

Section 6

MONETARY SECTOR

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Table (24) : Developments in Main Monetary Aggregates
(March 2013)

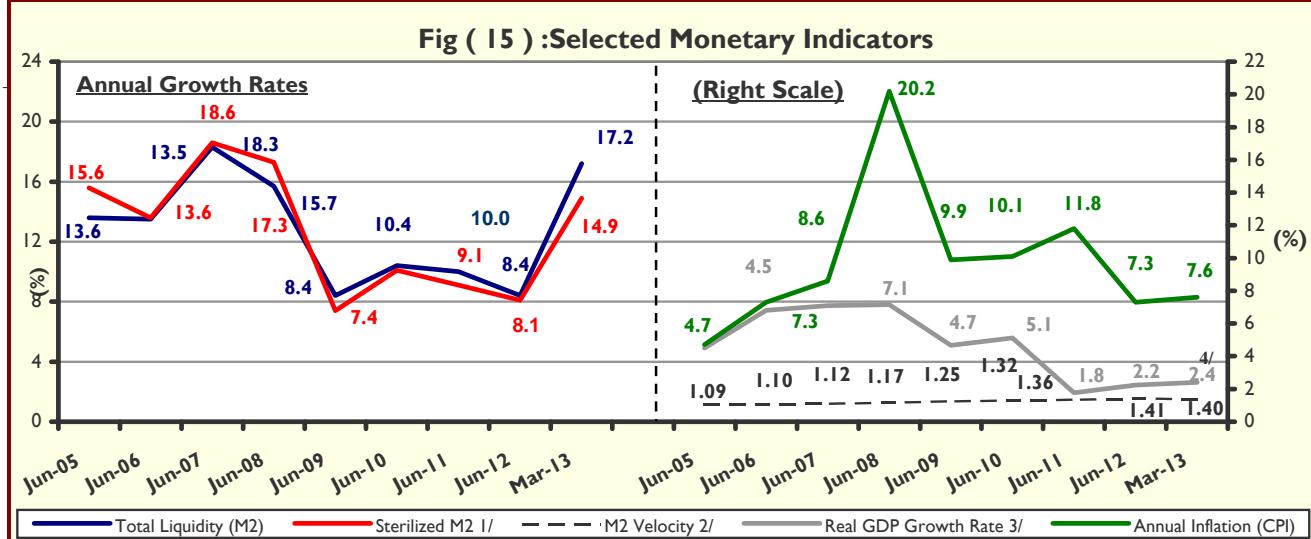
	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-2.8	-3.0	-24.9	-31.9
CBE NFA	-0.7	-15.8	-47.7	-47.8
CBE NIR	0.2	-1.5	-0.2	-27.2
Banks NFA 2/	-3.8	4.4	-5.6	-13.9
Net Foreign Assets (US dollar terms)	-3.7	-12.0	-33.2	-34.6
CBE NFA	-1.5	-23.6	-53.5	-49.8
CBE NIR	-0.6	-10.6	-11.2	-30.5
Banks NFA 2/	-4.6	-5.2	-16.0	-17.4
Net Domestic Assets	2.7	7.1	25.5	22.9
Net Claims on Government and GASC	4.7	10.8	35.9	31.7
Claims on Public Companies	-0.5	0.4	7.1	18.5
Claims on Private Sector	1.4	4.1	10.0	7.6
Total Liquidity (M2)	2.1	6.0	17.2	11.0
Money (M1)	5.8	13.3	25.3	13.0
Quasi Money	0.9	3.6	14.6	10.3

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 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-March 2012/2013.

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

(LE Millions)

	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12	Dec-12	Jan-13	Feb-13	Mar-13*
Net Foreign Assets 1/	253,506	246,338	276,379	266,036	172,180	133,369	138,054	133,126	129,347
	(27.4)	-(2.8)	(12.2)	-(3.7)	-(35.3)	-(29.9)	-(23.2)	-(25.2)	-(24.9)
Central bank (Net)	114,566	177,300	179,809	167,446	78,891	49,051	41,831	41,558	41,282
Foreign Assets	181,601	178,733	188,132	175,498	89,185	90,051	85,199	85,304	85,361
Foreign Liabilities	67,035	1,433	8,323	8,052	10,294	41,000	43,368	43,746	44,079
Banks (Net)	138,940	69,038	96,570	98,590	93,289	84,318	96,223	91,568	88,065
Foreign Assets	173,015	99,013	124,031	136,404	122,398	115,033	127,486	122,433	120,777
Foreign Liabilities	34,075	29,975	27,461	37,814	29,109	30,715	31,263	30,865	32,712
Net Domestic Assets of which:	503,047	562,265	611,797	722,040	882,816	1,033,791	1,060,041	1,078,191	1,107,591
	(22.3)	(11.8)	(8.8)	(18.0)	(22.3)	(21.8)	(22.7)	(23.6)	(25.5)
Net Claims on Government, and GASC 1/	206,808	269,438	320,885	419,024	553,186	678,428	701,800	717,808	751,663
National Currency	255,681	328,790	384,979	504,751	618,318	724,074	748,946	771,686	801,276
Foreign Currency	-48,873	-59,352	-64,094	-85,727	-65,132	-45,646	-47,146	-53,878	-49,613
Claims on Public Business Sector	27,050	30,859	36,708	33,668	41,151	43,914	44,494	44,319	44,089
National Currency	19,518	21,902	27,830	24,991	32,330	35,050	35,167	35,107	34,864
Foreign Currency	7,532	8,957	8,878	8,677	8,821	8,864	9,327	9,212	9,225
Claims on Private Sector 2/	361,476	389,882	393,290	417,777	440,892	465,687	474,222	478,167	484,954
National Currency	259,404	283,005	290,674	306,645	337,319	358,833	361,151	363,684	367,329
Foreign Currency	102,072	106,877	102,616	111,132	103,573	106,854	113,071	114,483	117,625
Other Items (net) 1/ 3/	-92,287	-127,914	-139,086	-148,429	-152,413	-154,238	-160,475	-162,103	-173,115
Total Liquidity (M2)	756,553	808,603	888,176	988,076	1,054,996	1,167,160	1,198,095	1,211,317	1,236,938
	(23.9)	(6.9)	(9.8)	(11.2)	(6.8)	(12.3)	(14.8)	(15.3)	(17.2)
Money (M1) 4/	158,134	173,228	201,868	240,814	260,681	288,139	304,502	308,786	326,547
	(27.9)	(9.5)	(16.5)	(19.3)	(8.2)	(12.7)	(17.6)	(19.3)	(25.3)
Currency in Circulation	98,596	112,986	128,433	163,489	180,637	205,020	215,999	218,585	221,364
Demand Deposits in Local Currency	59,538	60,242	73,435	77,325	80,044	83,119	88,503	90,201	105,183
Quasi Money	598,419	635,375	686,308	747,262	794,315	879,021	893,593	902,531	910,391
	(22.9)	(6.2)	(8.0)	(8.9)	(6.3)	(12.2)	(13.8)	(14.0)	(14.6)
Local Currency Time and Savings Deposits	426,952	465,758	528,844	567,394	610,225	673,098	674,962	683,998	690,557
Foreign Currency Demand Deposits	35,021	30,340	33,857	46,257	42,991	50,784	53,928	53,436	54,749
Foreign Currency Time and Savings Deposits	136,446	139,277	123,607	133,611	141,099	155,139	164,703	165,097	165,085

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)

(March 2013)

	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12	Dec-12	Jan-13	Feb-13	Mar-13*
Net Foreign Assets (In Million US\$)^{4/}	46,417	43,812	50,480	44,951	28,590	21,695	21,091	19,829	19,102
Central bank NFA	20,977	31,533	32,842	28,292	13,100	7,979	6,391	6,190	6,097
Net International Reserves	58,691	44,067	52,000	46,311	30,300	28,365	27,717	26,344	25,612
Central Bank (Gross)	33,705	32,177	34,508	30,106	15,119	15,015	13,613	13,508	13,424
Banks (net)	25,440	12,279	17,638	16,658	15,491	13,716	14,700	13,639	13,006
Foreign assets	31,679	17,610	22,654	23,047	20,324	18,712	19,477	18,236	17,837
Foreign Liabilities	6,239	5,331	5,016	6,389	4,834	4,996	4,776	4,597	4,831
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	5.3%	-7.5%	2.7%	-1.8%	-8.1%	-2.2%	-1.8%	-2.2%	-2.6%
Net Domestic Assets	8.9%	12.9%	4.2%	9.5%	12.6%	8.9%	11.3%	12.9%	15.6%
Money (M1)	4.1%	0.3%	2.3%	2.9%	1.2%	1.2%	2.7%	3.1%	4.8%
Quasi Money	10.1%	5.1%	4.6%	4.8%	3.3%	5.4%	6.7%	7.6%	8.3%
Dollarization (% of Total Liquidity) ^{6/}	22.7	21.0	17.7	18.2	17.4	17.6	18.2	18.0	17.8
M2 Multiplier ^{7/}	4.74	4.65	4.53	4.21	4.20	4.42	4.49	4.39	4.40
M2 Velocity ^{8/}	1.18	1.29	1.36	1.39	1.46	1.49	1.45	1.43	1.40
M2 (annual percentage change)	23.9	6.9	9.8	11.2	6.8	12.3	14.8	15.3	17.2
Credit to private sector (annual percentage change) ^{9/}	13.9	7.9	0.9	6.2	5.5	7.6	8.9	9.2	10.0
Exchange Rate ^{10/}	5.46	5.62	5.48	5.92	6.02	6.15	6.55	6.71	6.77

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.

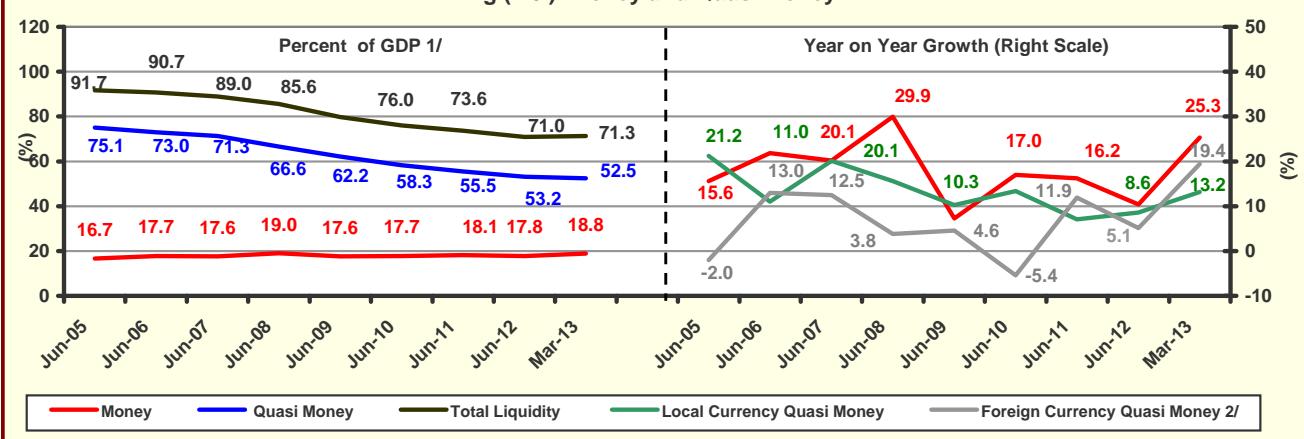
7/ M2 / Reserve Money.

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.

Fig (16) : Money and Quasi Money



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)

	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12	Dec-12	Jan-13	Feb-13	Mar-13*
Reserve Money	159,767	174,016	196,106	234,900	251,302	264,297	266,657	275,706	280,996
	(26.3)	(25.3)	(12.7)	(19.8)	(7.0)	(2.7)	(2.3)	(9.0)	(11.8)
Currency in Circulation	104,350	120,552	136,438	175,647	190,951	216,301	226,911	229,457	233,733
	(18.3)	(15.5)	(13.2)	(28.7)	(8.7)	(15.5)	(18.8)	(21.1)	(22.4)
Banks LE Deposits with CBE	55,417	53,464	59,668	59,253	60,351	47,996	39,746	46,249	47,263
	(44.8)	36.99	(55.8)	-(0.7)	(1.9)	-(31.5)	-(42.9)	-(27.2)	-(21.7)
Counter Assets:									
Net Foreign Assets ^{2/}	114,566	177,300	179,809	167,446	78,891	49,051	41,831	41,558	41,282
	(38.7)	(54.8)	(1.4)	-(6.9)	-(52.9)	-(49.3)	-(51.5)	-(49.6)	-(47.7)
Net Domestic Assets ^{2/}	45,201	-3,284	16,297	67,454	172,411	215,246	224,826	234,148	239,714
	(3.1)	(165.2)	(596.3)	(313.9)	(155.6)	(34.1)	(28.9)	(37.3)	(39.0)
Net Claims on Government ^{3/}	119,554	88,056	85,140	108,831	178,237	214,194	246,631	256,832	273,152
	(5.4)	-(26.3)	-(3.3)	(27.8)	(63.8)	(39.8)	(34.2)	(44.8)	(53.3)
Claims	192,508	162,880	160,335	189,582	257,827	297,832	338,326	351,706	370,307
	(2.6)	-(15.4)	-(1.6)	(18.2)	(36.0)	(27.4)	(28.4)	(37.0)	(43.6)
Securities	165,438	122,473	124,559	130,597	129,097	178,831	178,831	178,831	178,831
Credit Facilities	27,070	40,407	35,776	58,985	128,730	119,001	159,495	172,875	191,476
Deposits ^{4/}	72,954	74,824	75,195	80,751	79,590	83,638	91,695	94,874	97,155
	-(1.6)	(2.6)	(0.5)	(7.4)	-(1.4)	(3.8)	(15.0)	(19.5)	(22.1)
Net Claims on Banks	75,017	-2,022	23,841	-1,287	-1,607	-848	-116	-1,338	-2,191
Net Balancing Items ^{5/}	-87,316	-89,318	-92,684	-40,090	-4,219	1,900	-21,689	-21,346	-31,247
Memorandum Items									
Reserve Money Velocity ^{6/, 7/}	5.61	5.99	6.15	5.84	6.14	6.56	6.51	6.29	6.17

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)

	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12	Dec-12	Jan-13	Feb-13	Mar-13 *
Total Deposits	752,840	799,227	875,158	949,203	1,004,932	1,090,874	1,113,974	1,128,608	1,147,804
	(26.1)	(6.2)	(9.5)	(8.5)	(5.9)	(10.3)	(12.3)	(12.9)	(14.2)
In local currency	546,120	586,936	673,121	715,185	763,610	824,898	833,269	849,475	867,502
In foreign currency	206,720	212,291	202,037	234,018	241,322	265,976	280,705	279,133	280,302
Non Government Deposits ^{2/}	663,539	700,098	764,570	831,130	880,770	969,640	989,727	1,000,543	1,023,704
	(24.8)	(5.5)	(9.2)	(8.7)	(6.0)	(11.6)	(13.6)	(14.0)	(16.2)
In local currency	490,187	528,669	604,931	647,737	693,259	759,673	766,899	777,687	799,649
In foreign currency	173,352	171,429	159,639	183,393	187,511	209,967	222,828	222,856	224,055
Government Deposits	89,301	99,129	110,588	118,073	124,162	121,234	124,247	128,065	124,100
	(36.3)	(11.0)	(11.6)	(6.8)	(5.2)	(0.6)	(2.4)	(5.1)	(0.0)
In local currency	55,933	58,267	68,190	67,448	70,351	65,225	66,370	71,788	67,853
In foreign currency	33,368	40,862	42,398	50,625	53,811	56,009	57,877	56,277	56,247
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	27.5	26.6	23.1	24.7	24.0	24.4	25.2	24.7	24.4
Dollarization in Non-Government Deposits	26.1	24.5	20.9	22.1	21.3	21.7	22.5	22.3	21.9
Dollarization in Government Deposits	37.4	41.2	38.3	42.9	43.3	46.2	46.6	43.9	45.3

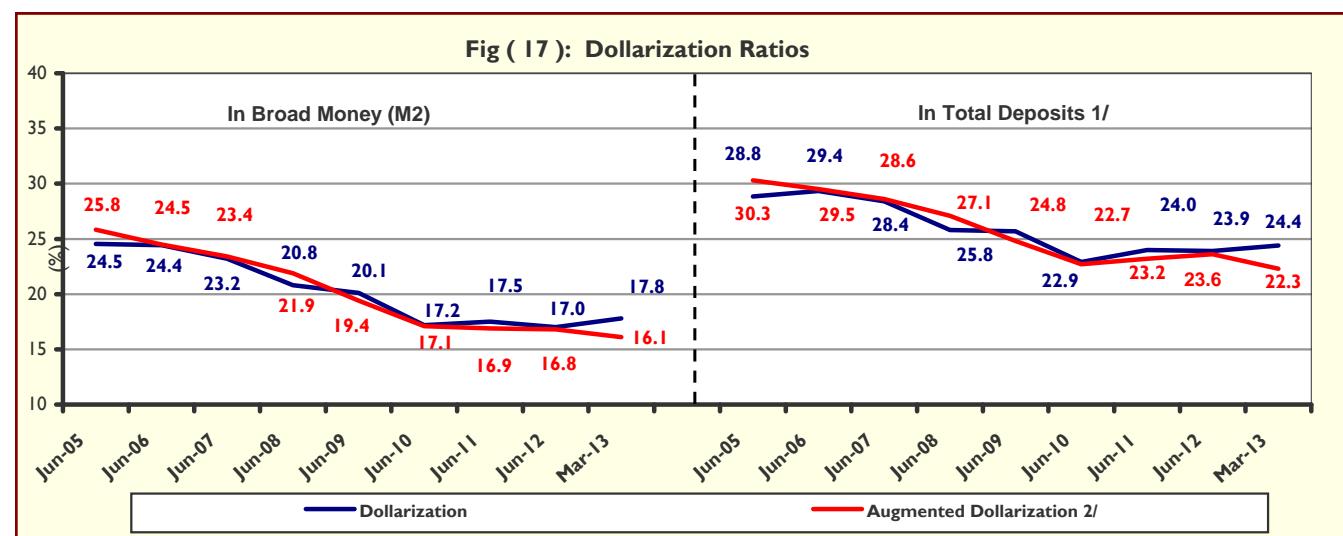
Source: Central bank of Egypt.

() 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)

	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12	Dec-12	Jan-13	Feb-13	Mar-13
Total lending	394,494	430,622	441,370	469,961	495,878	516,842	528,012	530,492	536,748
	(15.2)	(9.2)	(2.5)	(6.5)	(5.5)	(5.5)	(7.3)	(7.1)	(8.2)
To Government ^{2/}	30,673	31,839	32,973	38,311	34,320	35,141	36,281	34,559	34,819
	(21.1)	(3.8)	(3.6)	(16.2)	(-10.4)	(-5.6)	(-1.6)	(-4.8)	(1.5)
In local currency	10,522	8,645	14,011	18,753	15,878	12,579	12,280	11,995	11,868
In foreign currency	20,151	23,194	18,962	19,558	18,442	22,562	24,001	22,564	22,951
To Non-Government	363,821	398,783	408,397	431,650	461,558	481,701	491,731	495,933	501,929
	(14.7)	(9.6)	(2.4)	(5.7)	(6.9)	(6.5)	(8.0)	(8.1)	(8.7)
In local currency	251,390	281,266	286,917	299,115	338,396	358,181	360,891	363,388	367,494
In foreign currency	112,431	117,517	121,480	132,535	123,162	123,520	130,840	132,545	134,435
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	85.4	85.5	84.3	84.7	84.8	84.8	84.7	85.2	85.3
Non Government Loans/ Deposits ^{4/}	54.8	57.0	53.4	51.9	52.4	49.7	49.7	49.6	49.0
Government Loans / Deposits	34.3	32.1	29.8	32.4	27.6	29.0	29.2	27.0	28.1
Foreign currency denominated credit to total credit	33.6	32.7	31.8	32.4	28.6	28.3	29.3	29.2	29.3
Government foreign currency denominated credit to total government credit	65.7	72.8	57.5	51.1	53.7	64.2	66.2	65.3	65.9
Non - government foreign currency denominated credit to total non-government credit	30.9	29.5	29.7	30.7	26.7	25.6	26.6	26.7	26.8

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

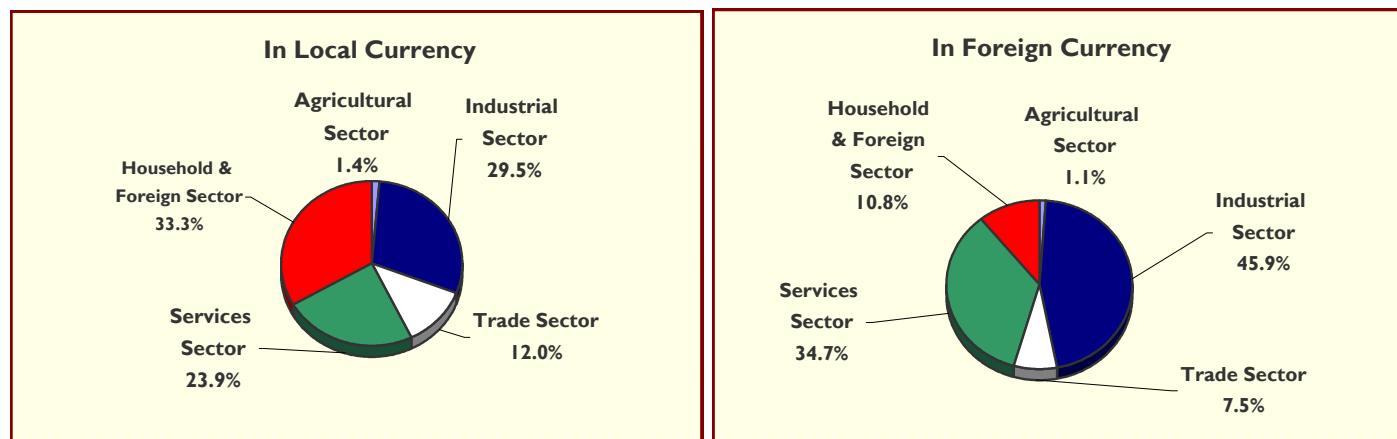
1/ Excludes credit provided by the Central Bank of Egypt.

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
March-2013**



Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

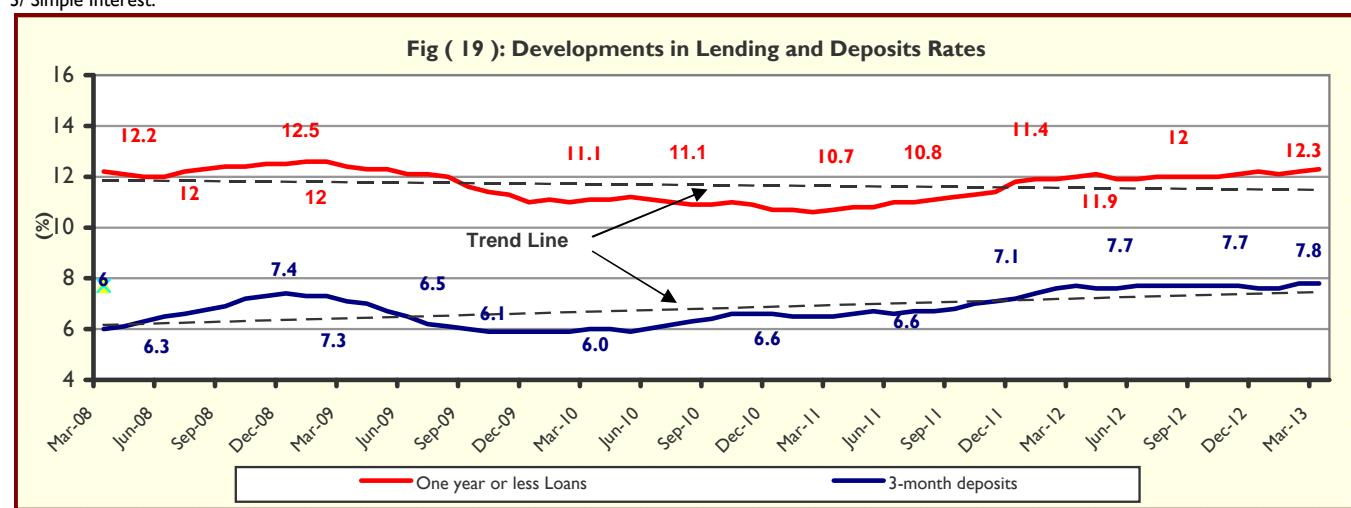
	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/3/}	Post office Saving Deposits ^{1/}
Yearly Average						
2002/2003	10.00	13.70	8.69	8.31	10.50	10.50
2003/2004	10.00	13.40	7.96	8.41	10.50	10.50
2004/2005	10.00	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						
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
Apr-13	10.25	--	--	13.42	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/}

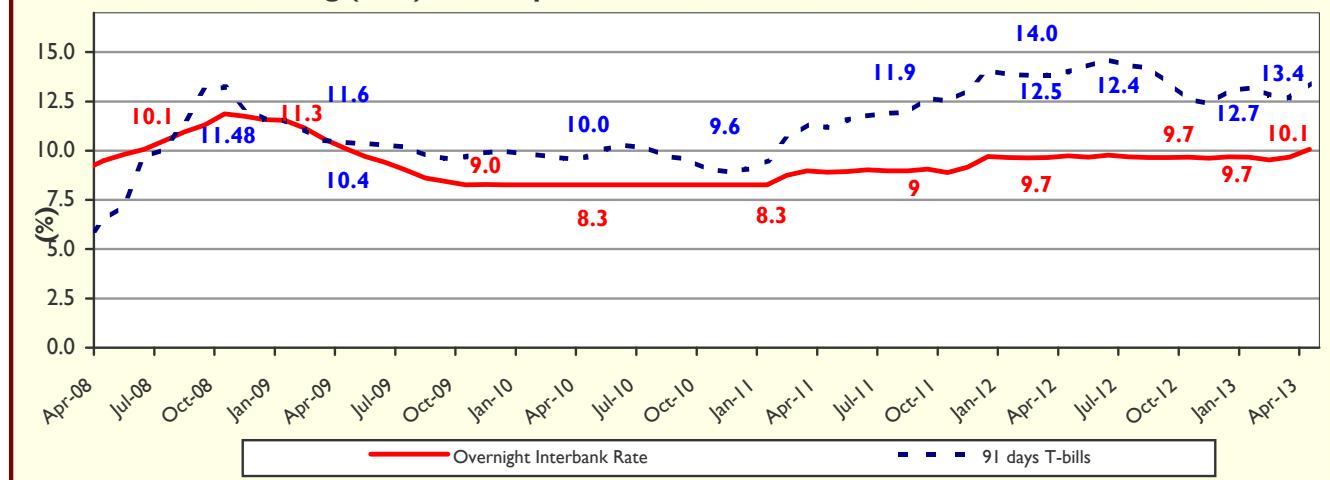
	Overnight	One Week	Month	More than One Month
Yearly Average				
2004	8.2	9.8	10.7	10.3
2005	9.5	10.1	10.4	10.7
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
2011	9.0	9.2	9.5	9.5
2012	9.4	10.0	10.2	10.2
Monthly Average				
Apr-12	9.73	9.81	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
Apr-13	10.06	10.31	10.50	10.60

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.