

Section 6

MONETARY SECTOR

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

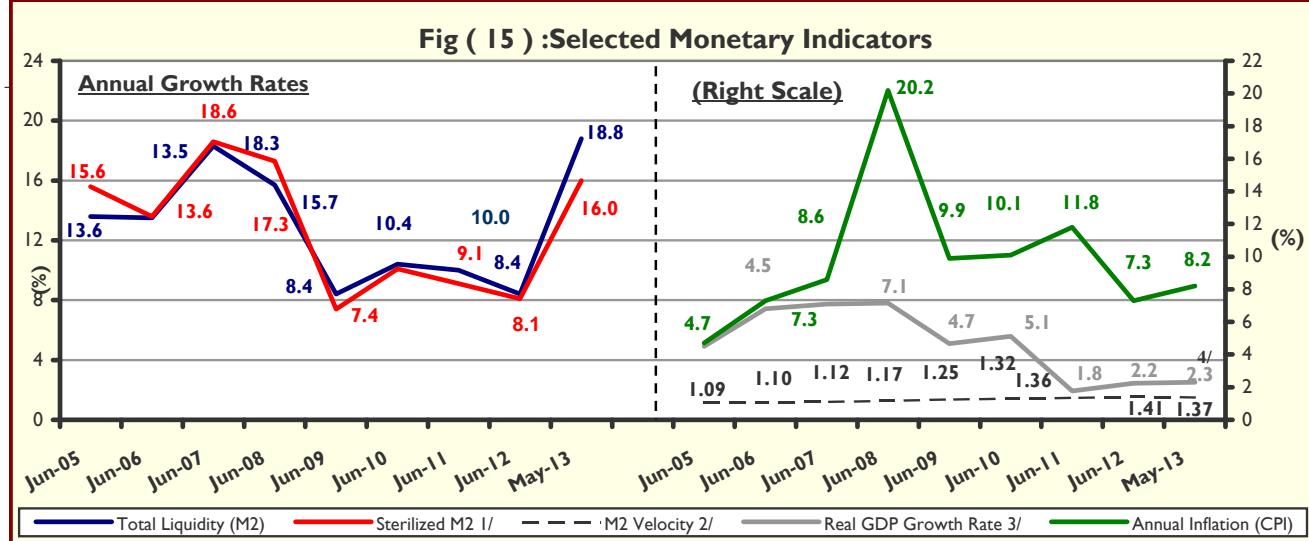
	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	12.0	1.7	-14.1	-29.1
CBE NFA	23.1	3.1	-43.2	-47.9
CBE NIR	12.7	23.1	19.4	-17.7
Banks NFA 2/	7.5	1.1	12.7	-9.7
Net Foreign Assets (US dollar terms)	10.5	-1.9	-25.6	-33.4
CBE NFA	21.5	-0.6	-50.8	-50.8
CBE NIR	11.2	18.7	3.4	-23.2
Banks NFA 2/	6.1	-2.5	-2.5	-15.3
Net Domestic Assets	0.1	5.1	24.5	23.4
Net Claims on Government and GASC	1.7	9.2	38.7	33.0
Claims on Public Companies	-1.4	-1.3	4.1	15.1
Claims on Private Sector	0.4	3.1	10.0	8.2
Total Liquidity (M2)	1.2	4.7	18.8	12.9
Money (M1)	0.9	7.4	25.4	15.8
Quasi Money	1.4	3.8	16.7	11.9

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
(May 2013)

(LE Millions)

	May-08	May-09	May-10	May-11	May-12	Feb-13	Mar-13	Apr-13	May-13*
Net Foreign Assets 1/	245,425	252,357	273,763	253,644	157,609	133,126	129,346	120,879	135,421
	(14.2)	(2.8)	(8.5)	-(7.3)	-(37.9)	-(25.2)	-(24.9)	-(26.7)	-(14.1)
Central bank (Net)	115,608	171,241	188,375	150,123	75,449	41,558	41,282	34,794	42,839
Foreign Assets	180,465	172,798	196,598	159,314	91,672	85,304	85,362	93,204	105,994
Foreign Liabilities	64,857	1,557	8,223	9,191	16,223	43,746	44,080	58,410	63,155
Banks (Net)	129,817	81,116	85,388	103,521	82,160	91,568	88,064	86,085	92,582
Foreign Assets	156,041	109,821	117,628	140,090	114,941	122,433	120,776	119,977	125,707
Foreign Liabilities	26,224	28,705	32,240	36,569	32,781	30,865	32,712	33,892	33,125
Net Domestic Assets of which:	516,757	574,490	622,270	740,787	909,972	1,078,191	1,107,592	1,131,982	1,133,092
	(18.8)	(11.2)	(8.3)	(19.0)	(22.8)	(23.6)	(25.5)	(26.6)	(24.5)
Net Claims on Government, and GASC 1/	208,996	276,434	316,450	434,684	564,769	717,808	751,663	770,398	783,578
National Currency	258,784	339,480	378,749	518,986	625,854	771,686	801,276	822,116	830,581
Foreign Currency	-49,788	-63,046	-62,299	-84,302	-61,085	-53,878	-49,613	-51,718	-47,003
Claims on Public Business Sector	26,878	31,954	37,432	33,083	42,025	44,319	44,089	44,400	43,765
National Currency	19,548	22,852	28,057	24,812	33,136	35,107	34,864	34,902	34,412
Foreign Currency	7,330	9,102	9,375	8,271	8,889	9,212	9,225	9,498	9,353
Claims on Private Sector 2/	362,996	387,735	406,365	417,336	447,948	478,167	484,954	490,765	492,823
National Currency	259,584	284,068	298,997	311,908	344,338	363,684	367,329	371,656	373,167
Foreign Currency	103,412	103,667	107,368	105,428	103,610	114,483	117,625	119,109	119,656
Other Items (net) 1/ 3/	-82,113	-121,633	-137,977	-144,316	-144,770	-162,103	-173,114	-173,581	-187,074
Total Liquidity (M2)	762,182	826,847	896,033	994,431	1,067,581	1,211,317	1,236,938	1,252,861	1,268,513
	(17.3)	(8.5)	(8.4)	(11.0)	(7.4)	(15.3)	(17.2)	(18.3)	(18.8)
Money (M1) 4/	170,621	180,164	204,718	244,041	264,626	308,786	326,547	328,679	331,757
	(34.8)	(5.6)	(13.6)	(19.2)	(8.4)	(19.3)	(25.3)	(25.1)	(25.4)
Currency in Circulation	104,189	117,238	133,082	167,450	187,396	218,585	221,364	225,501	231,575
Demand Deposits in Local Currency	66,432	62,926	71,636	76,591	77,230	90,201	105,183	103,178	100,182
Quasi Money	591,561	646,683	691,315	750,390	802,955	902,531	910,391	924,182	936,756
	(13.0)	(9.3)	(6.9)	(8.5)	(7.0)	(14.0)	(14.6)	(16.1)	(16.7)
Local Currency Time and Savings Deposits	431,127	475,747	534,126	571,957	617,905	683,998	690,557	701,392	711,100
Foreign Currency Demand Deposits	29,592	32,593	33,870	44,129	46,053	53,436	54,749	56,380	56,298
Foreign Currency Time and Savings Deposits	130,842	138,343	123,319	134,304	138,997	165,097	165,085	166,410	169,358

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)

(May 2013)

	May-08	May-09	May-10	May-11	May-12	Feb-13	Mar-13	Apr-13	May-13*
Net Foreign Assets (In Million US\$)^{4/}	45,916	44,969	48,850	42,740	26,146	19,829	19,102	17,594	19,447
Central bank NFA	21,629	30,514	33,613	25,297	12,516	6,190	6,097	5,064	6,152
Net International Reserves	58,050	45,246	50,317	44,289	28,837	26,344	25,612	26,096	28,516
Central Bank (Gross)	34,102	31,208	35,100	27,228	15,515	13,508	13,424	14,426	16,036
Banks (net)	24,287	14,454	15,236	17,444	13,630	13,639	13,006	12,530	13,295
Foreign assets	29,193	19,570	20,989	23,606	19,068	18,236	17,837	17,463	18,052
Foreign Liabilities	4,906	5,115	5,753	6,162	5,438	4,597	4,831	4,933	4,757
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	4.0%	-6.7%	2.4%	-3.1%	-9.5%	-2.2%	-2.6%	-3.4%	-2.0%
Net Domestic Assets	11.0%	14.5%	5.4%	11.5%	15.3%	12.9%	15.6%	17.8%	17.9%
Money (M1)	5.9%	1.3%	2.6%	3.3%	1.6%	3.1%	4.8%	4.9%	5.2%
Quasi Money	9.1%	6.6%	5.2%	5.1%	4.2%	7.6%	8.3%	9.5%	10.7%
Dollarization (% of Total Liquidity)^{6/}	21.0	20.7	17.5	17.9	17.3	18.0	17.8	17.8	17.8
M2 Multiplier^{7/}	4.65	4.84	4.66	4.02	4.07	4.39	4.40	4.33	4.16
M2 Velocity^{8/}	1.17	1.26	1.35	1.38	1.44	1.43	1.40	1.38	1.37
M2 (annual percentage change)	17.3	8.5	8.4	11.0	7.4	15.3	17.2	18.3	18.8
Credit to private sector (annual percentage change)^{9/}	10.4	6.8	4.8	2.7	7.3	9.2	10.0	10.5	10.0
Exchange Rate^{10/}	5.35	5.61	5.60	5.93	6.03	6.71	6.77	6.87	6.96

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.

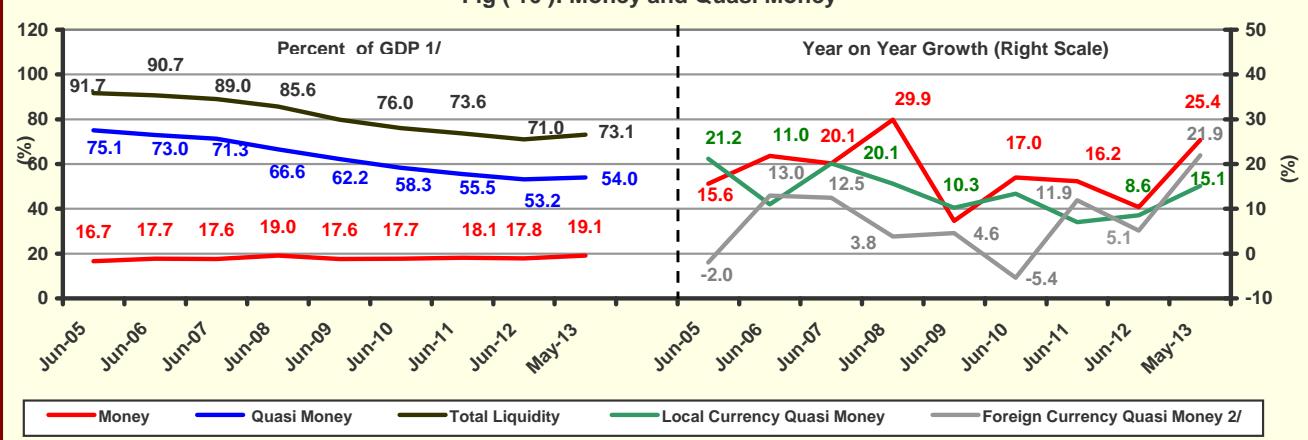
7/ M2 / Reserve Money.

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)

	May-08	May-09	May-10	May-11	May-12	Feb-13	Mar-13	Apr-13	May-13*
Reserve Money	163,796	170,796	192,250	247,102	262,213	275,706	280,996	289,552	304,620
	(31.4)	(26.7)	(12.6)	(28.5)	(6.1)	(9.0)	(11.8)	(18.0)	(16.2)
Currency in Circulation	110,607	124,761	141,877	178,632	197,071	229,457	233,733	237,465	243,402
	(22.2)	(12.8)	(13.7)	(25.9)	(10.3)	(21.1)	(22.4)	(23.6)	(23.5)
Banks LE Deposits with CBE	53,189	46,035	50,373	68,470	65,142	46,249	47,263	52,087	61,218
	(55.8)	39.44	(26.3)	(35.9)	-(4.9)	-(27.2)	-(21.7)	-(2.2)	-(6.0)
Counter Assets:									
Net Foreign Assets ^{2/}	115,608	171,241	188,375	150,123	75,449	41,558	41,282	34,794	42,839
	(25.0)	(48.1)	(10.0)	-(20.3)	-(49.7)	-(49.6)	-(47.7)	-(56.3)	-(43.2)
Net Domestic Assets ^{2/}	48,188	-445	3,875	96,979	186,764	234,148	239,714	254,758	261,781
	(49.8)	(1651.9)	(970.8)	(2402.7)	(92.6)	(37.3)	(39.0)	(53.7)	(40.2)
Net Claims on Government ^{3/}	115,249	74,202	75,311	117,198	175,688	256,832	273,152	285,160	296,911
	(2.6)	-(35.6)	(1.5)	(55.6)	(49.9)	(44.8)	(53.3)	(53.0)	(69.0)
Claims	190,049	151,860	153,931	201,543	257,741	351,706	370,307	386,735	396,779
	(1.5)	-(20.1)	(1.4)	(30.9)	(27.9)	(37.0)	(43.6)	(44.9)	(53.9)
Securities	165,438	122,378	123,900	130,597	129,097	178,831	178,831	178,831	178,831
Credit Facilities	24,611	29,482	30,031	70,946	128,644	172,875	191,476	207,904	217,948
Deposits ^{4/}	74,800	77,658	78,620	84,345	82,053	94,874	97,155	101,575	99,868
	-(0.1)	(3.8)	(1.2)	(7.3)	-(2.7)	(19.5)	(22.1)	(25.9)	(21.7)
Net Claims on Banks	81,171	-659	21,788	-1,544	-1,767	-1,338	-2,191	-6,122	-1,860
Net Balancing Items ^{5/}	-83,409	-73,988	-93,224	-18,675	12,843	-21,346	-31,247	-24,280	-33,270
Memorandum Items									
Reserve Money Velocity ^{6/ 7/}	5.47	6.10	6.28	5.55	5.88	6.29	6.17	5.99	5.70

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)

	May-08	May-09	May-10	May-11	May-12	Feb-13	Mar-13	Apr-13	May-13 *
Total Deposits	751,012	813,569	882,784	951,703	1,011,174	1,128,608	1,147,804	1,159,779	1,169,613
	(17.8)	(8.3)	(8.5)	(7.8)	(6.2)	(12.9)	(14.2)	(15.0)	(15.7)
In local currency	555,216	599,311	677,496	718,499	768,418	849,475	867,502	874,576	879,706
In foreign currency	195,796	214,258	205,288	233,204	242,756	279,133	280,302	285,203	289,907
Non Government Deposits ^{2/}	663,972	713,987	768,149	833,286	887,341	1,000,543	1,023,704	1,035,676	1,045,752
	(16.4)	(7.5)	(7.6)	(8.5)	(6.5)	(14.0)	(16.2)	(17.1)	(17.9)
In local currency	501,475	541,183	608,530	651,450	698,633	777,687	799,649	808,754	815,591
In foreign currency	162,497	172,804	159,619	181,836	188,708	222,856	224,055	226,922	230,161
Government Deposits	87,040	99,582	114,635	118,417	123,833	128,065	124,100	124,103	123,861
	(28.9)	(14.4)	(15.1)	(3.3)	(4.6)	(5.1)	-(0.05)	-(0.3)	(0.0)
In local currency	53,741	58,128	68,966	67,049	69,785	71,788	67,853	65,822	64,115
In foreign currency	33,299	41,454	45,669	51,368	54,048	56,277	56,247	58,281	59,746
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	26.1	26.3	23.3	24.5	24.0	24.7	24.4	24.6	24.8
Dollarization in Non-Government Deposits	24.5	24.2	20.8	21.8	21.3	22.3	21.9	21.9	22.0
Dollarization in Government Deposits	38.3	41.6	39.8	43.4	43.6	43.9	45.3	47.0	48.2

Source: Central bank of Egypt.

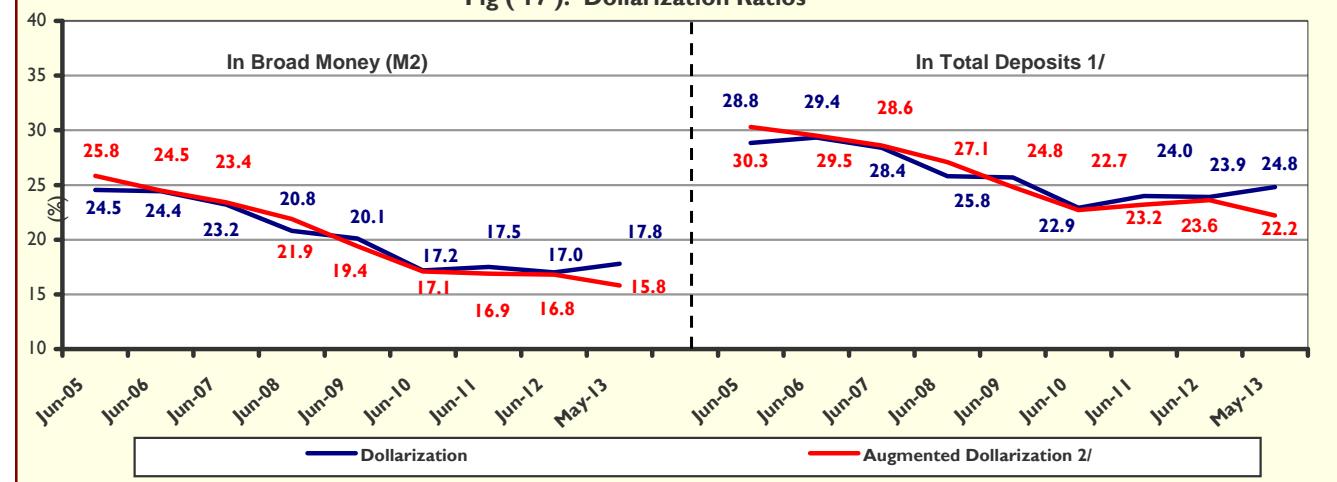
() Percent change over same period in previous year.

* 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.

Fig (17) : Dollarization Ratios



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)

	May-08	May-09	May-10	May-11	May-12	Feb-13	Mar-13	Apr-13	May-13
Total lending	397,891	431,158	457,365	470,933	502,274	530,492	536,748	543,165	545,640
	(11.7)	(8.4)	(6.1)	(3.0)	(6.7)	(7.1)	(8.2)	(8.9)	(8.6)
To Government ^{2/}	30,780	32,182	38,948	40,389	32,660	34,559	34,819	34,901	35,475
	(13.0)	(4.6)	(21.0)	(3.7)	-(19.1)	(-4.8)	(1.5)	(3.5)	(8.6)
In local currency	10,095	12,140	14,813	18,327	15,562	11,995	11,868	11,680	11,579
In foreign currency	20,685	20,042	24,135	22,062	17,098	22,564	22,951	23,221	23,896
To Non-Government	367,111	398,976	418,417	430,544	469,614	495,933	501,929	508,264	510,165
	(11.6)	(8.7)	(4.9)	(2.9)	(9.1)	(8.1)	(8.7)	(9.2)	(8.6)
In local currency	255,191	282,609	291,998	304,727	346,445	363,388	367,494	372,059	373,260
In foreign currency	111,920	116,367	126,419	125,817	123,169	132,545	134,435	136,205	136,905
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	85.6	85.2	83.4	84.5	85.2	85.2	85.3	85.4	85.5
Non Government Loans/ Deposits ^{4/}	55.3	55.9	54.5	51.7	52.9	49.6	49.0	49.1	48.8
Government Loans / Deposits	35.4	32.3	34.0	34.1	26.4	27.0	28.1	28.1	28.6
Foreign currency denominated credit to total credit	33.3	31.6	32.9	31.4	27.9	29.2	29.3	29.4	29.5
Government foreign currency denominated credit to total government credit	67.2	62.3	62.0	54.6	52.4	65.3	65.9	66.5	67.4
Non - government foreign currency denominated credit to total non-government credit	30.5	29.2	30.2	29.2	26.2	26.7	26.8	26.8	26.8

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

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

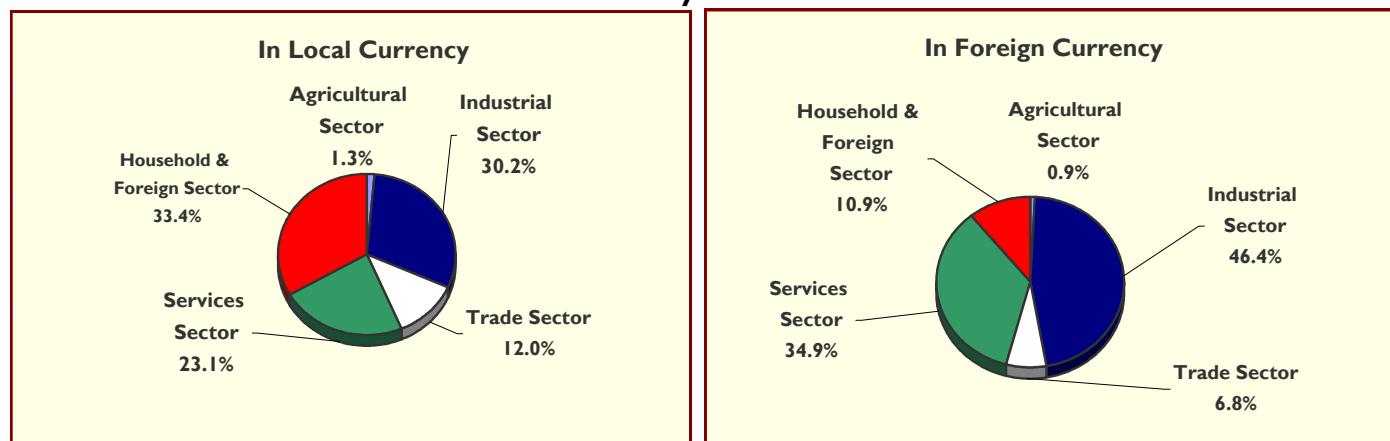
2/ Includes central government and economic authorities.

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

May-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
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						
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	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

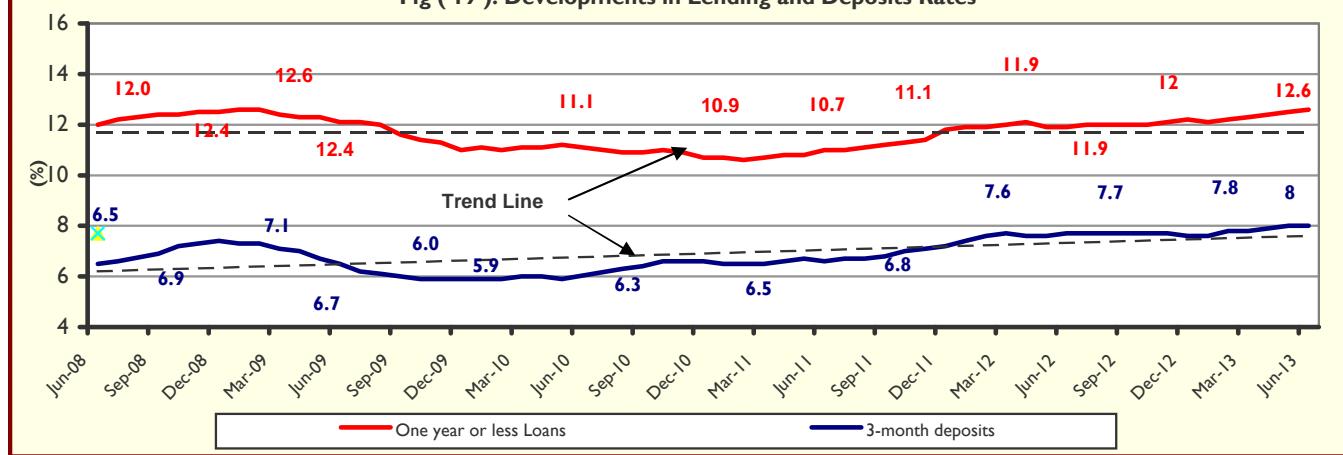
Source: Central Bank of Egypt.

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.

Fig (19) : Developments in Lending and Deposits Rates



Source: Central Bank of Egypt.

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

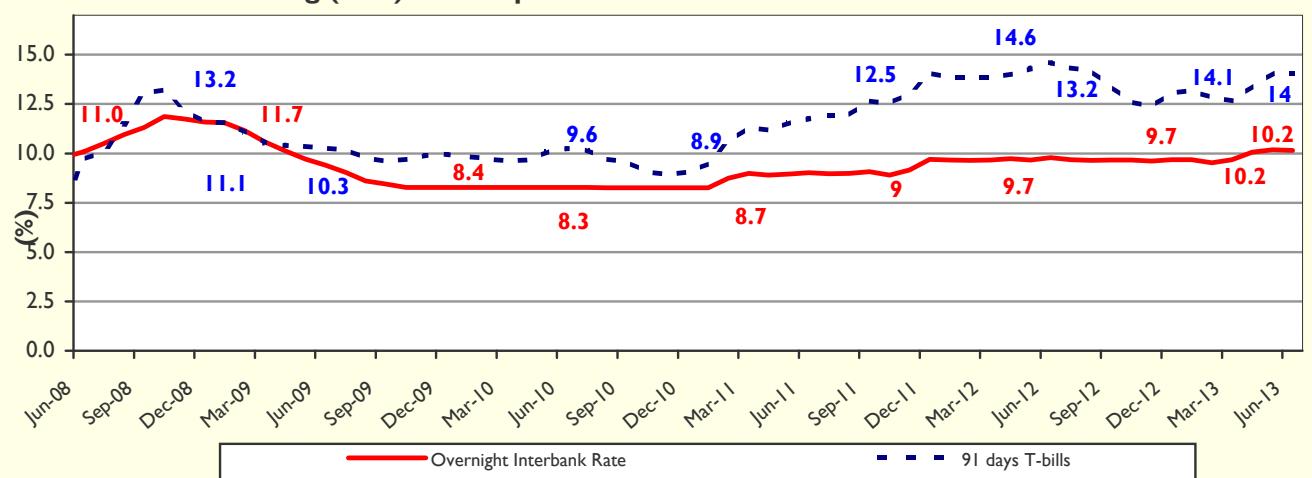
	Overnight	One Week	Month	More than One Month
Yearly Average				
2004	8.2	9.8	10.7	10.3
2005	9.5	10.1	10.4	10.7
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
2011	9.0	9.2	9.5	9.5
2012	9.4	10.0	10.2	10.2
Monthly Average				
Jun-12	9.78	9.95	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
May-13	10.18	10.34	10.55	10.58
Jun-13	10.15	10.38	10.67	11.09

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.