

Section 6

MONETARY SECTOR

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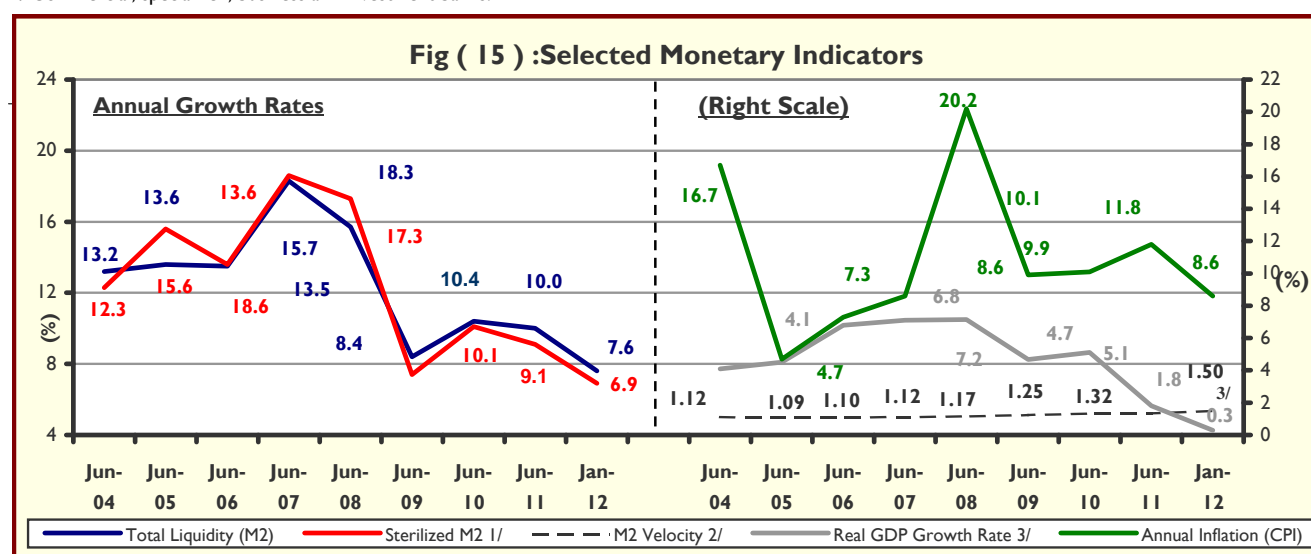
**Table (24) : Developments in Main Monetary Aggregates
(January 2012)**

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-5.5	-19.0	-37.2	-18.9
CBE NFA	-11.0	-28.4	-55.5	-27.9
CBE NIR	-9.6	-25.1	-51.5	-25.6
Banks NFA 2/	0.2	-7.8	0.9	-1.6
Net Foreign Assets (US dollar terms)	-5.7	-19.9	-39.6	-23.2
CBE NFA	-11.1	-29.1	-57.1	-31.8
CBE NIR	-9.7	-25.9	-53.3	-29.6
Banks NFA 2/	-0.03	-8.9	-2.9	-6.7
Net Domestic Assets	1.8	6.8	26.4	22.3
Net Claims on Government and GASC	3.9	8.9	45.3	37.3
Claims on Public Companies	0.0	7.9	18.2	5.8
Claims on Private Sector	0.61	1.8	5.4	3.3
Total Liquidity (M2)	0.5	1.3	7.6	9.3
Money (M1)	1.3	-0.4	12.8	17.0
Quasi Money	0.2	1.8	6.0	7.0

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 Economic Development, GDP (at market prices) for 2011/2012 is projected to reach LE 1570 billion compared to a revised figure of LE 1371.8 billion in 2010/2011.

3/ Real Growth of GDP at market prices. Reflects Real GDP growth for the period July-December 2011/2012.

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

(LE Millions)

	Jan-07	Jan-08	Jan-09	Jan-10	Jan-11	Oct-11	Nov-11	Dec-11	Jan-12 [*]
Net Foreign Assets 1/	196,166	240,540	244,547	261,192	286,196	221,790	207,061	190,179	179,716
	(60.1)	(22.6)	(1.7)	(6.8)	(9.6)	-(29.7)	-(32.1)	-(37.7)	-(37.2)
Central bank (Net)	82,945	112,230	182,293	176,524	193,507	120,315	108,397	96,828	86,205
Foreign Assets	146,144	176,787	183,656	184,967	201,551	129,609	118,955	107,201	96,580
Foreign Liabilities	63,199	64,557	1,363	8,443	8,044	9,294	10,558	10,373	10,375
Banks (Net)	113,221	128,310	62,254	84,668	92,689	101,475	98,664	93,351	93,511
Foreign Assets	130,955	154,450	90,548	110,207	132,870	133,387	130,767	123,741	122,600
Foreign Liabilities	17,734	26,140	28,294	25,539	40,181	31,912	32,103	30,390	29,089
Net Domestic Assets of which:	400,535	484,175	548,807	606,542	683,516	809,144	824,635	848,692	864,161
	-(1.4)	(20.9)	(13.3)	(10.5)	(12.7)	(25.3)	(25.3)	(26.9)	(26.4)
Net Claims on Government, and GASC 1/	180,996	196,764	249,221	321,324	368,796	492,114	508,614	515,774	535,955
National Currency	234,240	244,455	304,798	382,703	449,599	579,820	588,807	588,870	601,645
Foreign Currency	-53,244	-47,691	-55,577	-61,379	-80,803	-87,706	-80,193	-73,096	-65,690
Claims on Public Business Sector	28,334	27,205	29,612	37,569	32,840	35,997	37,438	38,838	38,830
National Currency	22,348	19,564	21,287	28,855	24,322	27,567	28,783	29,958	30,163
Foreign Currency	5,986	7,641	8,325	8,714	8,518	8,430	8,655	8,880	8,667
Claims on Private Sector 2/	311,501	348,838	387,481	384,720	413,103	427,560	431,574	432,788	435,446
National Currency	233,196	256,312	279,821	284,727	301,213	324,264	327,043	328,862	331,620
Foreign Currency	78,305	92,526	107,660	99,993	111,890	103,296	104,531	103,926	103,826
Other Items (net) 1/ 3/	-120,296	-88,632	-117,507	-137,071	-131,223	-146,527	-152,991	-138,708	-146,070
Total Liquidity (M2)	596,701	724,715	793,354	867,734	969,712	1,030,934	1,031,696	1,038,871	1,043,877
	(12.8)	(21.5)	(9.5)	(9.4)	(11.8)	(7.2)	(7.1)	(6.7)	(7.6)
Money (M1) 4/	118,981	152,671	172,148	197,256	229,528	259,887	258,379	255,581	258,977
	(15.0)	(28.3)	(12.8)	(14.6)	(16.4)	(16.7)	(14.9)	(14.4)	(12.8)
Currency in Circulation	80,812	97,182	112,724	126,332	145,857	176,900	178,162	176,578	179,598
Demand Deposits in Local Currency	38,169	55,489	59,424	70,924	83,671	82,987	80,217	79,003	79,379
Quasi Money	477,720	572,044	621,206	670,478	740,184	771,047	773,317	783,290	784,900
	(12.3)	(19.7)	(8.6)	(7.9)	(10.4)	(4.4)	(4.7)	(4.4)	(6.0)
Local Currency Time and Savings Deposits	331,950	410,967	457,039	512,854	579,119	594,770	594,227	602,253	600,277
Foreign Currency Demand Deposits	22,124	26,204	27,985	33,573	38,134	42,199	44,005	40,850	43,051
Foreign Currency Time and Savings Deposits	123,646	134,873	136,182	124,051	122,931	134,078	135,085	140,187	141,572

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)
(January 2012)

	Jan-07	Jan-08	Jan-09	Jan-10	Jan-11	Oct-11	Nov-11	Dec-11	Jan-12*
Net Foreign Assets (In Million US\$)^{4/}	34,436	43,753	44,314	48,037	49,367	37,240	34,675	31,641	29,840
Central bank NFA	14,561	20,414	33,033	32,465	33,379	20,202	18,152	16,110	14,314
Net International Reserves	45,531	55,495	44,561	49,590	50,754	38,800	36,443	33,367	31,563
Central Bank (Gross)	26,124	32,206	33,431	34,211	35,007	22,072	20,150	18,119	16,354
Banks (net)	19,876	23,339	11,281	15,572	15,988	17,038	16,523	15,531	15,527
Foreign assets	22,989	28,093	16,408	20,269	22,919	22,397	21,899	20,587	20,357
Foreign Liabilities	3,113	4,755	5,127	4,697	6,931	5,358	5,376	5,056	4,830
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	11.2%	3.3%	-7.7%	0.8%	0.4%	-3.1%	-4.6%	-6.3%	-7.3%
Net Domestic Assets	-4.7%	6.1%	11.2%	3.5%	5.3%	5.3%	6.8%	9.2%	10.7%
Money (M1)	1.7%	3.2%	0.2%	1.7%	1.7%	1.1%	1.0%	0.7%	1.0%
Quasi Money	4.8%	6.1%	3.3%	2.7%	4.0%	1.0%	1.2%	2.2%	2.4%
Dollarization (% of Total Liquidity) ^{6/}	24.4	22.2	20.7	18.2	16.6	17.1	17.4	17.4	17.7
M2 Multiplier ^{7/}	4.63	4.84	4.71	4.51	4.20	4.32	3.99	4.04	4.01
M2 Velocity ^{8/}	1.25	1.24	1.31	1.39	1.41	1.52	1.52	1.51	1.50
M2 (annual percentage change)	12.8	21.5	9.5	9.4	11.8	7.2	7.1	6.7	7.6
Credit to private sector (annual percentage change) ^{9/}	11.2	12.0	11.1	-0.7	7.4	0.9	1.3	6.1	5.4
Exchange Rate ^{10/}	5.70	5.50	5.52	5.44	5.80	5.96	5.97	6.01	6.02

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.

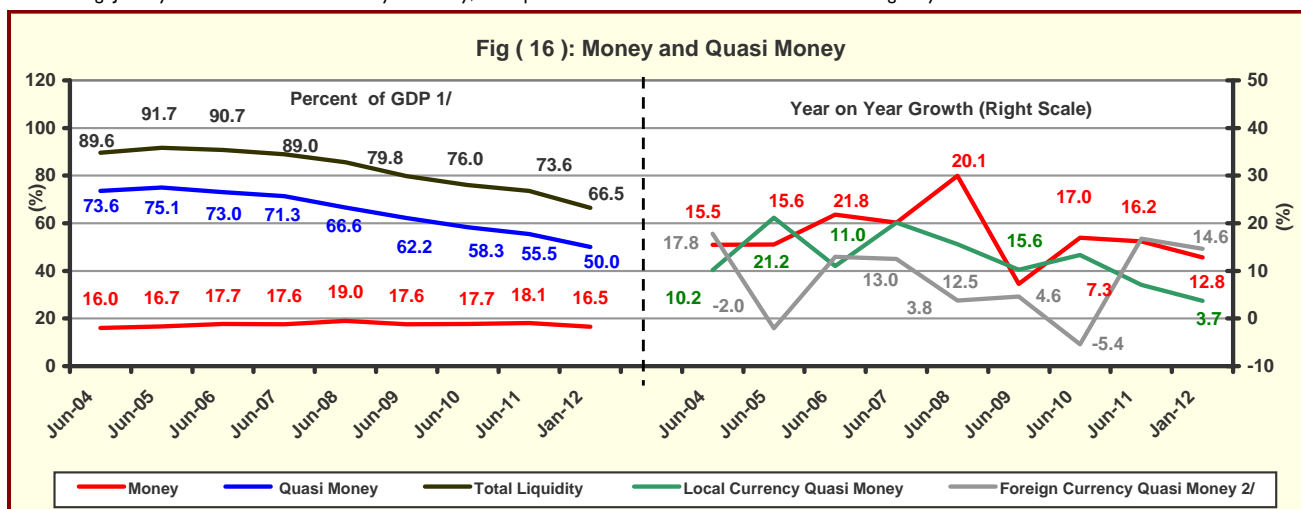
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity. It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

7/ M2 / Reserve Money.

8/ GDP / M2. According to the Ministry of Economic Development, GDP (at market prices) for 2011/2012 is projected to reach LE 1570 billion compared to a revised figure of LE 1371.8 billion in 2010/2011.

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 Economic Development, GDP (at market prices) for 2011/2012 is projected to reach LE 1570 billion compared to a revised figure of LE 1371.8 billion in 2010/2011.

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

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

(LE Millions)

	Jan-07	Jan-08	Jan-09	Jan-10	Jan-11	Oct-11	Nov-11	Dec-11	Jan-12 [*]
Reserve Money	128,925	149,628	168,505	192,232	230,862	238,818	258,471	257,346	260,619
	(14.4)	(8.6)	(12.6)	(14.1)	(20.1)	(13.5)	(16.5)	(17.8)	(12.9)
Currency in Circulation	86,165	102,888	119,389	134,073	154,156	188,716	190,352	187,292	190,978
	(15.1)	(19.4)	(16.0)	(12.3)	(15.0)	(23.3)	(22.3)	(22.2)	(23.9)
Banks LE Deposits with CBE	42,760	46,740	49,116	58,159	76,706	50,102	68,119	70,054	69,641
	--	--	(1.5)	(18.4)	(31.9)	-(12.7)	(2.8)	(7.5)	-(9.2)
Counter Assets:									
Net Foreign Assets ^{2/}	82,945	112,230	182,293	176,524	193,507	120,315	108,397	96,828	86,205
	(43.3)	(35.3)	(62.4)	-(3.2)	(9.6)	-(37.9)	-(44.2)	-(51.1)	-(55.5)
Net Domestic Assets ^{2/}	45,980	37,398	-13,788	15,708	37,355	118,503	150,074	160,518	174,414
	--	-(149.1)	-(136.9)	(213.9)	(137.8)	(609.3)	(443.5)	(695.2)	(366.9)
Net Claims on Government ^{3/}	112,428	117,489	83,085	98,880	104,468	149,542	158,019	153,250	183,836
	-(3.6)	(4.5)	-(29.3)	(19.0)	(5.7)	(39.6)	(55.0)	(52.9)	(76.0)
Claims	185,854	194,955	157,033	171,218	183,667	226,615	237,998	233,811	263,563
	(3.7)	(4.9)	-(19.5)	(9.0)	(7.3)	(24.9)	(33.6)	(32.5)	(43.5)
Securities	164,761	165,688	123,123	124,559	130,597	129,097	129,097	129,097	129,097
Credit Facilities	21,093	29,267	33,910	46,659	53,070	97,518	108,901	104,714	134,466
Deposits ^{4/}	73,426	77,466	73,948	72,338	79,199	77,073	79,979	80,561	79,727
	(17.2)	(5.5)	-(4.5)	-(2.2)	(9.5)	(3.6)	(5.0)	(5.7)	(0.7)
Net Claims on Banks	49,224	70,199	-185	10,055	17,936	-2,231	-2,048	-1,665	-1,918
Net Balancing Items ^{5/}	-149,023	-150,290	-96,688	-93,227	-85,049	-28,808	-5,897	8,933	-7,504
Memorandum Items									
Reserve Money Velocity ^{6/, 7/}	5.78	5.98	6.18	6.28	5.94	6.57	6.07	6.10	6.02

Source: Central Bank of Egypt.

() Percent change over same period in previous year.

* Preliminary.

-- Data unavailable.

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 Economic Development, GDP (at market prices) for 2011/2012 is projected to reach LE 1570 billion compared to a revised figure of LE 1371.8 billion in 2010/2011.

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

(LE Millions)

	Jan-07	Jan-08	Jan-09	Jan-10	Jan-11	Oct-11	Nov-11	Dec-11	Jan-12 [*]
Total Deposits	587,610	718,979	780,467	857,977	944,700	981,239	979,956	989,427	992,356
	(7.0)	(22.4)	(8.6)	(9.9)	(10.1)	(4.6)	(4.6)	(3.9)	(5.0)
In local currency	412,102	525,290	576,514	656,463	733,513	751,000	747,536	755,416	753,886
In foreign currency	175,508	193,689	203,953	201,514	211,187	230,239	232,420	234,011	238,470
Non Government Deposits ^{2/}	520,490	633,346	685,013	746,385	830,359	861,242	860,341	868,903	870,998
	(12.8)	(21.7)	(8.2)	(9.0)	(11.3)	(4.5)	(4.3)	(3.9)	(4.9)
In local currency	373,552	470,879	518,946	586,417	666,004	681,421	677,728	684,312	682,651
In foreign currency	146,938	162,467	166,067	159,968	164,355	179,821	182,613	184,591	188,347
Government Deposits	67,120	85,633	95,454	111,592	114,341	119,997	119,615	120,524	121,358
	-(23.6)	(27.6)	(11.5)	(16.9)	(2.5)	(5.7)	(6.2)	(4.4)	(6.1)
In local currency	38,550	54,411	57,568	70,046	67,509	69,579	69,808	71,104	71,235
In foreign currency	28,570	31,222	37,886	41,546	46,832	50,418	49,807	49,420	50,123
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	29.9	26.9	26.1	23.5	22.4	23.5	23.7	23.7	24.0
Dollarization in Non-Government Deposits	28.2	25.7	24.2	21.4	19.8	20.9	21.2	21.2	21.6
Dollarization in Government Deposits	42.6	36.5	39.7	37.2	41.0	42.0	41.6	41.0	41.3

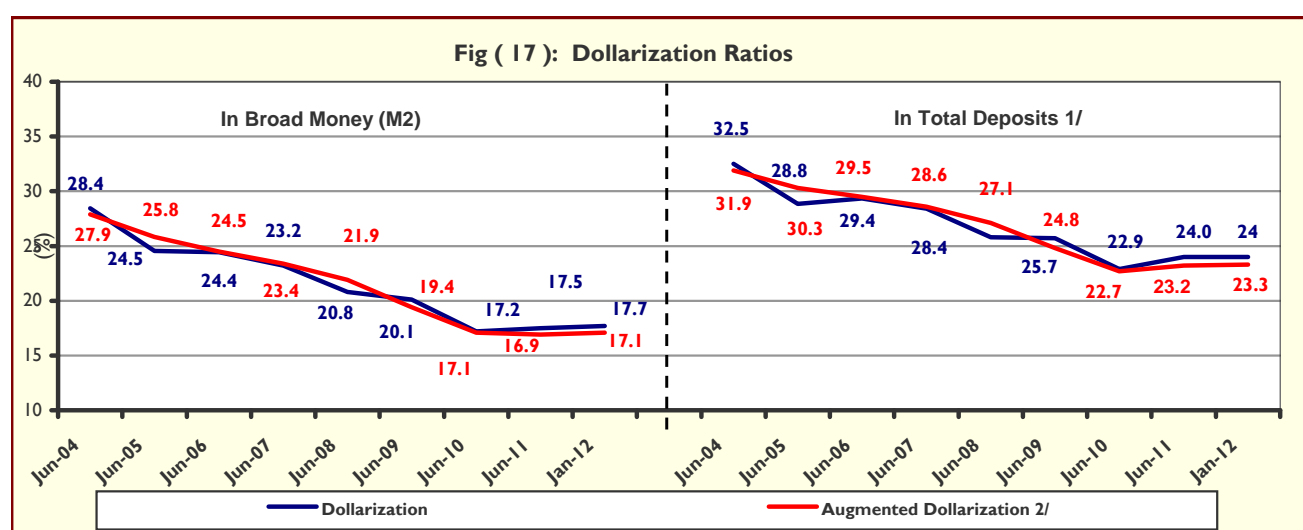
Source: Central bank of Egypt.

() 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)

	Jan-07	Jan-08	Jan-09	Jan-10	Jan-11	Oct-11	Nov-11	Dec-11	Jan-12 [*]
Total lending	338,962	383,579	428,950	435,331	465,109	481,703	486,314	489,729	492,290
	(9.5)	(13.2)	(11.8)	(1.5)	(6.8)	(2.2)	(2.5)	(6.9)	(5.8)
To Government ^{2/}	23,614	31,227	31,164	32,991	38,782	37,800	36,841	37,227	36,880
	(8.0)	(32.2)	-(0.2)	(5.9)	(17.6)	(0.4)	-(4.4)	-(2.5)	-(4.9)
In local currency	11,651	10,852	7,876	12,788	19,175	17,477	17,089	16,844	16,120
In foreign currency	11,963	20,375	23,288	20,203	19,607	20,323	19,752	20,383	20,760
To Non-Government	315,348	352,352	397,786	402,340	426,327	443,903	449,473	452,502	455,410
	(9.7)	(11.7)	(12.9)	(1.1)	(6.0)	(2.3)	(3.1)	(7.8)	(6.8)
In local currency	232,413	248,611	277,714	284,261	292,360	320,213	324,758	328,537	331,549
In foreign currency	82,935	103,741	120,071	118,079	133,967	123,690	124,715	123,965	123,861
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	84.7	84.8	85.9	83.9	84.6	84.7	84.8	84.5	84.7
Non Government Loans/ Deposits ^{4/}	60.6	55.6	58.1	53.9	51.3	51.5	52.2	52.1	52.3
Government Loans / Deposits	35.2	36.5	32.6	29.6	33.9	31.5	30.8	30.9	30.4
Foreign currency denominated credit to total credit	28.0	32.4	33.4	31.8	33.0	29.9	29.7	29.5	29.4
Government foreign currency denominated credit to total government credit	50.7	65.2	74.7	61.2	50.6	53.8	53.6	54.8	56.3
Non - government foreign currency denominated credit to total non-government credit	26.3	29.4	30.2	29.3	31.4	27.9	27.7	27.4	27.2

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

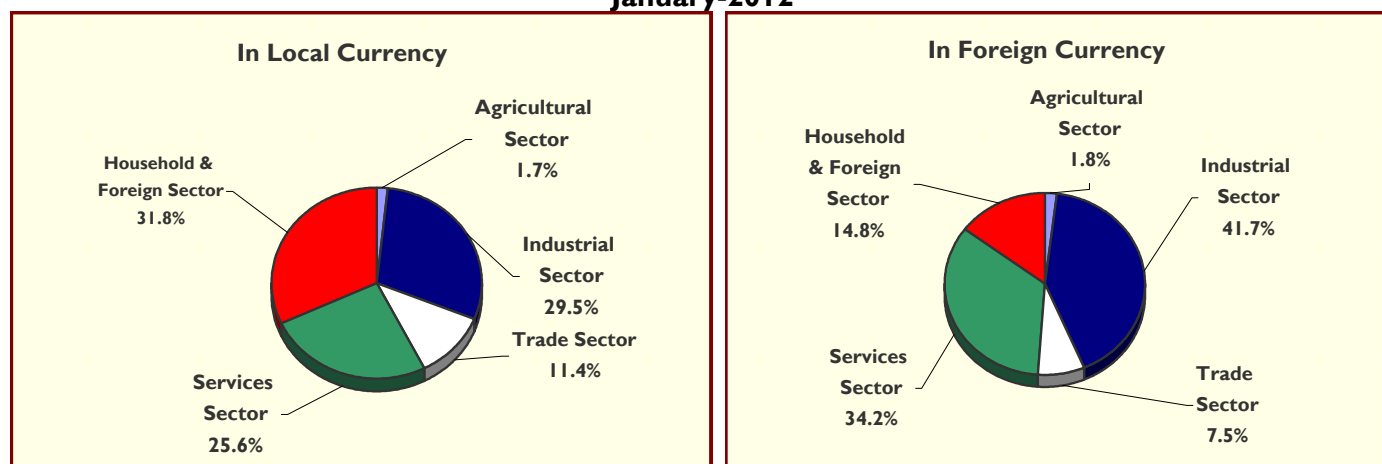
1/ Excludes credit provided by the Central Bank of Egypt.

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
January-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 ^{1/}	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
Monthly Average						
Feb-11	8.50	10.60	6.50	10.59	9.50	9.00
Mar-11	8.50	10.70	6.50	11.32	9.50	9.00
Apr-11	8.50	10.80	6.60	11.18	9.50	9.00
May-11	8.50	10.80	6.70	11.56	9.50	9.00
Jun-11	8.50	11.00	6.60	11.72	9.50	9.00
Jul-11	8.50	11.00	6.70	11.91	9.50	9.00
Aug-11	8.50	11.10	6.70	11.93	9.50	9.00
Sep-11	8.50	11.20	6.80	12.67	10.00	9.00
Oct-11	8.50	11.30	7.00	12.52	10.00	9.00
Nov-11	9.50	11.40	7.10	13.04	11.50	9.00
Dec-11	9.50	11.80	7.20	14.08	11.50	9.00
Jan-12	9.50	11.90	7.40	13.86	11.50	9.00
Feb-12	9.50	--	--	--	11.50	9.00

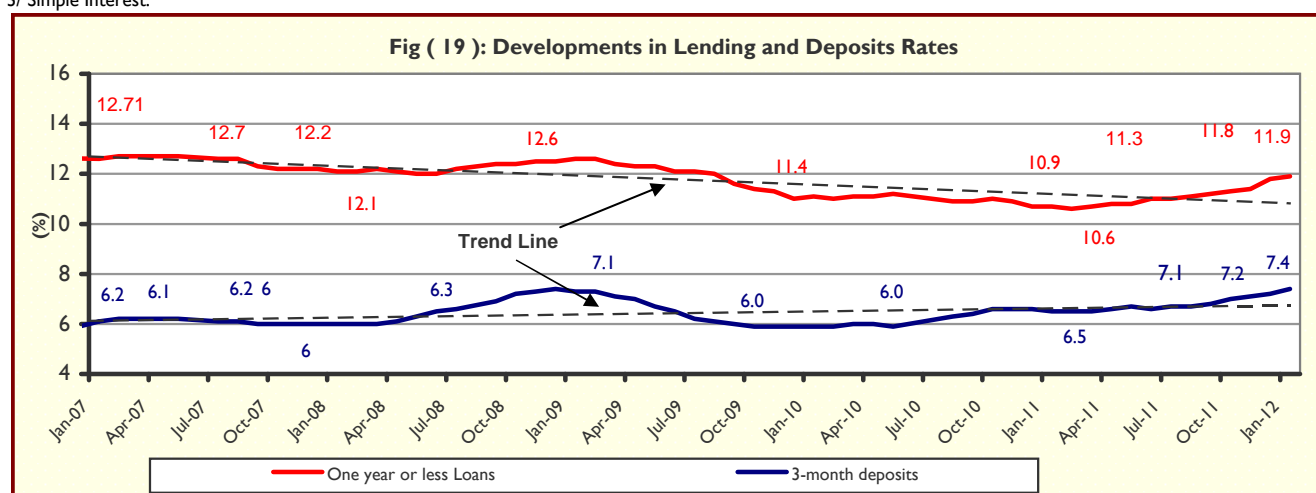
Source: Central Bank of Egypt.

-- 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.

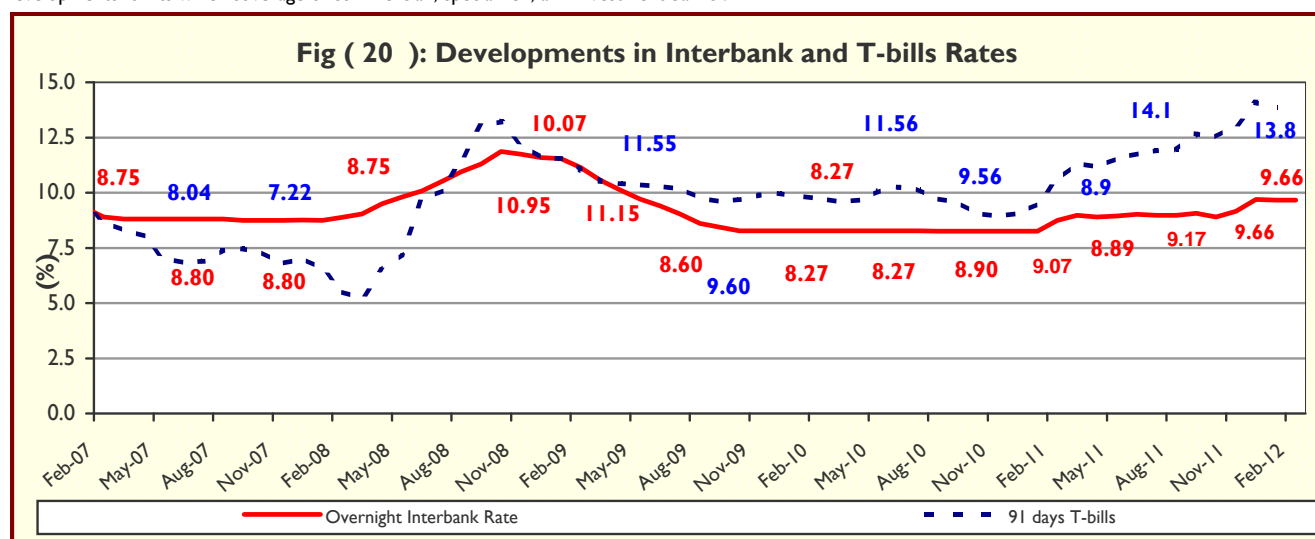
Table (30) : Average Interbank Rates ^{1/}

	Overnight	One Week	Month	More than One Month
Yearly Average				
2003	8.4	9.4	9.7	9.9
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
Monthly Average				
Feb-11	8.74	8.86	--	--
Mar-11	8.98	9.16	--	9.60
Apr-11	8.90	9.04	--	9.60
May-11	8.95	9.10	9.50	9.50
Jun-11	9.02	9.12	9.55	9.50
Jul-11	8.97	9.13	9.56	9.59
Aug-11	8.98	9.16	9.48	9.30
Sep-11	9.07	9.25	9.40	9.55
Oct-11	8.89	9.20	--	9.30
Nov-11	9.17	9.27	9.10	9.31
Dec-11	9.70	9.83	10.05	11.30
Jan-12	9.66	9.81	9.94	9.90
Feb-12	9.66	9.80	10.84	--

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.