

Section 6

MONETARY SECTOR

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

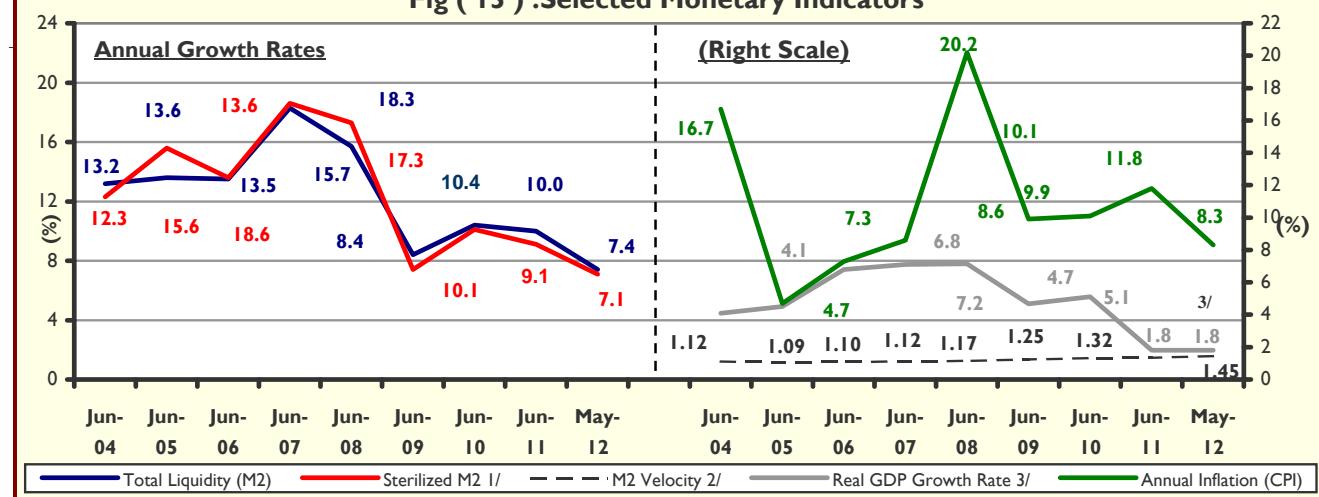
	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-4.4	-11.4	-37.9	-29.2
CBE NFA	-5.2	-8.4	-49.7	-41.9
CBE NIR	2.0	-1.2	-42.1	-38.6
Banks NFA 2/	-3.6	-14.0	-20.6	-5.8
Net Foreign Assets (US dollar terms)	-4.4	-11.5	-38.8	-31.7
CBE NFA	-5.2	-8.5	-50.5	-44.0
CBE NIR	2.0	-1.3	-43.0	-40.8
Banks NFA 2/	-3.6	-14.1	-21.9	-9.1
Net Domestic Assets	1.8	4.3	22.8	23.6
Net Claims on Government and GASC	0.8	4.7	29.9	36.9
Claims on Public Companies	0.5	4.2	27.0	17.1
Claims on Private Sector	0.8	2.3	7.3	3.5
Total Liquidity (M2)	0.8	1.7	7.4	7.9
Money (M1)	0.7	2.3	8.4	13.5
Quasi Money	0.9	1.5	7.0	6.2

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
(May 2012)

	(LE Millions)									
	May-07	May-08	May-09	May-10	May-11	Feb-12	Mar-12	Apr-12	May-12*	
Net Foreign Assets 1/	214,973	245,425	252,357	273,763	253,644	177,927	172,180	164,846	157,609	
	(60.6)	(14.2)	(2.8)	(8.5)	(-7.3)	(-35.2)	(-35.3)	(-35.7)	(-37.9)	
Central bank (Net)	92,505	115,608	171,241	188,375	150,123	82,411	78,891	79,575	75,449	
Foreign Assets	157,296	180,465	172,798	196,598	159,314	92,741	89,185	89,844	91,672	
Foreign Liabilities	64,791	64,857	1,557	8,223	9,191	10,330	10,294	10,269	16,223	
Banks (Net)	122,468	129,817	81,116	85,388	103,521	95,516	93,289	85,271	82,160	
Foreign Assets	144,595	156,041	109,821	117,628	140,090	123,722	122,398	115,461	114,941	
Foreign Liabilities	22,127	26,224	28,705	32,240	36,569	28,206	29,109	30,190	32,781	
Net Domestic Assets of which:	435,050	516,757	574,490	622,270	740,787	872,201	882,816	893,924	909,972	
	(4.2)	(18.8)	(11.2)	(8.3)	(19.0)	(23.2)	(22.3)	(22.4)	(22.8)	
Net Claims on Government, and GASC 1/	175,477	208,996	276,434	316,450	434,684	539,371	553,186	560,053	564,769	
National Currency	226,547	258,784	339,480	378,749	518,986	602,406	618,318	625,832	625,854	
Foreign Currency	-51,070	-49,788	-63,046	-62,299	-84,302	-63,035	-65,132	-65,779	-61,085	
Claims on Public Business Sector	25,181	26,878	31,954	37,432	33,083	40,350	41,151	41,820	42,025	
National Currency	19,097	19,548	22,852	28,057	24,812	31,627	32,330	32,816	33,136	
Foreign Currency	6,084	7,330	9,102	9,375	8,271	8,723	8,821	9,004	8,889	
Claims on Private Sector 2/	328,717	362,996	387,735	406,365	417,336	437,918	440,892	444,226	447,948	
National Currency	244,830	259,584	284,068	298,997	311,908	334,405	337,319	340,381	344,338	
Foreign Currency	83,887	103,412	103,667	107,368	105,428	103,513	103,573	103,845	103,610	
Other Items (net) 1/ 3/	-94,325	-82,113	-121,633	-137,977	-144,316	-145,438	-152,413	-152,175	-144,770	
Total Liquidity (M2)	650,023	762,182	826,847	896,033	994,431	1,050,128	1,054,996	1,058,770	1,067,581	
	(17.9)	(17.3)	(8.5)	(8.4)	(11.0)	(6.9)	(6.8)	(7.3)	(7.4)	
Money (M1) 4/	126,596	170,621	180,164	204,718	244,041	258,736	260,681	262,693	264,626	
	(19.1)	(34.8)	(5.6)	(13.6)	(19.2)	(8.1)	(8.2)	(8.6)	(8.4)	
Currency in Circulation	85,301	104,189	117,238	133,082	167,450	179,176	180,637	181,415	187,396	
Demand Deposits in Local Currency	41,295	66,432	62,926	71,636	76,591	79,560	80,044	81,278	77,230	
Quasi Money	523,427	591,561	646,683	691,315	750,390	791,392	794,315	796,077	802,955	
	(17.6)	(13.0)	(9.3)	(6.9)	(8.5)	(6.5)	(6.3)	(6.9)	(7.0)	
Local Currency Time and Savings Deposits	367,847	431,127	475,747	534,126	571,957	604,981	610,225	613,021	617,905	
Foreign Currency Demand Deposits	23,266	29,592	32,593	33,870	44,129	44,869	42,991	42,358	46,053	
Foreign Currency Time and Savings Deposits	132,314	130,842	138,343	123,319	134,304	141,542	141,099	140,698	138,997	

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 2012)

	May-07	May-08	May-09	May-10	May-11	Feb-12	Mar-12	Apr-12	May-12*
Net Foreign Assets (In Million US\$)^{4/}	37,816	45,916	44,969	48,850	42,740	29,543	28,590	27,342	26,146
Central bank NFA	16,273	21,629	30,514	33,613	25,297	13,684	13,100	13,199	12,516
Net International Reserves	49,213	58,050	45,246	50,317	44,289	31,258	30,300	29,045	28,837
Central Bank (Gross)	28,036	34,102	31,208	35,100	27,228	15,718	15,119	15,213	15,515
Banks (net)	21,543	24,287	14,454	15,236	17,444	15,860	15,491	14,143	13,630
Foreign assets	25,436	29,193	19,570	20,989	23,606	20,543	20,324	19,151	19,068
Foreign Liabilities	3,892	4,906	5,115	5,753	6,162	4,683	4,834	5,007	5,438
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	14.6%	4.0%	-6.7%	2.4%	-3.1%	-7.5%	-8.1%	-8.8%	-9.5%
Net Domestic Assets	1.4%	11.0%	14.5%	5.4%	11.5%	11.5%	12.6%	13.7%	15.3%
Money (M1)	3.1%	5.9%	1.3%	2.6%	3.3%	1.0%	1.2%	1.4%	1.6%
Quasi Money	12.9%	9.1%	6.6%	5.2%	5.1%	3.0%	3.3%	3.5%	4.2%
Dollarization (% of Total Liquidity) ^{6/}	23.9	21.0	20.7	17.5	17.9	17.8	17.4	17.3	17.3
M2 Multiplier ^{7/}	5.21	4.65	4.84	4.66	4.02	4.15	4.20	4.31	4.07
M2 Velocity ^{8/}	1.15	1.17	1.26	1.35	1.38	1.47	1.47	1.46	1.45
M2 (annual percentage change)	17.9	17.3	8.5	8.4	11.0	6.9	6.8	7.3	7.4
Credit to private sector (annual percentage change) ^{9/}	14.3	10.4	6.8	4.8	2.7	5.2	5.5	6.3	7.3
Exchange Rate ^{10/}	5.68	5.35	5.61	5.60	5.93	6.02	6.02	6.03	6.03

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.

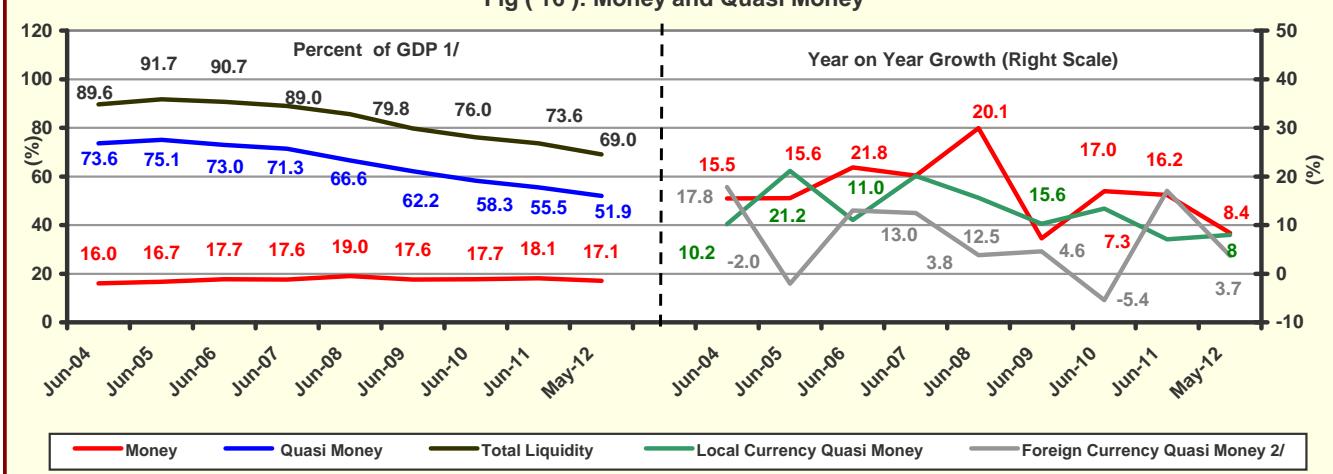
7/ M2 / Reserve Money.

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

	May-07	May-08	May-09	May-10	May-11	Feb-12	Mar-12	Apr-12	May-12*
Reserve Money	124,670	163,796	170,796	192,250	247,102	252,926	251,302	245,371	262,213
	(10.1)	(15.6)	(4.3)	(12.6)	(28.5)	(2.4)	(7.0)	(1.9)	(6.1)
Currency in Circulation	90,532	110,607	124,761	141,877	178,632	189,413	190,951	192,109	197,071
	(17.7)	(22.2)	(12.8)	(13.7)	(25.9)	(7.0)	(8.7)	(9.3)	(10.3)
Banks LE Deposits with CBE	34,138	53,189	46,035	50,373	68,470	63,513	60,351	53,262	65,142
	-(5.9)	12.03	(42.4)	(9.4)	(35.9)	-(9.2)	(1.9)	-(18.2)	-(4.9)
Counter Assets:									
Net Foreign Assets ^{2/}	92,505	115,608	171,241	188,375	150,123	82,411	78,891	79,575	75,449
	(55.3)	(25.0)	(48.1)	(10.0)	-(20.3)	-(55.4)	-(52.9)	-(48.6)	-(49.7)
Net Domestic Assets ^{2/}	32,165	48,188	-445	3,875	96,979	170,515	172,411	165,796	186,764
	-(40.1)	-(102.6)	-(100.9)	(970.8)	(2402.7)	(174.0)	(155.6)	(92.7)	(92.6)
Net Claims on Government ^{3/}	112,301	115,249	74,202	75,311	117,198	177,316	178,237	186,329	175,688
	-(1.6)	(2.6)	-(35.6)	(1.5)	(55.6)	(66.4)	(63.8)	(71.9)	(49.9)
Claims	187,203	190,049	151,860	153,931	201,543	256,735	257,827	266,980	257,741
	(7.5)	(1.5)	-(20.1)	(1.4)	(30.9)	(36.6)	(36.0)	(39.2)	(27.9)
Securities	164,761	165,438	122,378	123,900	130,597	129,097	129,097	129,097	129,097
Credit Facilities	22,442	24,611	29,482	30,031	70,946	127,638	128,730	137,883	128,644
Deposits ^{4/}	74,902	74,800	77,658	78,620	84,345	79,419	79,590	80,651	82,053
	(24.6)	-(0.1)	(3.8)	(1.2)	(7.3)	-(2.5)	-(1.4)	-(3.3)	-(2.7)
Net Claims on Banks	58,367	81,171	-659	21,788	-1,544	-1,685	-1,607	-2,159	-1,767
Net Balancing Items ^{5/}	-153,240	-148,232	-73,988	-93,224	-18,675	-5,116	-4,219	-18,374	12,843
Memorandum Items									
Reserve Money Velocity ^{6/ 7/}	5.97	5.47	6.10	6.28	5.55	6.11	6.15	6.30	5.90

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/}

	May-07	May-08	May-09	May-10	May-11	Feb-12	Mar-12	Apr-12	May-12*
Total Deposits	637,687	751,012	813,569	882,784	951,703	999,354	1,004,932	1,008,743	1,011,174
	(12.4)	(17.8)	(8.3)	(8.5)	(7.8)	(5.9)	(5.9)	(6.7)	(6.2)
In local currency	449,662	555,216	599,311	677,496	718,499	757,012	763,610	768,273	768,418
In foreign currency	188,025	195,796	214,258	205,288	233,204	242,342	241,322	240,470	242,756
Non Government Deposits ^{2/}	570,180	663,972	713,987	768,149	833,286	877,462	880,770	884,241	887,341
	(18.3)	(16.4)	(7.5)	(7.6)	(8.5)	(6.1)	(6.0)	(6.8)	(6.5)
In local currency	412,607	501,475	541,183	608,530	651,450	687,531	693,259	697,615	698,633
In foreign currency	157,573	162,497	172,804	159,619	181,836	189,931	187,511	186,626	188,708
Government Deposits	67,507	87,040	99,582	114,635	118,417	121,892	124,162	124,502	123,833
	-(20.9)	(28.9)	(14.4)	(15.1)	(3.3)	(4.5)	(5.2)	(6.0)	(4.6)
In local currency	37,055	53,741	58,128	68,966	67,049	69,481	70,351	70,658	69,785
In foreign currency	30,452	33,299	41,454	45,669	51,368	52,411	53,811	53,844	54,048
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	29.5	26.1	26.3	23.3	24.5	24.2	24.0	23.8	24.0
Dollarization in Non-Government Deposits	27.6	24.5	24.2	20.8	21.8	21.6	21.3	21.1	21.3
Dollarization in Government Deposits	45.1	38.3	41.6	39.8	43.4	43.0	43.3	43.2	43.6

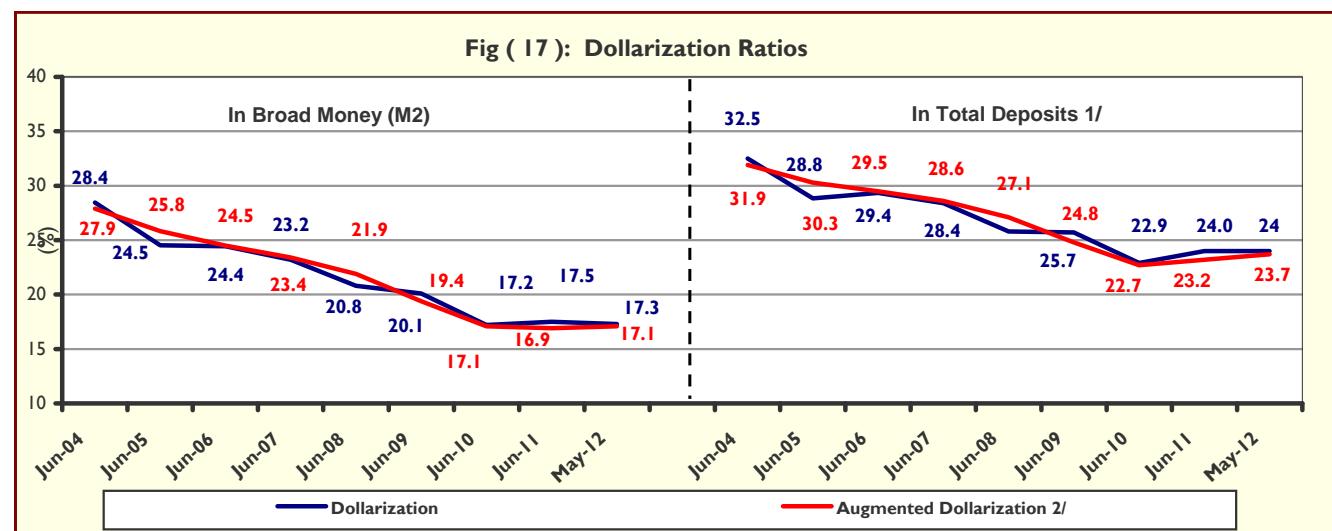
Source: Central bank of Egypt.

() 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)

	May-07	May-08	May-09	May-10	May-11	Feb-12	Mar-12	Apr-12	* May-12
Total lending	356,174	397,891	431,158	457,365	470,933	495,125	495,878	498,963	502,274
	(11.2)	(11.7)	(8.4)	(6.1)	(3.0)	(5.5)	(5.5)	(5.5)	(6.7)
To Government ^{2/}	27,245	30,780	32,182	38,948	40,389	36,303	34,320	33,719	32,660
	(34.0)	(13.0)	(4.6)	(21.0)	(3.7)	-(6.5)	-(10.4)	-(18.6)	-(19.1)
In local currency	11,387	10,095	12,140	14,813	18,327	16,115	15,878	15,625	15,562
In foreign currency	15,858	20,685	20,042	24,135	22,062	20,188	18,442	18,094	17,098
To Non-Government	328,929	367,111	398,976	418,417	430,544	458,822	461,558	465,244	469,614
	(9.6)	(11.6)	(8.7)	(4.9)	(2.9)	(6.5)	(6.9)	(7.8)	(9.1)
In local currency	240,266	255,191	282,609	291,998	304,727	335,156	338,396	341,559	346,445
In foreign currency	88,663	111,920	116,367	126,419	125,817	123,666	123,162	123,685	123,169
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	85.4	85.6	85.2	83.4	84.5	84.6	84.8	84.9	85.2
Non Government Loans/ Deposits ^{4/}	57.7	55.3	55.9	54.5	51.7	52.3	52.4	52.6	52.9
Government Loans / Deposits	40.4	35.4	32.3	34.0	34.1	29.8	27.6	27.1	26.4
Foreign currency denominated credit to total credit	29.3	33.3	31.6	32.9	31.4	29.1	28.6	28.4	27.9
Government foreign currency denominated credit to total government credit	58.2	67.2	62.3	62.0	54.6	55.6	53.7	53.7	52.4
Non - government foreign currency denominated credit to total non-government credit	27.0	30.5	29.2	30.2	29.2	27.0	26.7	26.6	26.2

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

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

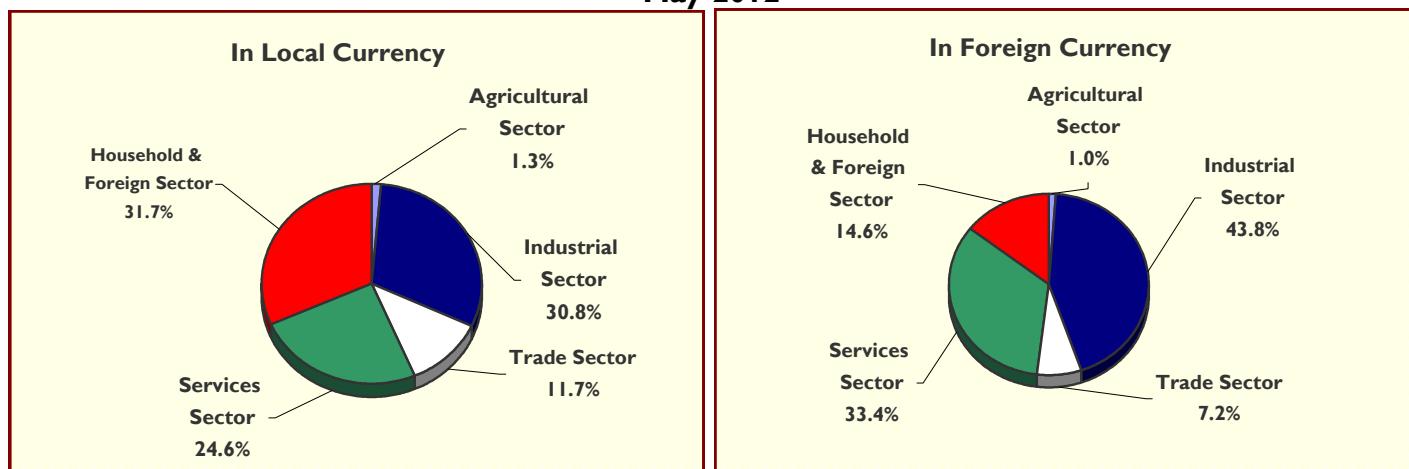
2/ Includes central government and economic authorities.

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

May-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						
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	11.90	7.60	14.29	11.50	9.00
Jun-12	9.50	--	--	14.60	11.50	9.00

Source: Central Bank of Egypt.

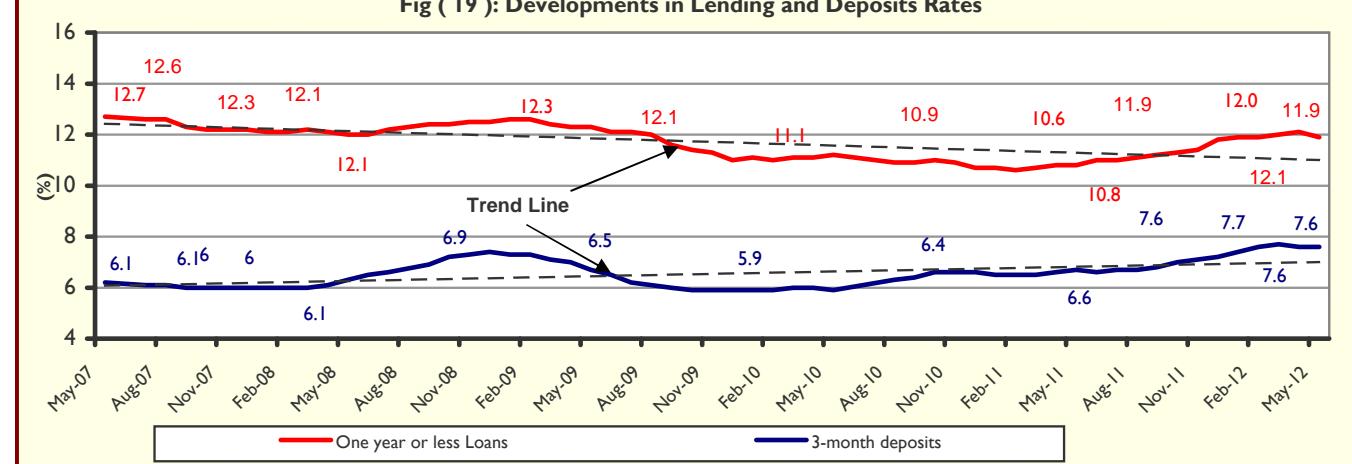
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1/ End of period rate.

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/}

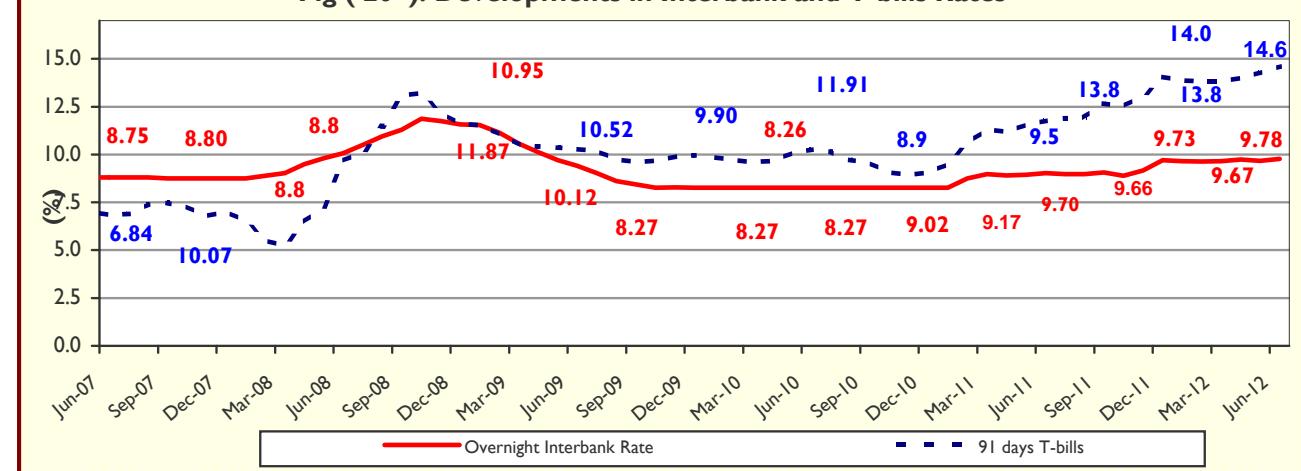
	Overnight	One Week	Month	More than One Month
Yearly Average				
2003	8.4	9.4	9.7	9.9
2004	8.2	9.8	10.7	10.3
2005	9.5	10.1	10.4	10.7
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
Monthly Average				
May-11	8.95	9.10	9.50	9.50
Jun-11	9.02	9.12	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
Jun-12	9.78	9.95	10.14	--

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.