

Section 6

MONETARY SECTOR

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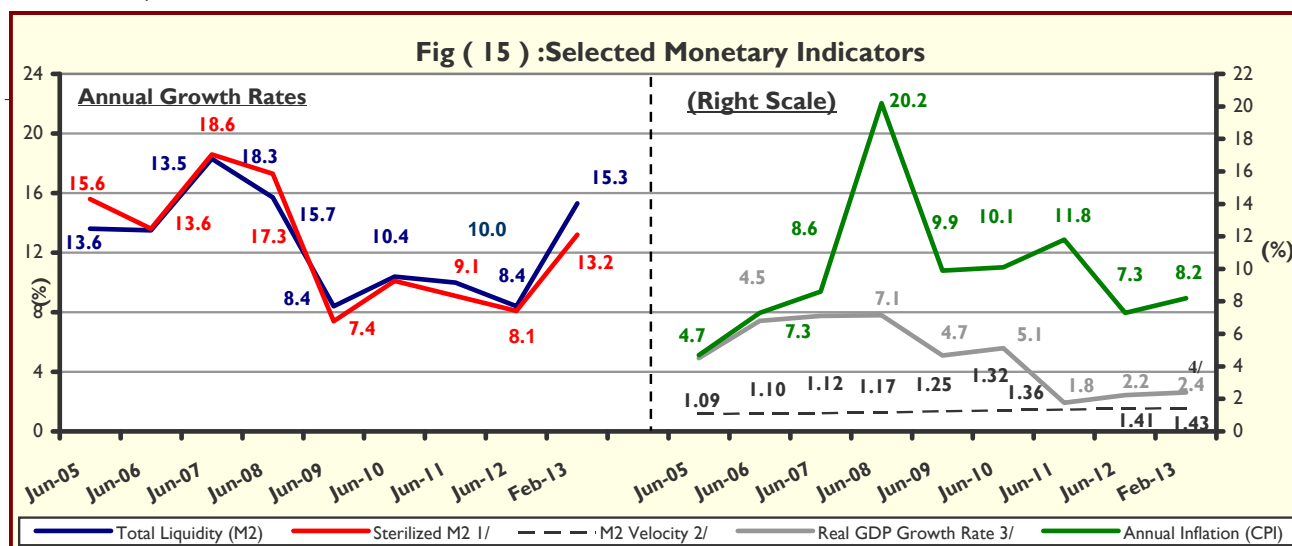
**Table (24) : Developments in Main Monetary Aggregates
(February 2013)**

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-3.6	-9.5	-25.2	-32.7
CBE NFA	-0.7	-35.2	-49.6	-48.3
CBE NIR	1.8	-1.0	-4.2	-31.3
Banks NFA 2/	-4.8	10.4	-4.1	-13.9
Net Foreign Assets (US dollar terms)	-6.0	-17.9	-32.9	-34.9
CBE NFA	-3.1	-41.2	-54.8	-49.8
CBE NIR	-0.8	-10.2	-14.1	-33.7
Banks NFA 2/	-7.2	0.1	-14.0	-16.7
Net Domestic Assets	1.7	7.8	23.6	22.6
Net Claims on Government and GASC	2.3	10.0	33.1	31.4
Claims on Public Companies	-0.4	0.7	9.8	19.7
Claims on Private Sector	0.8	3.5	9.2	7.3
Total Liquidity (M2)	1.1	5.6	15.3	10.1
Money (M1)	1.4	7.3	19.3	11.6
Quasi Money	1.0	5.0	14.0	9.6

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 2012/2013 is projected to reach LE 1735 billion compared to a revised figure of LE 1542.3 billion in 2011/2012.

3/ Real Growth of GDP at market prices.

4/ Reflects Real GDP growth for the period July-December 2012/2013.

Table (25) : Monetary Survey
Assets and Liabilities of The Banking Sector
(February 2013)

(LE Millions)

	Feb-08	Feb-09	Feb-10	Feb-11	Feb-12	Nov-12	Dec-12	Jan-13	Feb-13*
Net Foreign Assets 1/	246,373	247,167	270,647	274,549	177,927	147,052	133,369	138,054	133,126
	(22.9)	(0.3)	(9.5)	(1.4)	-(35.2)	-(29.0)	-(29.9)	-(23.2)	-(25.2)
Central bank (Net)	114,220	181,539	178,084	184,740	82,411	64,088	49,051	41,831	41,558
Foreign Assets	178,822	182,881	186,532	192,784	92,741	89,481	90,051	85,199	85,304
Foreign Liabilities	64,602	1,342	8,448	8,044	10,330	25,393	41,000	43,368	43,746
Banks (Net)	132,153	65,628	92,563	89,809	95,516	82,964	84,318	96,223	91,568
Foreign Assets	158,663	92,786	116,134	132,332	123,722	111,628	115,033	127,486	122,433
Foreign Liabilities	26,510	27,158	23,571	42,523	28,206	28,664	30,715	31,263	30,865
Net Domestic Assets of which:	492,081	552,587	604,939	707,998	872,201	1,000,445	1,033,791	1,060,041	1,078,191
	(21.8)	(12.3)	(9.5)	(17.0)	(23.2)	(21.3)	(21.8)	(22.7)	(23.6)
Net Claims on Government, and GASC 1/	200,322	252,857	318,754	401,928	539,371	652,702	678,428	701,800	717,808
National Currency	247,607	311,039	379,922	485,646	602,406	701,549	724,074	748,946	771,686
Foreign Currency	-47,285	-58,182	-61,168	-83,718	-63,035	-48,847	-45,646	-47,146	-53,878
Claims on Public Business Sector	27,020	29,876	37,919	33,296	40,350	44,011	43,914	44,494	44,319
National Currency	19,523	21,347	28,972	24,516	31,627	35,563	35,050	35,167	35,107
Foreign Currency	7,497	8,529	8,947	8,780	8,723	8,448	8,864	9,327	9,212
Claims on Private Sector 2/	350,862	387,995	386,986	416,371	437,918	461,884	465,687	474,222	478,167
National Currency	258,099	280,055	286,580	304,294	334,405	356,655	358,833	361,151	363,684
Foreign Currency	92,763	107,940	100,406	112,077	103,513	105,229	106,854	113,071	114,483
Other Items (net) 1/ 3/	-86,123	-118,141	-138,720	-143,597	-145,438	-158,152	-154,238	-160,475	-162,103
Total Liquidity (M2)	738,454	799,754	875,586	982,547	1,050,128	1,147,497	1,167,160	1,198,095	1,211,317
	(22.1)	(8.3)	(9.5)	(12.2)	(6.9)	(11.2)	(12.3)	(14.8)	(15.3)
Money (M1) 4/	157,366	171,265	199,684	239,401	258,736	287,886	288,139	304,502	308,786
	(29.8)	(8.8)	(16.6)	(19.9)	(8.1)	(11.4)	(12.7)	(17.6)	(19.3)
Currency in Circulation	97,446	112,232	127,972	161,818	179,176	202,783	205,020	215,999	218,585
Demand Deposits in Local Currency	59,920	59,033	71,712	77,583	79,560	85,103	83,119	88,503	90,201
Quasi Money	581,088	628,489	675,902	743,146	791,392	859,611	879,021	893,593	902,531
	(20.2)	(8.2)	(7.5)	(9.9)	(6.5)	(11.2)	(12.2)	(13.8)	(14.0)
Local Currency Time and Savings Deposits	419,176	461,845	517,521	568,572	604,981	666,137	673,098	674,962	683,998
Foreign Currency Demand Deposits	28,040	30,907	33,314	45,829	44,869	46,516	50,784	53,928	53,436
Foreign Currency Time and Savings Deposit	133,872	135,737	125,067	128,745	141,542	146,958	155,139	164,703	165,097

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 2013)

	Feb-08	Feb-09	Feb-10	Feb-11	Feb-12	Nov-12	Dec-12	Jan-13	Feb-13*
Net Foreign Assets (In Million US\$)^{4/}	44,811	44,489	49,464	46,693	29,543	24,147	21,695	21,091	19,829
Central bank NFA	20,775	32,676	32,547	31,419	13,684	10,524	7,979	6,391	6,190
Net International Reserves	56,561	44,730	51,008	48,062	31,258	28,317	28,365	27,717	26,344
Central Bank (Gross)	32,915	33,053	34,324	33,321	15,718	15,036	15,015	13,613	13,508
Banks (net)	24,036	11,813	16,917	15,274	15,860	13,623	13,716	14,700	13,639
Foreign assets	28,858	16,701	21,225	22,506	20,543	18,330	18,712	19,477	18,236
Foreign Liabilities	4,822	4,888	4,308	7,232	4,683	4,707	4,996	4,776	4,597
<u>In Percent of Beginning of Money Stocks^{5/}</u>									
Net Foreign Assets	4.2%	-7.4%	2.0%	-0.9%	-7.5%	-1.0%	-2.2%	-1.8%	-2.2%
Net Domestic Assets	7.2%	11.7%	3.4%	8.0%	11.5%	5.8%	8.9%	11.3%	12.9%
Money (M1)	3.9%	0.1%	2.0%	2.8%	1.0%	1.2%	1.2%	2.7%	3.1%
Quasi Money	7.5%	4.2%	3.3%	4.3%	3.0%	3.6%	5.4%	6.7%	7.6%
Dollarization (% of Total Liquidity) ^{6/}	21.9	20.8	18.1	17.8	17.8	16.9	17.6	18.2	18.0
M2 Multiplier ^{7/}	4.91	4.77	4.68	3.98	4.15	4.34	4.42	4.49	4.39
M2 Velocity ^{8/}	1.21	1.30	1.38	1.40	1.47	1.51	1.49	1.45	1.43
M2 (annual percentage change)	22.1	8.3	9.5	12.2	6.9	11.2	12.3	14.8	15.3
Credit to private sector (annual percentage change) ^{9/}	11.8	10.6	-0.3	7.6	5.2	7.0	7.6	8.9	9.2
Exchange Rate ^{10/}	5.50	5.56	5.47	5.88	6.02	6.09	6.15	6.55	6.71

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.

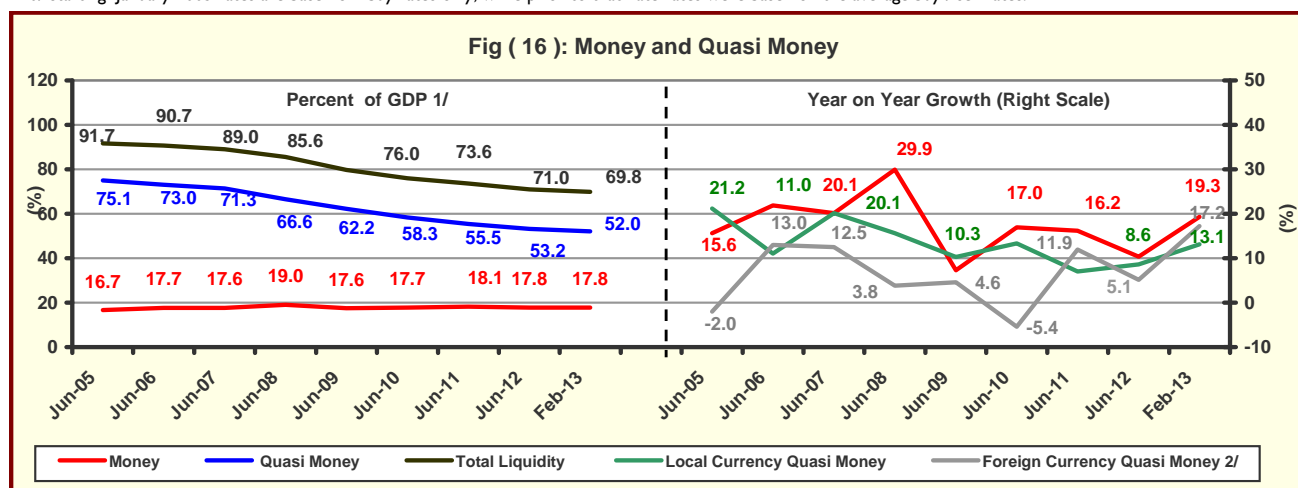
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity . It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

7/ M2 / Reserve Money.

8/ GDP / M2. According to the Ministry of Planning, GDP (at market prices) for 2012/2013 is projected to reach LE 1735 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 1735 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)

	Feb-08	Feb-09	Feb-10	Feb-11	Feb-12	Nov-12	Dec-12	Jan-13	Feb-13 [*]
Reserve Money	150,391	167,741	187,077	246,961	252,926	264,302	264,297	266,657	275,706
	(18.2)	(26.3)	(11.5)	(32.0)	(2.4)	(2.3)	(2.7)	(2.3)	(9.0)
Currency in Circulation	102,790	118,847	135,578	177,017	189,413	213,228	216,301	226,911	229,457
	(19.3)	(15.6)	(14.1)	(30.6)	(7.0)	(12.0)	(15.5)	(18.8)	(21.1)
Banks LE Deposits with CBE	47,601	48,894	51,499	69,944	63,513	51,074	47,996	39,746	46,249
	(15.9)	44.77	(37.0)	(35.8)	-(9.2)	-(25.0)	-(31.5)	-(42.9)	-(27.2)
Counter Assets:									
Net Foreign Assets ^{2/}	114,220	181,539	178,084	184,740	82,411	64,088	49,051	41,831	41,558
	(38.3)	(58.9)	-(1.9)	(3.7)	-(55.4)	-(40.9)	-(49.3)	-(51.5)	-(49.6)
Net Domestic Assets ^{2/}	36,172	-13,798	8,993	62,221	170,515	200,214	215,246	224,826	234,148
	-(19.0)	(213.9)	(165.2)	(591.9)	(174.0)	(33.4)	(34.1)	(28.9)	(37.3)
Net Claims on Government ^{3/}	121,536	77,540	95,783	106,555	177,316	202,521	214,194	246,631	256,832
	(7.9)	-(36.2)	(23.5)	(11.2)	(66.4)	(28.2)	(39.8)	(34.2)	(44.8)
Claims	198,450	153,313	170,187	187,983	256,735	283,829	297,832	338,326	351,706
	(6.5)	-(22.7)	(11.0)	(10.5)	(36.6)	(19.3)	(27.4)	(28.4)	(37.0)
Securities	165,688	123,123	124,559	130,597	129,097	178,831	178,831	178,831	178,831
Credit Facilities	32,762	30,190	45,628	57,386	127,638	104,998	119,001	159,495	172,875
Deposits ^{4/}	76,914	75,773	74,404	81,428	79,419	81,308	83,638	91,695	94,874
	(4.4)	-(1.5)	-(1.8)	(9.4)	-(2.5)	(1.7)	(3.8)	(15.0)	(19.5)
Net Claims on Banks	70,467	-4,022	16,137	2,169	-1,685	-1,655	-848	-116	-1,338
Net Balancing Items ^{5/}	-96,688	-87,316	-102,927	-46,503	-5,116	-652	1,900	-21,689	-21,346
Memorandum Items									
Reserve Money Velocity ^{6/, 7/}	5.95	6.21	6.45	5.55	6.10	6.56	6.56	6.51	6.29

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 2012/2013 is projected to reach LE 1735 billion compared to a revised figure of LE 1542.3 billion in 2011/2012.

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

(LE Millions)

	Feb-08	Feb-09	Feb-10	Feb-11	Feb-12	Nov-12	Dec-12	Jan-13	Feb-13 [*]
Total Deposits	734,492	789,550	862,571	943,706	999,354	1,069,321	1,090,874	1,113,974	1,128,608
	(23.6)	(7.5)	(9.2)	(9.4)	(5.9)	(9.1)	(10.3)	(12.3)	(12.9)
In local currency	539,693	580,644	660,755	716,017	757,012	817,736	824,898	833,269	849,475
In foreign currency	194,799	208,906	201,816	227,689	242,342	251,585	265,976	280,705	279,133
Non Government Deposits ^{2/}	646,234	691,952	752,475	827,056	877,462	952,239	969,640	989,727	1,000,543
	(22.3)	(7.1)	(8.7)	(9.9)	(6.1)	(10.7)	(11.6)	(13.6)	(14.0)
In local currency	482,940	523,423	591,849	648,989	687,531	754,583	759,673	766,899	777,687
In foreign currency	163,294	168,529	160,626	178,067	189,931	197,656	209,967	222,828	222,856
Government Deposits	88,258	97,598	110,096	116,650	121,892	117,082	121,234	124,247	128,065
	(33.7)	(10.6)	(12.8)	(6.0)	(4.5)	-(2.1)	(0.6)	(2.4)	(5.1)
In local currency	56,753	57,221	68,906	67,028	69,481	63,153	65,225	66,370	71,788
In foreign currency	31,505	40,377	41,190	49,622	52,411	53,929	56,009	57,877	56,277
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	26.5	26.5	23.4	24.1	24.2	23.5	24.4	25.2	24.7
Dollarization in Non-Government Deposits	25.3	24.4	21.3	21.5	21.6	20.8	21.7	22.5	22.3
Dollarization in Government Deposits	35.7	41.4	37.4	42.5	43.0	46.1	46.2	46.6	43.9

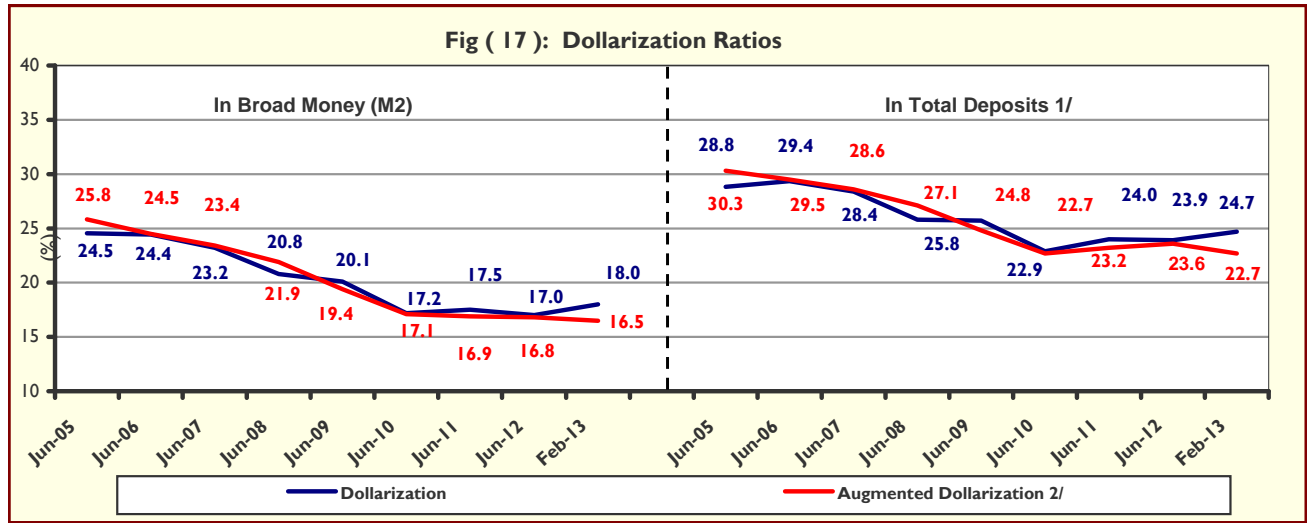
Source: Central bank of Egypt.

() 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-08	Feb-09	Feb-10	Feb-11	Feb-12	Nov-12	Dec-12	Jan-13	Feb-13 *
Total lending	385,412	430,339	437,072	469,496	495,125	511,598	516,842	528,012	530,492
	(13.3)	(11.7)	(1.6)	(7.4)	(5.5)	(5.2)	(5.5)	(7.3)	(7.1)
To Government ^{2/}	31,023	31,742	32,634	38,821	36,303	31,760	35,141	36,281	34,559
	(27.7)	(2.3)	(2.8)	(19.0)	-(6.5)	-(13.8)	-(5.6)	-(1.6)	-(4.8)
In local currency	10,760	8,143	12,395	18,956	16,115	12,306	12,579	12,280	11,995
In foreign currency	20,263	23,599	20,239	19,865	20,188	19,454	22,562	24,001	22,564
To Non-Government	354,389	398,597	404,438	430,675	458,822	479,838	481,701	491,731	495,933
	(12.2)	(12.5)	(1.5)	(6.5)	(6.5)	(6.8)	(6.5)	(8.0)	(8.1)
In local currency	250,347	278,180	285,229	295,812	335,156	357,892	358,181	360,891	363,388
In foreign currency	104,042	120,417	119,209	134,863	123,666	121,946	123,520	130,840	132,545
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	85.0	85.7	83.9	84.7	84.6	85.2	84.8	84.7	85.2
Non Government Loans/ Deposits ^{4/}	54.8	57.6	53.7	52.1	52.3	50.4	49.7	49.7	49.6
Government Loans / Deposits	35.2	32.5	29.6	33.3	29.8	27.1	29.0	29.2	27.0
Foreign currency denominated credit to total credit	32.3	33.5	31.9	33.0	29.1	27.6	28.3	29.3	29.2
Government foreign currency denominated credit to total government credit	65.3	74.3	62.0	51.2	55.6	61.3	64.2	66.2	65.3
Non - government foreign currency denominated credit to total non-government credit	29.4	30.2	29.5	31.3	27.0	25.4	25.6	26.6	26.7

Source: Central Bank of Egypt.

() Percent change over previous year

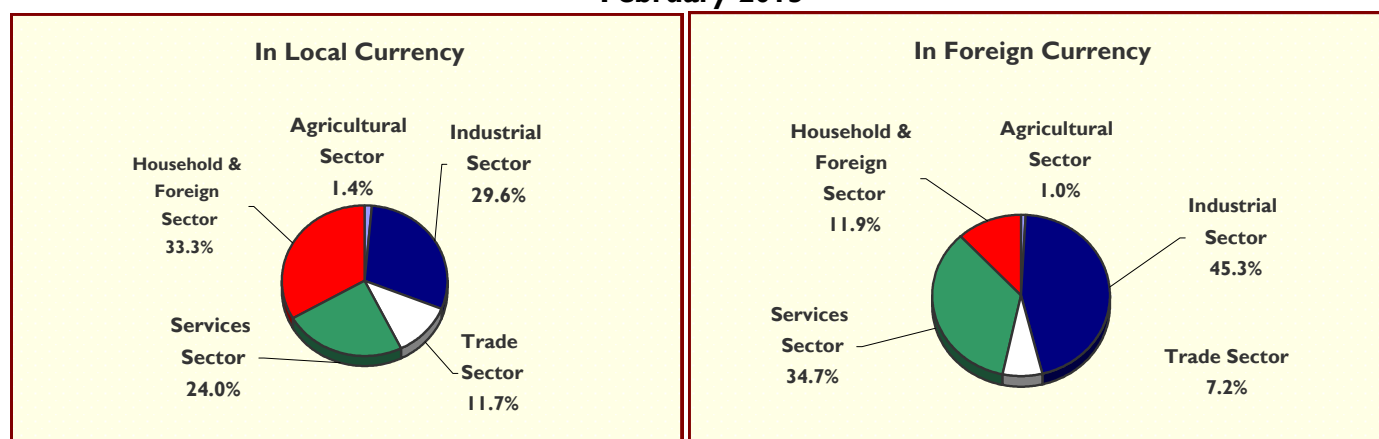
* Preliminary.

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
February-2013**

Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

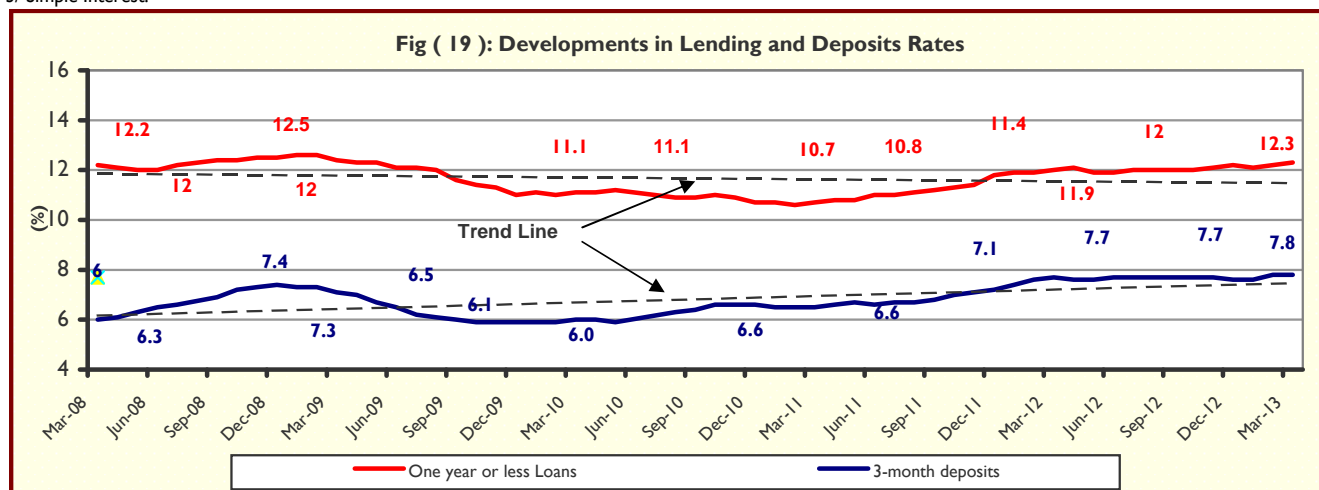
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/ 3/}	Post office Saving Deposits ^{1/}
Yearly Average						
2002/2003	10.00	13.70	8.69	8.31	10.50	10.50
2003/2004	10.00	13.40	7.96	8.41	10.50	10.50
2004/2005	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						
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	12.10	7.60	13.18	11.50	9.00
Feb-13	9.50	12.20	7.80	12.82	12.50	9.00
Mar-13	10.25	12.30	7.80	12.67	12.50	9.00

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.

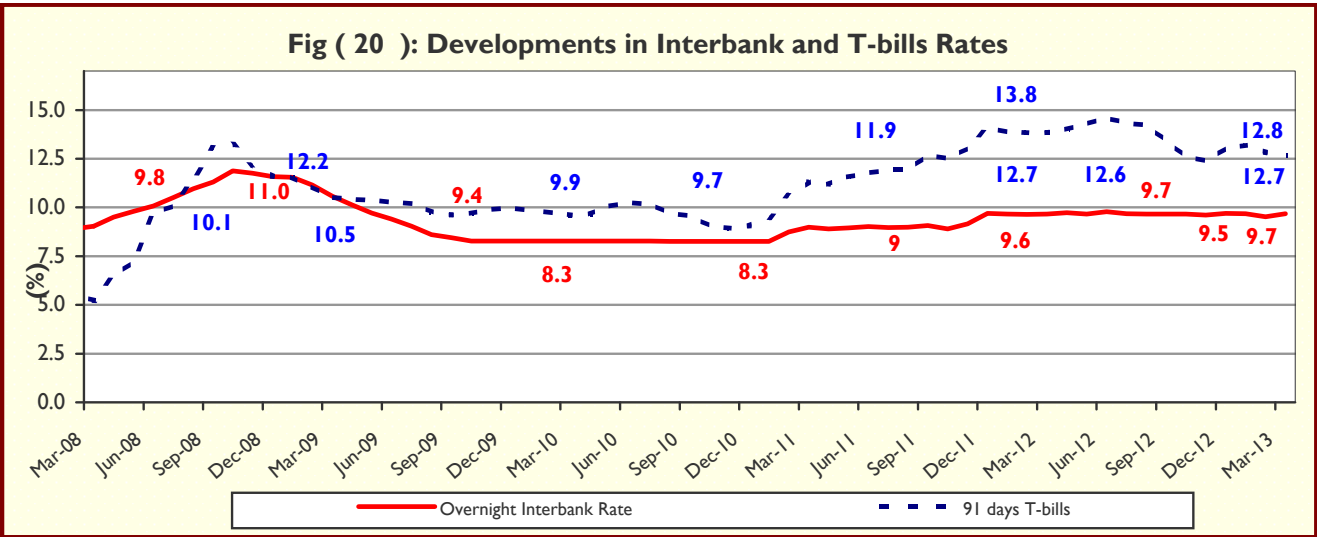
Table (30) : Average Interbank Rates ^{1/}

	Overnight	One Week	Month	More than One Month
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				
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
Feb-13	9.53	9.75	10.10	10.00
Mar-13	9.68	9.93	9.99	10.38

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.