

Section 6

MONETARY SECTOR

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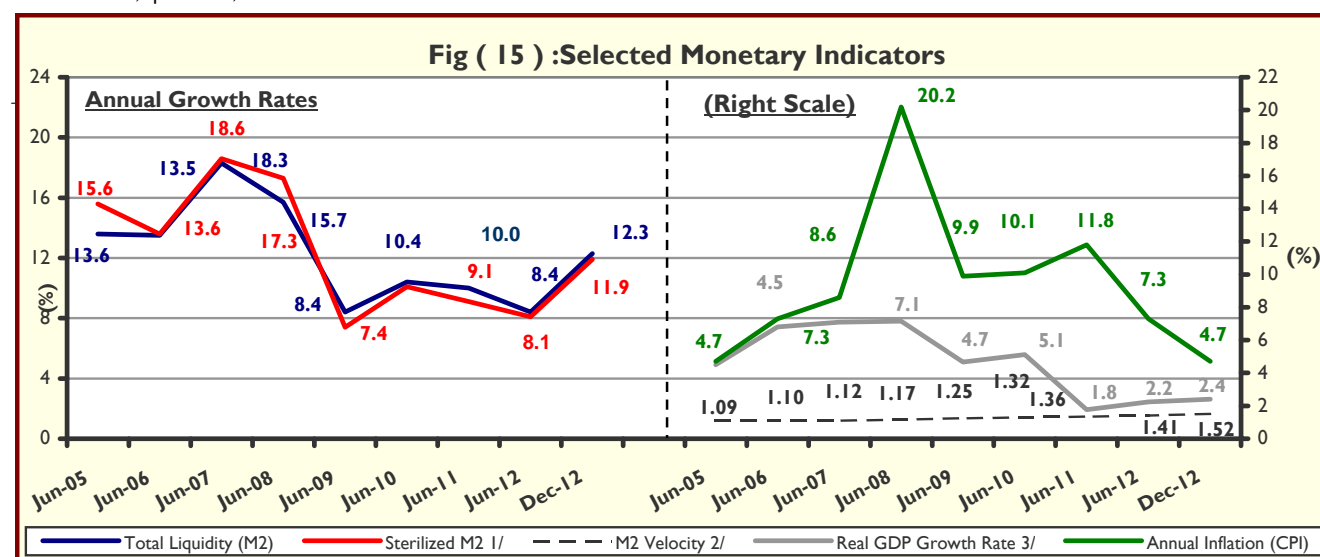
**Table (24) : Developments in Main Monetary Aggregates
(December 2012)**

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-9.3	-11.1	-29.9	-34.7
CBE NFA	-23.5	-30.2	-49.3	-49.1
CBE NIR	0.8	0.9	-15.2	-38.7
Banks NFA 2/	1.6	5.7	-9.7	-13.2
Net Foreign Assets (US dollar terms)	-10.2	-12.1	-31.4	-36.1
CBE NFA	-24.2	-30.9	-50.5	-50.1
CBE NIR	-0.1	-0.2	-17.1	-39.9
Banks NFA 2/	0.7	4.6	-11.7	-15.0
Net Domestic Assets	3.3	6.1	21.8	22.9
Net Claims on Government and GASC	3.9	7.0	31.5	32.7
Claims on Public Companies	-0.2	4.8	13.1	21.0
Claims on Private Sector	0.8	2.0	7.6	6.6
Total Liquidity (M2)	1.7	3.8	12.3	8.8
Money (M1)	0.1	1.9	12.7	10.2
Quasi Money	2.3	4.5	12.2	8.3

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 2012/2013 is projected to reach LE 1778 billion compared to a revised figure of LE 1542.3 billion in 2011/2012.

3/ Real Growth of GDP at market prices.

**Table (25) : Monetary Survey
Assets and Liabilities of The Banking Sector
(December 2012)**

(LE Millions)

	Dec-07	Dec-08	Dec-09	Dec-10	Dec-11	Sep-12	Oct-12	Nov-12 ^{##}	Dec-12 [*]
Net Foreign Assets 1/	232,658	248,470	255,857	305,252	190,179	149,982	154,358	147,052	133,369
	(23.0)	(6.8)	(3.0)	(19.3)	-(37.7)	-(33.4)	-(30.4)	-(29.0)	-(29.9)
Central bank (Net)	107,207	184,397	177,126	198,207	96,828	70,236	69,831	64,088	49,051
Foreign Assets	172,727	185,787	185,621	206,313	107,201	89,351	92,180	89,481	90,051
Foreign Liabilities	65,520	1,390	8,495	8,106	10,373	19,115	22,349	25,393	41,000
Banks (Net)	125,451	64,073	78,731	107,045	93,351	79,746	84,527	82,964	84,318
Foreign Assets	148,285	92,994	105,446	148,104	123,741	111,051	116,056	111,628	115,033
Foreign Liabilities	22,834	28,921	26,715	41,059	30,390	31,305	31,529	28,664	30,715
Net Domestic Assets of which:	483,617	542,908	610,497	668,710	848,692	974,350	990,295	1,000,445	1,033,791
	(17.3)	(12.3)	(12.4)	(9.5)	(26.9)	(21.9)	(22.4)	(21.3)	(21.8)
Net Claims on Government, and GASC 1/	193,161	244,417	328,753	364,674	515,774	634,011	647,353	652,702	678,428
National Currency	240,256	298,480	389,913	434,886	588,870	685,288	701,159	701,549	724,074
Foreign Currency	-47,095	-54,063	-61,160	-70,212	-73,096	-51,277	-53,806	-48,847	-45,646
Claims on Public Business Sector	27,643	28,840	35,633	32,478	38,838	41,895	43,059	44,011	43,914
National Currency	19,912	20,862	27,942	24,030	29,958	33,368	34,447	35,563	35,050
Foreign Currency	7,731	7,978	7,691	8,448	8,880	8,527	8,612	8,448	8,864
Claims on Private Sector 2/	346,703	388,539	382,427	407,905	432,788	456,430	458,433	461,884	465,687
National Currency	254,815	280,061	282,426	298,490	328,862	351,850	353,519	356,655	358,833
Foreign Currency	91,888	108,478	100,001	109,415	103,926	104,580	104,914	105,229	106,854
Other Items (net) 1/ 3/	-83,890	-118,888	-136,316	-136,347	-138,708	-157,986	-158,550	-158,152	-154,238
Total Liquidity (M2)	716,275	791,378	866,354	973,962	1,038,871	1,124,332	1,144,653	1,147,497	1,167,160
	(19.1)	(10.5)	(9.5)	(12.4)	(6.7)	(9.8)	(11.0)	(11.2)	(12.3)
Money (M1) 4/	151,800	174,460	196,973	223,456	255,581	282,854	291,684	287,886	288,139
	(25.1)	(14.9)	(12.9)	(13.4)	(14.4)	(11.4)	(12.2)	(11.4)	(12.7)
Currency in Circulation	96,676	114,036	126,666	143,633	176,578	198,097	205,080	202,783	205,020
Demand Deposits in Local Currency	55,124	60,424	70,307	79,823	79,003	84,757	86,604	85,103	83,119
Quasi Money	564,475	616,918	669,381	750,506	783,290	841,478	852,969	859,611	879,021
	(17.6)	(9.3)	(8.5)	(12.1)	(4.4)	(9.2)	(10.6)	(11.2)	(12.2)
Local Currency Time and Savings Deposits	404,236	453,733	514,528	592,451	602,253	653,308	662,454	666,137	673,098
Foreign Currency Demand Deposits	26,876	25,889	29,124	34,072	40,850	45,358	45,860	46,516	50,784
Foreign Currency Time and Savings Deposit	133,363	137,296	125,729	123,983	140,187	142,812	144,655	146,958	155,139

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)
(December 2012)

	Dec-07	Dec-08	Dec-09	Dec-10	Dec-11	Sep-12	Oct-12	Nov-12 [#]	Dec-12 [*]
Net Foreign Assets (In Million US\$)^{4/}	42,161	45,107	46,742	53,471	31,641	24,670	25,367	24,147	21,695
Central bank NFA	19,428	33,475	32,359	34,720	16,110	11,553	11,476	10,524	7,979
Net International Reserves	54,035	45,359	48,294	54,891	33,367	27,815	29,040	28,317	28,365
Central Bank (Gross)	31,681	34,112	34,163	36,005	18,119	15,043	15,484	15,036	15,015
Banks (net)	22,734	11,632	14,383	18,751	15,531	13,117	13,891	13,623	13,716
Foreign assets	26,872	16,882	19,264	25,943	20,587	18,267	19,072	18,330	18,712
Foreign Liabilities	4,138	5,250	4,880	7,192	5,056	5,149	5,181	4,707	4,996
<u>In Percent of Beginning of Money Stocks^{5/}</u>									
Net Foreign Assets	2.1%	-7.2%	0.2%	2.5%	-6.3%	-0.7%	-0.3%	-1.0%	-2.2%
Net Domestic Assets	6.0%	10.4%	4.0%	3.7%	9.2%	3.4%	4.9%	5.8%	8.9%
Money (M1)	3.1%	0.5%	1.7%	1.0%	0.7%	0.8%	1.6%	1.2%	1.2%
Quasi Money	5.0%	2.7%	2.5%	5.1%	2.2%	2.0%	3.0%	3.6%	5.4%
Dollarization (% of Total Liquidity) ^{6/}	22.4	20.6	17.9	16.2	17.4	16.7	16.6	16.9	17.6
M2 Multiplier ^{7/}	5.09	4.71	4.49	4.46	4.04	4.47	4.27	4.34	4.42
M2 Velocity ^{8/}	1.25	1.32	1.39	1.41	1.48	1.58	1.55	1.55	1.52
M2 (annual percentage change)	19.1	10.5	9.5	12.4	6.7	9.8	11.0	11.2	12.3
Credit to private sector (annual percentage change) ^{9/}	11.8	12.1	-1.6	6.7	6.1	7.2	7.2	7.0	7.6
Exchange Rate ^{10/}	5.52	5.51	5.47	5.71	6.01	6.08	6.09	6.09	6.15

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.

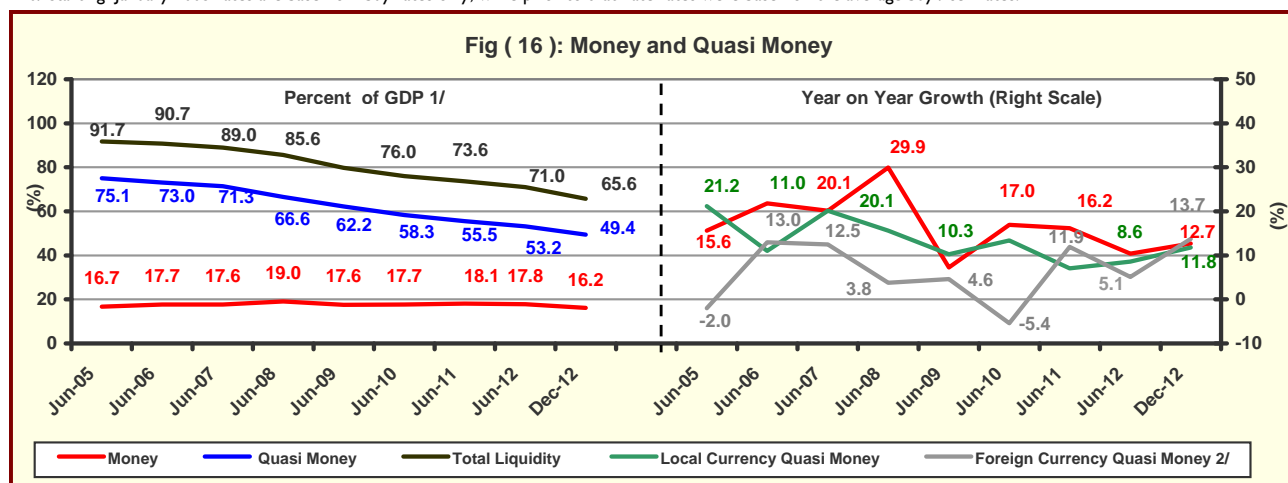
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity . It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

7/ M2 / Reserve Money.

8/ GDP / M2. According to the Ministry of Planning, GDP (at market prices) for 2012/2013 is projected to reach LE 1778 billion compared to a revised figure of LE 1542.3 billion in 2011/2012.

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 2012/2013 is projected to reach LE 1778 billion compared to a revised figure of LE 1542.3 billion in 2011/2012.

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

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

(LE Millions)

	Dec-07	Dec-08	Dec-09	Dec-10	Dec-11	Sep-12	Oct-12	Nov-12 [#]	Dec-12 [*]
Reserve Money	140,826	167,906	193,063	218,393	257,346	251,723	268,250	264,302	264,297
	(11.7)	(16.1)	(15.0)	(13.1)	(17.8)	(4.3)	(12.3)	(2.3)	(2.7)
Currency in Circulation	103,674	121,280	134,039	153,209	187,292	209,952	216,926	213,228	216,301
	(17.9)	(17.0)	(10.5)	(14.3)	(22.2)	(13.5)	(14.9)	(12.0)	(15.5)
Banks LE Deposits with CBE	37,152	46,626	59,024	65,184	70,054	41,771	51,324	51,074	47,996
	-(2.6)	9.31	(15.9)	(10.4)	(7.5)	-(25.8)	(2.4)	-(25.0)	-(31.5)
<u>Counter Assets:</u>									
Net Foreign Assets ^{2/}	107,207	184,397	177,126	198,207	96,828	70,236	69,831	64,088	49,051
	(33.8)	(72.0)	-(3.9)	(11.9)	-(51.1)	-(46.8)	-(42.0)	-(40.9)	-(49.3)
Net Domestic Assets ^{2/}	33,619	-16,491	15,937	20,186	160,518	181,487	198,419	200,214	215,246
	-(26.9)	(170.1)	(196.6)	(26.7)	(695.2)	(66.2)	(67.4)	(33.4)	(34.1)
Net Claims on Government ^{3/}	114,735	86,147	103,989	100,252	153,250	196,622	209,667	202,521	214,194
	(2.0)	-(24.9)	(20.7)	-(3.6)	(52.9)	(33.6)	(40.2)	(28.2)	(39.8)
Claims	191,663	158,886	176,961	176,459	233,811	274,817	289,434	283,829	297,832
	(7.0)	-(17.1)	(11.4)	-(0.3)	(32.5)	(22.9)	(27.7)	(19.3)	(27.4)
Securities	165,688	123,123	127,474	130,597	129,097	178,831	178,831	178,831	178,831
Credit Facilities	25,975	35,763	49,487	45,862	104,714	95,986	110,603	104,998	119,001
Deposits ^{4/}	76,928	72,739	72,972	76,207	80,561	78,195	79,767	81,308	83,638
	(15.3)	-(5.4)	(0.3)	(4.4)	(5.7)	(2.2)	(3.5)	(1.7)	(3.8)
Net Claims on Banks	67,907	4,169	7,048	39,848	-1,665	-1,655	-2,068	-1,655	-848
Net Balancing Items ^{5/}	-115,715	-106,807	-95,100	-119,914	8,933	-13,480	-9,180	-652	1,900
<u>Memorandum Items</u>									
Reserve Money Velocity ^{6/, 7/}	6.36	6.21	6.25	6.28	5.99	7.06	6.63	6.73	6.73

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 2012/2013 is projected to reach LE 1778 billion compared to a revised figure of LE 1542.3 billion in 2011/2012.

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

(LE Millions)

	Dec-07	Dec-08	Dec-09	Dec-10	Dec-11	Sep-12	Oct-12	Nov-12	Dec-12 [*]
Total Deposits	709,461	775,958	859,223	952,133	989,427	1,050,507	1,063,420	1,069,321	1,090,874
	(19.5)	(9.4)	(10.7)	(10.8)	(3.9)	(7.4)	(8.4)	(9.1)	(10.3)
In local currency	516,448	573,854	660,087	743,551	755,416	805,235	815,022	817,736	824,898
In foreign currency	193,013	202,104	199,136	208,582	234,011	245,272	248,398	251,585	265,976
Non Government Deposits ^{2/}	624,551	682,264	744,826	836,636	868,903	933,661	946,956	952,239	969,640
	(19.7)	(9.2)	(9.2)	(12.3)	(3.9)	(8.9)	(10.0)	(10.7)	(11.6)
In local currency	462,758	517,176	587,529	675,283	684,312	741,503	752,500	754,583	759,673
In foreign currency	161,793	165,088	157,297	161,353	184,591	192,158	194,456	197,656	209,967
Government Deposits	84,910	93,694	114,397	115,497	120,524	116,846	116,464	117,082	121,234
	(17.8)	(10.3)	(22.1)	(1.0)	(4.4)	-(3.2)	-(2.9)	-(2.1)	(0.6)
In local currency	53,690	56,678	72,558	68,268	71,104	63,732	62,522	63,153	65,225
In foreign currency	31,220	37,016	41,839	47,229	49,420	53,114	53,942	53,929	56,009
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	27.2	26.0	23.2	21.9	23.7	23.3	23.4	23.5	24.4
Dollarization in Non-Government Deposits	25.9	24.2	21.1	19.3	21.2	20.6	20.5	20.8	21.7
Dollarization in Government Deposits	36.8	39.5	36.6	40.9	41.0	45.5	46.3	46.1	46.2

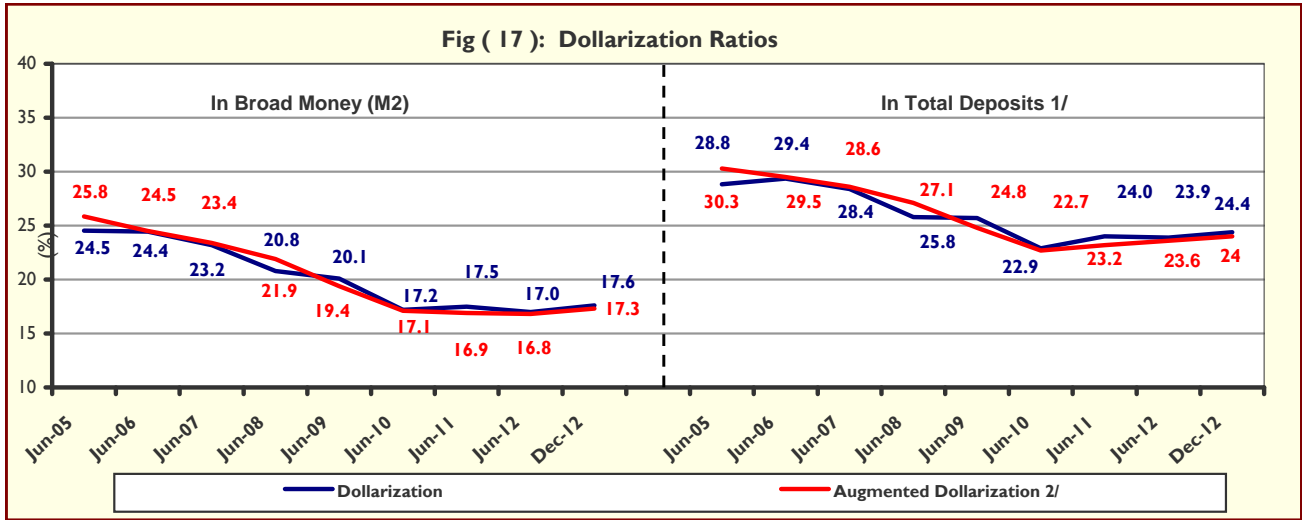
Source: Central bank of Egypt.

() 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)

	Dec-07	Dec-08	Dec-09	Dec-10	Dec-11	Sep-12	Oct-12	Nov-12	Dec-12 *
Total lending	381,773	429,188	432,597	458,081	489,729	508,424	509,469	511,598	516,842
	(11.0)	(12.4)	(0.8)	(5.9)	(6.9)	(6.2)	(5.8)	(5.2)	(5.5)
To Government ^{2/}	31,956	31,679	34,191	38,172	37,227	35,012	33,055	31,760	35,141
	(34.4)	-(0.9)	(7.9)	(11.6)	-(2.5)	-(7.9)	-(12.6)	-(13.8)	-(5.6)
In local currency	11,024	8,034	13,082	19,457	16,844	13,459	13,306	12,306	12,579
In foreign currency	20,932	23,645	21,109	18,715	20,383	21,553	19,749	19,454	22,562
To Non-Government	349,817	397,509	398,406	419,909	452,502	473,412	476,414	479,838	481,701
	(9.3)	(13.6)	(0.2)	(5.4)	(7.8)	(7.4)	(7.3)	(6.8)	(6.5)
In local currency	247,756	276,948	281,143	288,094	328,537	351,799	354,580	357,892	358,181
In foreign currency	102,061	120,561	117,263	131,815	123,965	121,613	121,834	121,946	123,520
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	84.5	85.9	83.9	84.6	84.5	84.9	85.1	85.2	84.8
Non Government Loans/ Deposits ^{4/}	56.0	58.3	53.5	50.2	52.1	50.7	50.3	50.4	49.7
Government Loans / Deposits	37.6	33.8	29.9	33.1	30.9	30.0	28.4	27.1	29.0
Foreign currency denominated credit to total credit	32.2	33.6	32.0	32.9	29.5	28.2	27.8	27.6	28.3
Government foreign currency denominated credit to total government credit	65.5	74.6	61.7	49.0	54.8	61.6	59.7	61.3	64.2
Non - government foreign currency denominated credit to total non-government credit	29.2	30.3	29.4	31.4	27.4	25.7	25.6	25.4	25.6

Source: Central Bank of Egypt.

() Percent change over previous year

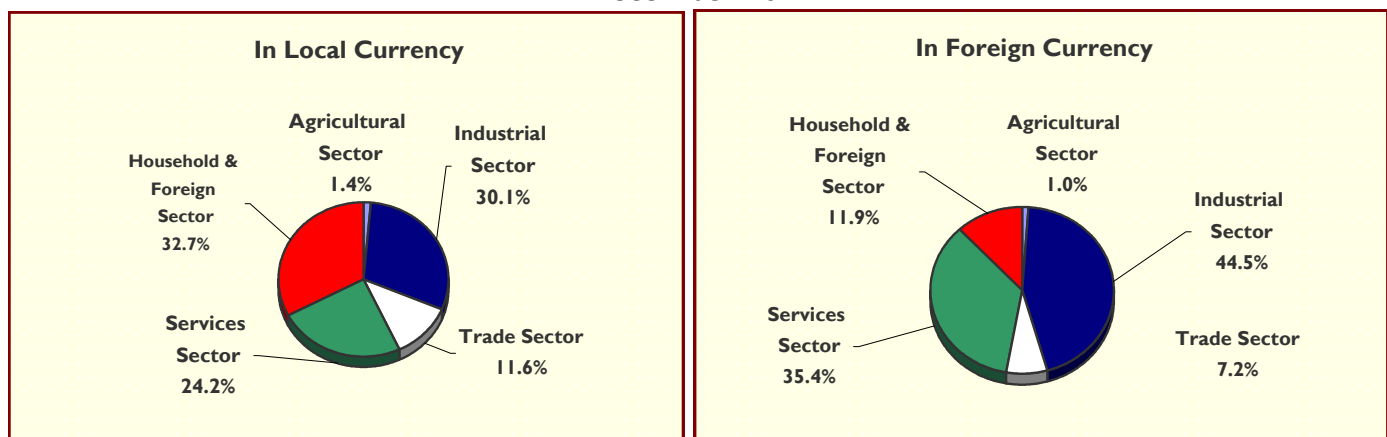
* Preliminary.

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
December-2012**

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
2010/2012	9.50	11.63	7.26	13.38	10.92	9.00
Monthly Average						
Jan-12	9.50	11.90	7.40	13.86	11.50	9.00
Feb-12	9.50	11.90	7.60	13.83	11.50	9.00
Mar-12	9.50	12.00	7.70	13.83	11.50	9.00
Apr-12	9.50	12.10	7.60	13.95	11.50	9.00
May-12	9.50	11.90	7.60	14.29	11.50	9.00
Jun-12	9.50	11.90	7.70	14.60	11.50	9.00
Jul-12	9.50	12.00	7.70	14.33	11.50	9.00
Aug-12	9.50	12.00	7.70	14.21	11.50	9.00
Sep-12	9.50	12.00	7.70	13.43	11.50	9.00
Oct-12	9.50	12.00	7.70	12.61	11.50	9.00
Nov-12	9.50	12.10	7.70	12.39	11.50	9.00
Dec-12	9.50	12.20	7.60	13.05	11.50	9.00
Jan-13	9.50	--	--	13.18	11.50	9.00

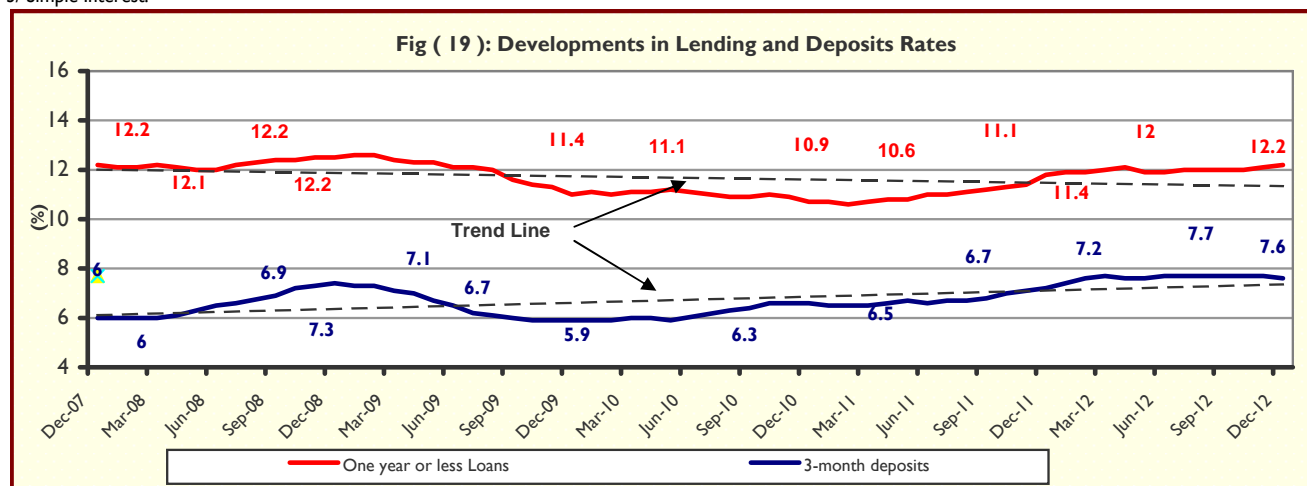
Source: Central Bank of Egypt.

-- 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.

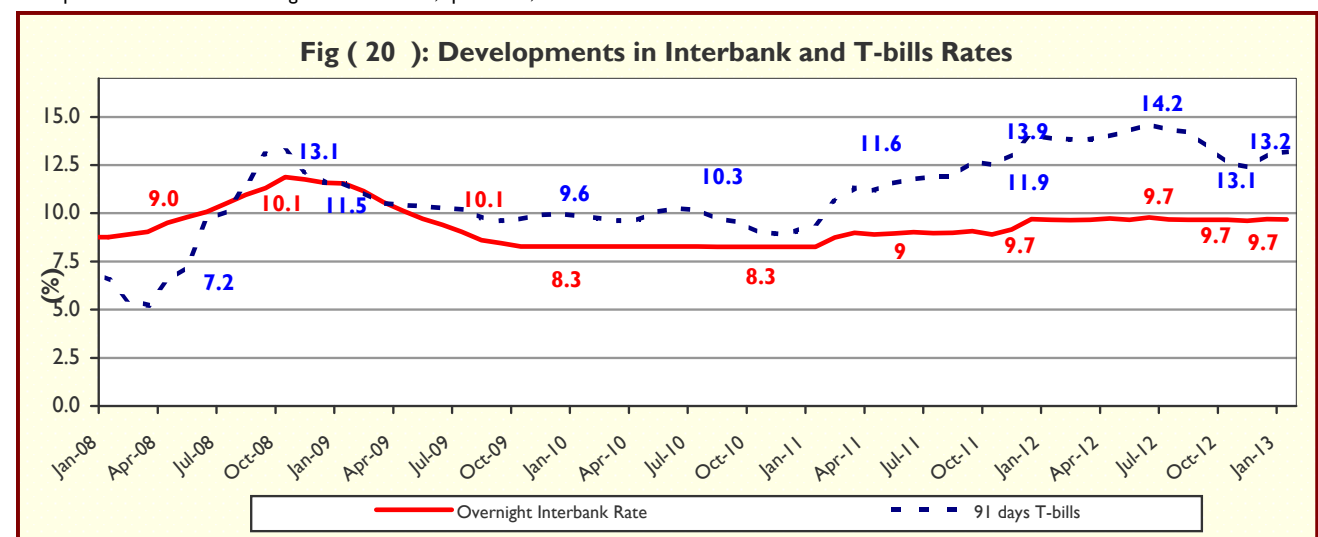
Table (30) : Average Interbank Rates ^{1/}

	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
Monthly Average				
Jan-12	9.66	9.81	9.94	9.90
Feb-12	9.64	9.77	10.37	--
Mar-12	9.65	9.80	10.48	9.91
Apr-12	9.73	9.81	9.94	11.25
May-12	9.67	9.83	10.25	10.08
Jun-12	9.78	9.95	10.14	--
Jul-12	9.68	9.85	10.25	10.00
Aug-12	9.65	9.80	9.85	10.49
Sep-12	9.66	9.83	9.96	10.05
Oct-12	9.66	9.81	10.25	10.15
Nov-12	9.61	9.79	10.17	10.13
Dec-12	9.69	9.87	10.13	10.13
Jan-13	9.67	9.86	--	10.28

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.