

Section 6

MONETARY SECTOR

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

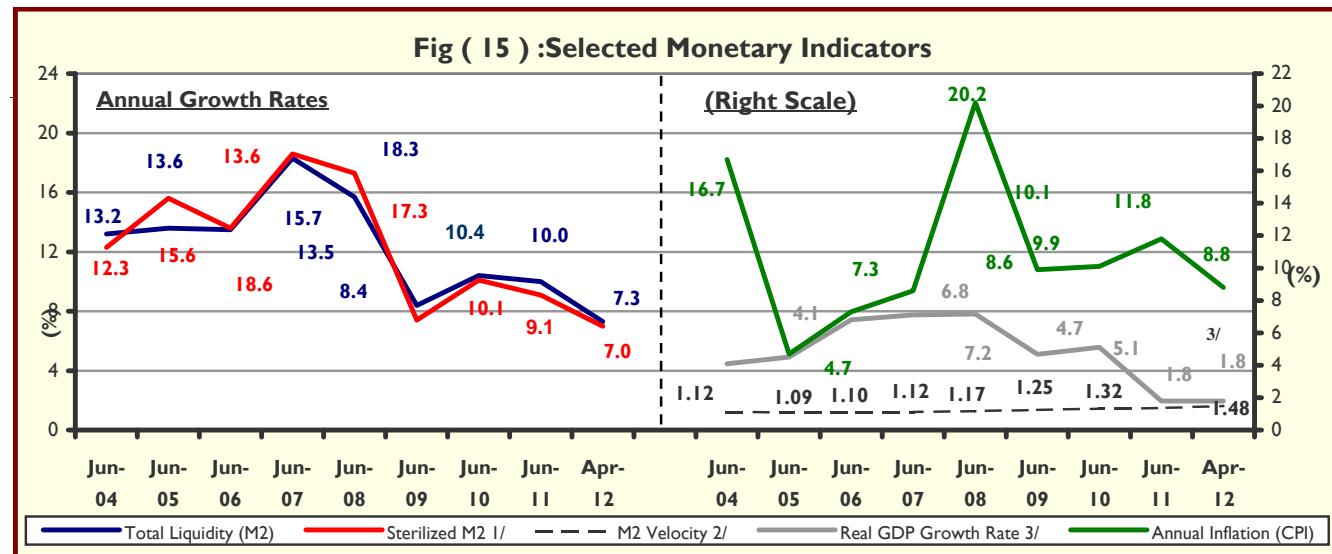
	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-4.3	-8.3	-35.7	-26.6
CBE NFA	0.9	-7.7	-48.6	-39.5
CBE NIR	0.7	-6.9	-45.0	-36.5
Banks NFA 2/	-8.6	-8.8	-15.9	-2.3
Net Foreign Assets (US dollar terms)	-4.4	-8.4	-36.5	-29.5
CBE NFA	0.8	-7.8	-49.3	-41.9
CBE NIR	0.6	-7.0	-45.7	-39.1
Banks NFA 2/	-8.70	-8.9	-17.1	-6.1
Net Domestic Assets	1.3	3.4	22.4	23.3
Net Claims on Government and GASC	1.2	4.5	31.0	37.5
Claims on Public Companies	1.6	7.7	24.1	13.9
Claims on Private Sector	0.76	2.0	6.3	3.2
Total Liquidity (M2)	0.4	1.4	7.3	8.2
Money (M1)	0.8	1.4	8.6	14.4
Quasi Money	0.2	1.4	6.9	6.3

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 2011/2012 is projected to reach LE 1546.2 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-March 2011/2012.

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

	(LE Millions)									
	Apr-07	Apr-08	Apr-09	Apr-10	Apr-11	Jan-12	Feb-12	Mar-12 [#]	Apr-12 [*]	
Net Foreign Assets 1/	206,981	251,529	242,438	288,939	256,212	179,716	177,927	172,180	164,846	
	(48.5)	(21.5)	-(3.6)	(19.2)	-(11.3)	-(37.2)	-(35.2)	-(35.3)	-(35.7)	
Central bank (Net)	86,149	114,997	171,632	181,980	154,804	86,205	82,411	78,891	79,575	
Foreign Assets	151,420	180,171	173,210	190,248	162,852	96,580	92,741	89,185	89,844	
Foreign Liabilities	65,271	65,174	1,578	8,268	8,048	10,375	10,330	10,294	10,269	
Banks (Net)	120,832	136,532	70,806	106,959	101,408	93,511	95,516	93,289	85,271	
Foreign Assets	141,462	163,081	99,352	134,702	136,472	122,600	123,722	122,398	115,461	
Foreign Liabilities	20,630	26,549	28,546	27,743	35,064	29,089	28,206	29,109	30,190	
Net Domestic Assets of which:	412,198	509,398	569,972	601,437	730,580	864,161	872,201	882,816	893,924	
	(1.4)	(23.6)	(11.9)	(5.5)	(21.5)	(26.4)	(23.2)	(22.3)	(22.4)	
Net Claims on Government, and GASC 1/	175,729	208,768	273,702	310,139	427,591	535,955	539,371	553,186	560,053	
National Currency	226,826	258,606	334,727	378,232	511,464	601,645	602,406	618,318	625,832	
Foreign Currency	-51,097	-49,838	-61,025	-68,093	-83,873	-65,690	-63,035	-65,132	-65,779	
Claims on Public Business Sector	25,232	27,420	30,933	36,961	33,688	38,830	40,350	41,151	41,820	
National Currency	19,506	19,986	21,748	27,967	25,119	30,163	31,627	32,330	32,816	
Foreign Currency	5,726	7,434	9,185	8,994	8,569	8,667	8,723	8,821	9,004	
Claims on Private Sector 2/	320,801	363,053	391,277	399,778	417,847	435,446	437,918	440,892	444,226	
National Currency	239,362	261,402	285,334	295,186	308,571	331,620	334,405	337,319	340,381	
Foreign Currency	81,439	101,651	105,943	104,592	109,276	103,826	103,513	103,573	103,845	
Other Items (net) 1/ 3/	-109,564	-89,843	-125,940	-145,441	-148,546	-146,070	-145,438	-152,413	-152,175	
Total Liquidity (M2)	619,179	760,927	812,410	890,376	986,792	1,043,877	1,050,128	1,054,996	1,058,770	
	(13.4)	(22.9)	(6.8)	(9.6)	(10.8)	(7.6)	(6.9)	(6.8)	(7.3)	
Money (M1) 4/	126,096	165,815	176,539	205,416	241,864	258,977	258,736	260,681	262,693	
	(18.8)	(31.5)	(6.5)	(16.4)	(17.7)	(12.8)	(8.1)	(8.2)	(8.6)	
Currency in Circulation	83,700	100,555	114,214	130,271	165,003	179,598	179,176	180,637	181,414	
Demand Deposits in Local Currency	42,396	65,260	62,325	75,145	76,861	79,379	79,560	80,044	81,279	
Quasi Money	493,083	595,112	635,871	684,960	744,928	784,900	791,392	794,315	796,077	
	(12.1)	(20.7)	(6.8)	(7.7)	(8.8)	(6.0)	(6.5)	(6.3)	(6.9)	
Local Currency Time and Savings Deposits	346,414	426,989	466,443	529,535	566,290	600,277	604,981	610,225	613,020	
Foreign Currency Demand Deposits	22,396	36,593	30,900	29,998	44,613	43,051	44,869	42,991	42,358	
Foreign Currency Time and Savings Deposits	124,273	131,530	138,528	125,427	134,025	141,572	141,542	141,099	140,699	

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)

(April 2012)

	Apr-07	Apr-08	Apr-09	Apr-10	Apr-11	Jan-12	Feb-12	Mar-12	#	Apr-12
Net Foreign Assets (In Million US\$)^{4/}	36,419	46,450	43,135	52,421	43,086	29,840	29,543	28,590	27,342	
Central bank NFA	15,158	21,237	30,537	33,016	26,032	14,314	13,684	13,100	13,199	
Net International Reserves	47,904	58,486	43,416	53,922	44,439	31,563	31,258	30,300	29,045	
Central Bank (Gross)	27,118	33,810	31,189	34,654	28,024	16,354	15,718	15,119	15,213	
Banks (net)	21,261	25,214	12,598	19,405	17,053	15,527	15,860	15,491	14,143	
Foreign assets	24,891	30,116	17,677	24,439	22,950	20,357	20,543	20,324	19,151	
Foreign Liabilities	3,630	4,903	5,079	5,033	5,897	4,830	4,683	4,834	5,007	
In Percent of Beginning of Money Stocks^{5/}										
Net Foreign Assets	13.1%	5.0%	-8.0%	4.2%	-2.9%	-7.3%	-7.5%	-8.1%	-8.8%	
Net Domestic Assets	-2.6%	9.9%	14.0%	2.9%	10.4%	10.7%	11.5%	12.6%	13.7%	
Money (M1)	3.0%	5.2%	0.8%	2.7%	3.0%	1.0%	1.0%	1.2%	1.4%	
Quasi Money	7.5%	9.6%	5.2%	4.4%	4.5%	2.4%	3.0%	3.3%	3.5%	
Dollarization (% of Total Liquidity) ^{6/}	23.7	22.1	20.9	17.5	18.1	17.7	17.8	17.4	17.3	
M2 Multiplier ^{7/}	4.85	4.76	4.77	4.45	4.10	4.01	4.15	4.20	4.31	
M2 Velocity ^{8/}	1.20	1.18	1.28	1.36	1.39	1.48	1.47	1.47	1.46	
M2 (annual percentage change)	13.4	22.9	6.8	9.6	10.8	7.6	6.9	6.8	7.3	
Credit to private sector (annual percentage change) ^{9/}	12.3	13.2	7.8	2.2	4.5	5.4	5.2	5.5	6.3	
Exchange Rate ^{10/}	5.68	5.42	5.62	5.51	5.95	6.02	6.02	6.02	6.03	

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.

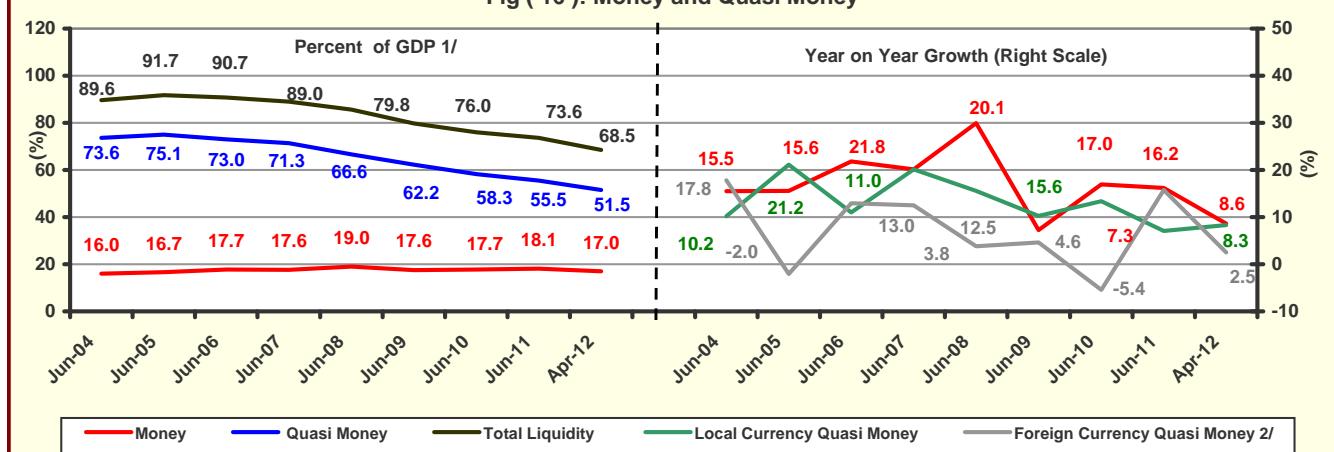
7/ M2 / Reserve Money.

8/ GDP / M2. According to the Ministry of Economic Development, GDP (at market prices) for 2011/2012 is projected to reach LE 1546.2 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.

Fig (16) : Money and Quasi Money



Source: Central Bank of Egypt.

1/ According to the Ministry of Planning, GDP (at market prices) for 2011/2012 is projected to reach LE 1546.2 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)

	Apr-07	Apr-08	Apr-09	Apr-10	Apr-11	Jan-12	Feb-12	Mar-12 [#]	Apr-12 [*]
Reserve Money	127,657	159,909	170,474	199,951	240,849	260,619	252,926	251,302	245,371
	(12.5)	(10.1)	(6.6)	(17.3)	(20.5)	(12.9)	(2.4)	(7.0)	(1.9)
Currency in Circulation	88,846	106,743	121,055	137,852	175,752	190,978	189,413	190,951	192,109
	(17.6)	(20.1)	(13.4)	(13.9)	(27.5)	(23.9)	(7.0)	(8.7)	(9.3)
Banks LE Deposits with CBE	38,811	53,166	49,419	62,099	65,097	69,641	63,513	60,351	53,262
	(2.3)	-5.95	(12.0)	(25.7)	(4.8)	-(9.2)	-(9.2)	(1.9)	-(18.2)
Counter Assets:									
Net Foreign Assets ^{2/}	86,149	114,997	171,632	181,980	154,804	86,205	82,411	78,891	79,575
	(41.7)	(33.5)	(49.2)	(6.0)	-(14.9)	-(55.5)	-(55.4)	-(52.9)	-(48.6)
Net Domestic Assets ^{2/}	41,508	44,912	-1,158	17,971	86,045	174,414	170,515	172,411	165,796
	-(21.3)	-(107.3)	-(102.6)	(1651.9)	(378.8)	(366.9)	(174.0)	(155.6)	(92.7)
Net Claims on Government ^{3/}	111,917	120,112	86,582	75,556	108,404	183,836	177,316	178,237	186,329
	-(4.5)	(7.3)	-(27.9)	-(12.7)	(43.5)	(76.0)	(66.4)	(63.8)	(71.9)
Claims	186,591	194,614	162,737	153,421	191,806	263,563	256,735	257,827	266,980
	(3.0)	(4.3)	-(16.4)	-(5.7)	(25.0)	(43.5)	(36.6)	(36.0)	(39.2)
Securities	164,761	165,438	122,378	124,559	130,597	129,097	129,097	129,097	129,097
Credit Facilities	21,830	29,176	40,359	28,862	61,209	134,466	127,638	128,730	137,883
Deposits ^{4/}	74,674	74,502	76,155	77,865	83,402	79,727	79,419	79,590	80,651
	(16.7)	-(0.2)	(2.2)	(2.2)	(7.1)	(0.7)	-(2.5)	-(1.4)	-(3.3)
Net Claims on Banks	65,373	78,040	-4,331	34,869	-856	-1,918	-1,685	-1,607	-2,158
Net Balancing Items ^{5/}	-149,370	-153,240	-83,409	-92,454	-21,503	-7,504	-5,116	-4,219	-18,375
Memorandum Items									
Reserve Money Velocity ^{6/, 7/}	5.83	5.60	6.11	6.03	5.70	5.93	6.11	6.15	6.30

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 Economic Development, GDP (at market prices) for 2011/2012 is projected to reach LE 1546.2 billion compared to a revised figure of LE 1371.8 billion in 2010/2011.

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

(LE Millions)

	Apr-07	Apr-08	Apr-09	Apr-10	Apr-11	Jan-12	Feb-12	Mar-12	Apr-12
Total Deposits	608,165	754,661	802,348	886,422	945,727	992,356	999,354	1,004,932	1,008,743
	(7.8)	(24.1)	(6.3)	(10.5)	(6.7)	(5.0)	(5.9)	(5.9)	(6.7)
In local currency	429,866	551,643	589,864	677,128	712,531	753,886	757,012	763,610	768,273
In foreign currency	178,299	203,018	212,484	209,294	233,196	238,470	242,342	241,322	240,470
Non Government Deposits ^{2/}	540,642	666,744	702,571	765,139	828,224	870,998	877,462	880,770	884,241
	(13.1)	(23.3)	(5.4)	(8.9)	(8.2)	(4.9)	(6.1)	(6.0)	(6.8)
In local currency	392,696	496,687	531,276	607,441	646,150	682,651	687,531	693,259	697,615
In foreign currency	147,946	170,057	171,295	157,698	182,074	188,347	189,931	187,511	186,626
Government Deposits	67,523	87,917	99,777	121,283	117,503	121,358	121,892	124,162	124,502
	-(21.4)	(30.2)	(13.5)	(21.6)	(-3.1)	(6.1)	(4.5)	(5.2)	(6.0)
In local currency	37,170	54,956	58,588	69,687	66,381	71,235	69,481	70,351	70,658
In foreign currency	30,353	32,961	41,189	51,596	51,122	50,123	52,411	53,811	53,844
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	29.3	26.9	26.5	23.6	24.7	24.0	24.2	24.0	23.8
Dollarization in Non-Government Deposits	27.4	25.5	24.4	20.6	22.0	21.6	21.6	21.3	21.1
Dollarization in Government Deposits	45.0	37.5	41.3	42.5	43.5	41.3	43.0	43.3	43.2

Source: Central bank of Egypt.

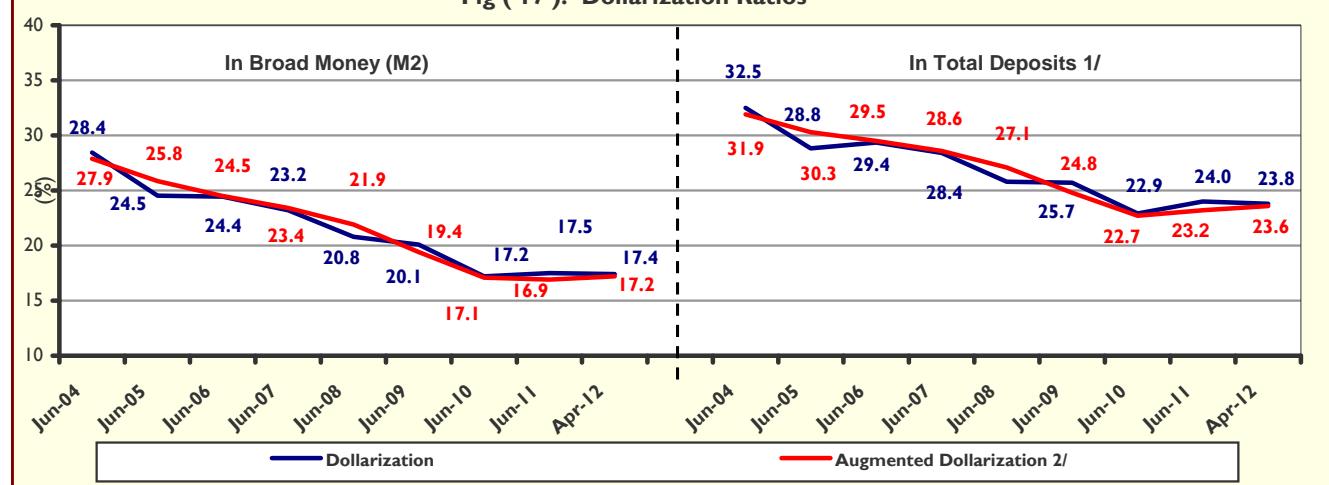
() Percent change over same period in previous year.

* 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)

	Apr-07	Apr-08	Apr-09	Apr-10	Apr-11	Jan-12	Feb-12	Mar-12	Apr-12*
Total lending	348,581	398,124	431,607	452,905	473,045	492,290	495,125	495,878	498,963
	(9.4)	(14.2)	(8.4)	(4.9)	(4.4)	(5.8)	(5.5)	(5.5)	(5.5)
To Government ^{2/}	26,820	30,767	31,608	38,484	41,449	36,880	36,303	34,320	33,719
	(27.9)	(14.7)	(2.7)	(21.8)	(7.7)	-(4.9)	-(6.5)	-(10.4)	-(18.6)
In local currency	11,479	10,302	9,774	14,481	18,617	16,120	16,115	15,878	15,625
In foreign currency	15,341	20,465	21,834	24,003	22,832	20,760	20,188	18,442	18,094
To Non-Government	321,761	367,357	399,999	414,421	431,596	455,410	458,822	461,558	465,244
	(8.0)	(14.2)	(8.9)	(3.6)	(4.1)	(6.8)	(6.5)	(6.9)	(7.8)
In local currency	235,927	256,216	283,246	291,385	301,633	331,549	335,156	338,396	341,559
In foreign currency	85,834	111,141	116,753	123,036	129,963	123,861	123,666	123,162	123,685
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	85.1	85.5	85.5	83.4	84.2	84.7	84.6	84.8	84.9
Non Government Loans/ Deposits ^{4/}	59.5	55.1	56.9	54.2	52.1	52.3	52.3	52.4	52.6
Government Loans / Deposits	39.7	35.0	31.7	31.7	35.3	30.4	29.8	27.6	27.1
Foreign currency denominated credit to total credit	29.0	33.1	32.1	32.5	32.3	29.4	29.1	28.6	28.4
Government foreign currency denominated credit to total government credit	57.2	66.5	69.1	62.4	55.1	56.3	55.6	53.7	53.7
Non - government foreign currency denominated credit to total non-government credit	26.7	30.3	29.2	29.7	30.1	27.2	27.0	26.7	26.6

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

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

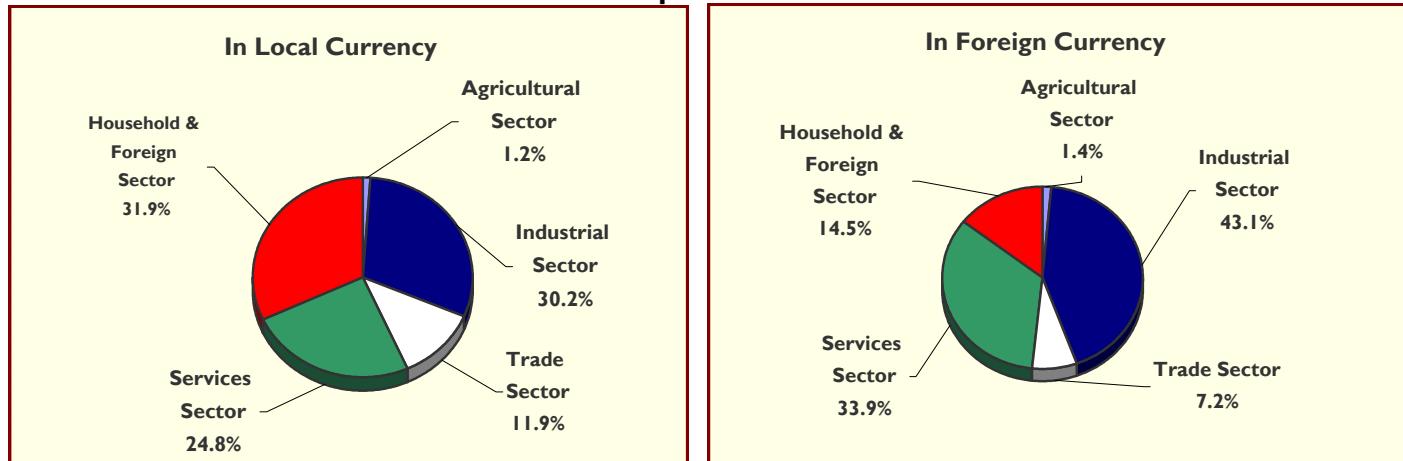
2/ Includes central government and economic authorities.

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

April-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 ^{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						
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	11.90	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	--	--	14.29	11.50	9.00

Source: Central Bank of Egypt.

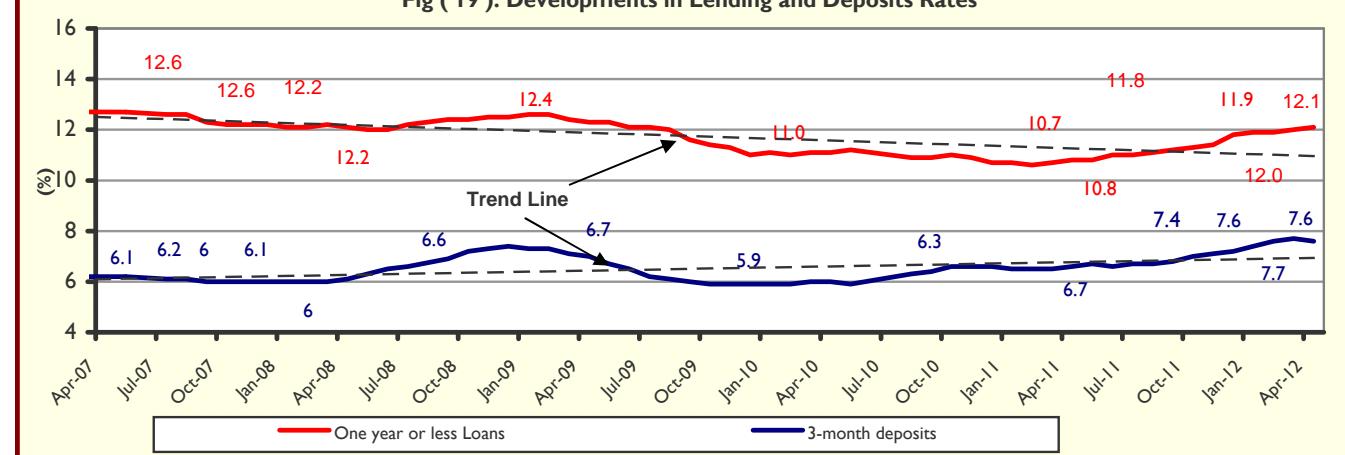
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1/ End of period rate.

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				
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				
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	9.64	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

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.