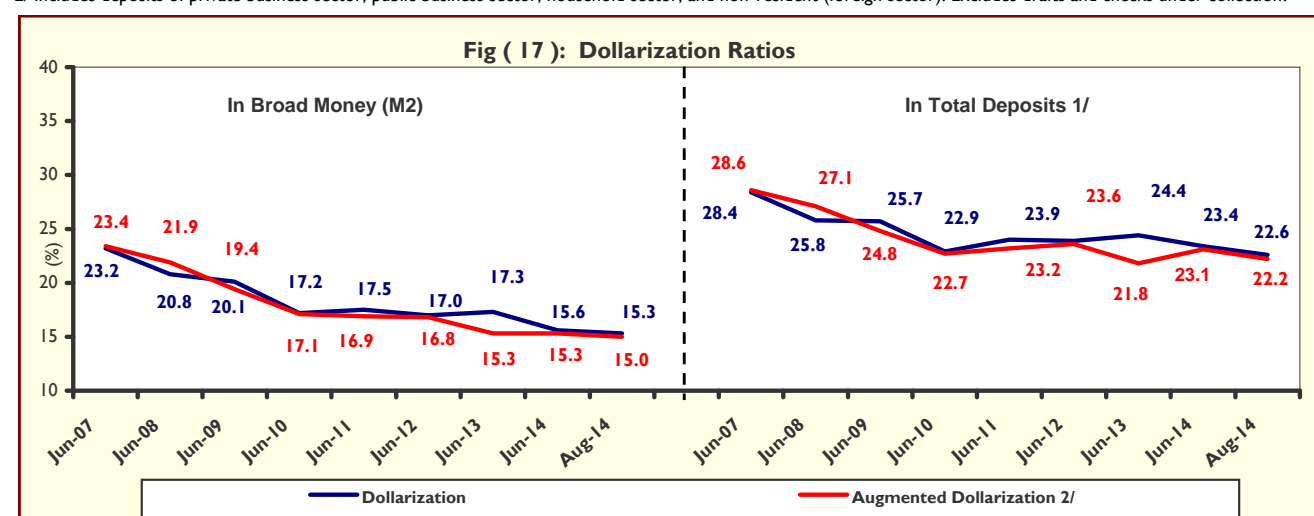
() Percent change over same period in previous year.

* 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 Million)

	Aug-09	Aug-10	Aug-11	Aug-12	Aug-13	May-14	Jun-14 [#]	Jul-14 [#]	Aug-14 [*]
Total lending	427,506	466,853	476,596	505,501	550,393	579,499	587,852	588,003	587,986
	(3.3)	(9.2)	(2.1)	(6.1)	(8.9)	(6.2)	(7.1)	(6.8)	(6.8)
To Government ^{2/}	31,701	35,475	38,635	33,807	37,137	39,117	40,802	40,769	41,017
	(3.8)	(11.9)	(8.9)	-(12.5)	(9.9)	(10.3)	(14.0)	(12.4)	(10.4)
In local currency	13,824	18,452	17,739	13,902	10,963	12,095	11,872	11,724	11,735
In foreign currency	17,877	17,023	20,896	19,905	26,174	27,022	28,930	29,045	29,282
To Non-Government	395,805	431,378	437,961	471,694	513,256	540,382	547,050	547,234	546,969
	(3.2)	(9.0)	(1.5)	(7.7)	(8.8)	(5.9)	(6.6)	(6.5)	(6.6)
In local currency	280,864	297,195	312,316	349,778	375,758	400,471	406,499	405,167	404,461
In foreign currency	114,941	134,183	125,645	121,916	137,498	139,911	140,551	142,067	142,508
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	84.9	85.8	84.8	85.1	85.3	85.3	85.4	85.4	85.3
Non Government Loans/ Deposits ^{4/}	55.0	53.9	51.4	51.3	47.5	44.1	43.6	43.1	42.5
Government Loans / Deposits	30.3	31.9	32.2	29.2	27.0	22.0	22.8	21.7	21.3
Foreign currency denominated credit to total credit	31.1	32.4	30.7	28.1	29.7	28.8	28.8	29.1	29.2
Government foreign currency denominated credit to total government credit	56.4	48.0	54.1	58.9	70.5	69.1	70.9	71.2	71.4
Non - government foreign currency denominated credit to total non-government credit	29.0	31.1	28.7	25.8	26.8	25.9	25.7	26.0	26.1

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

Revised

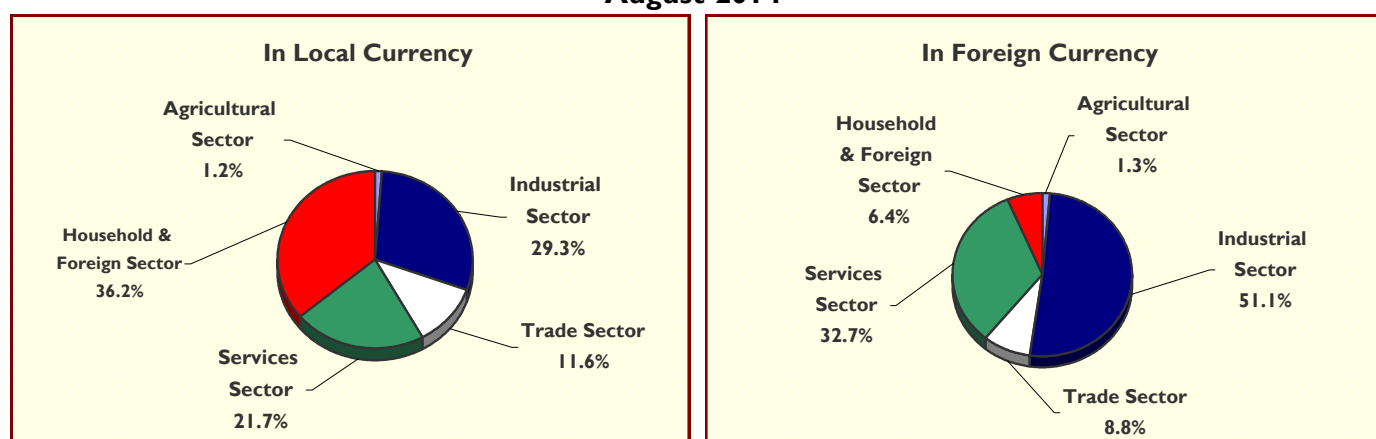
1/ Excludes credit provided by the Central Bank of Egypt.

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
August-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						
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	11.90	7.00	11.72	9.75	8.50
Sep-14	9.75	--	--	11.75	9.75	8.50

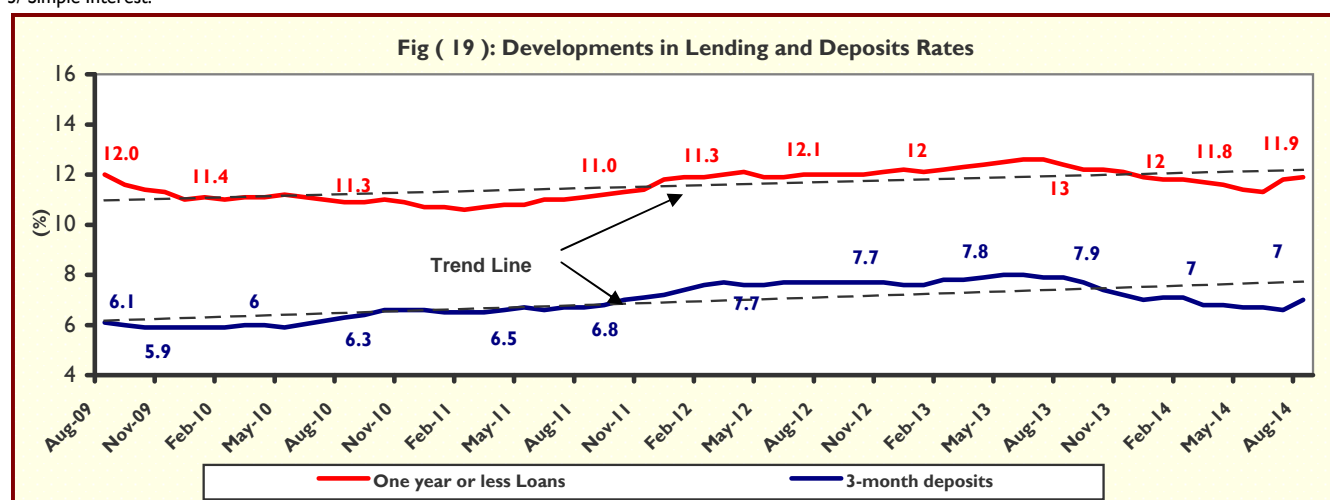
Source: Central Bank of Egypt.

-- 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.

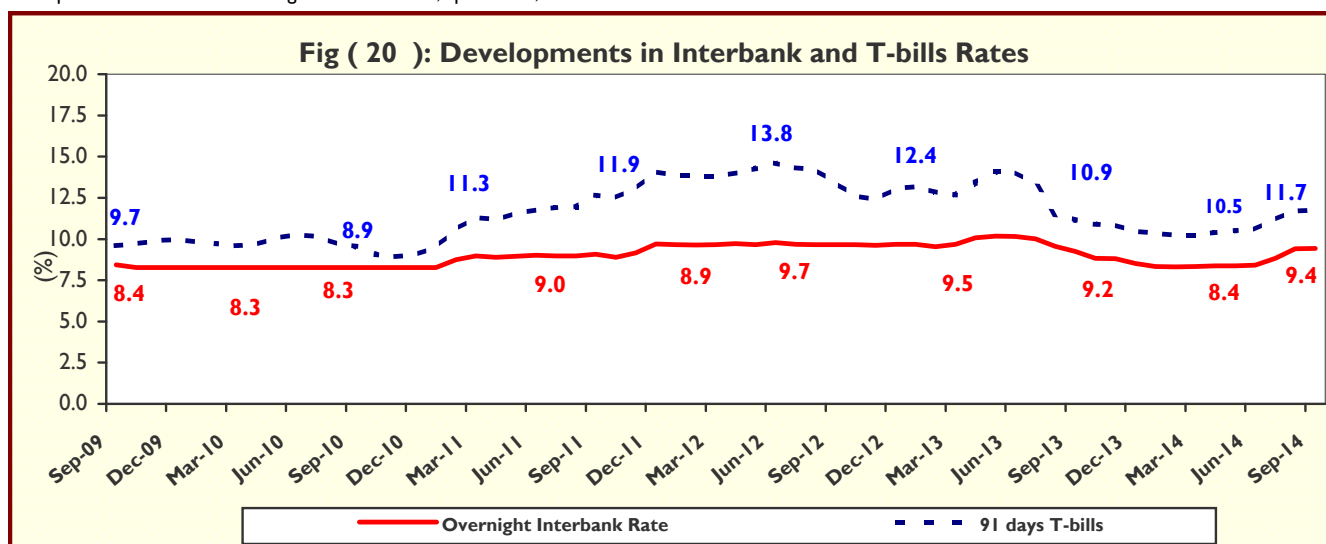
Table (30) : Average Interbank Rates ^{1/}

	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				
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	--	--
Sep-14	9.43	9.67	--	--

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.