

Section 6

MONETRY SECTOR

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**Table (24) : Developments in Main Monetary Aggregates
(September 2011)**

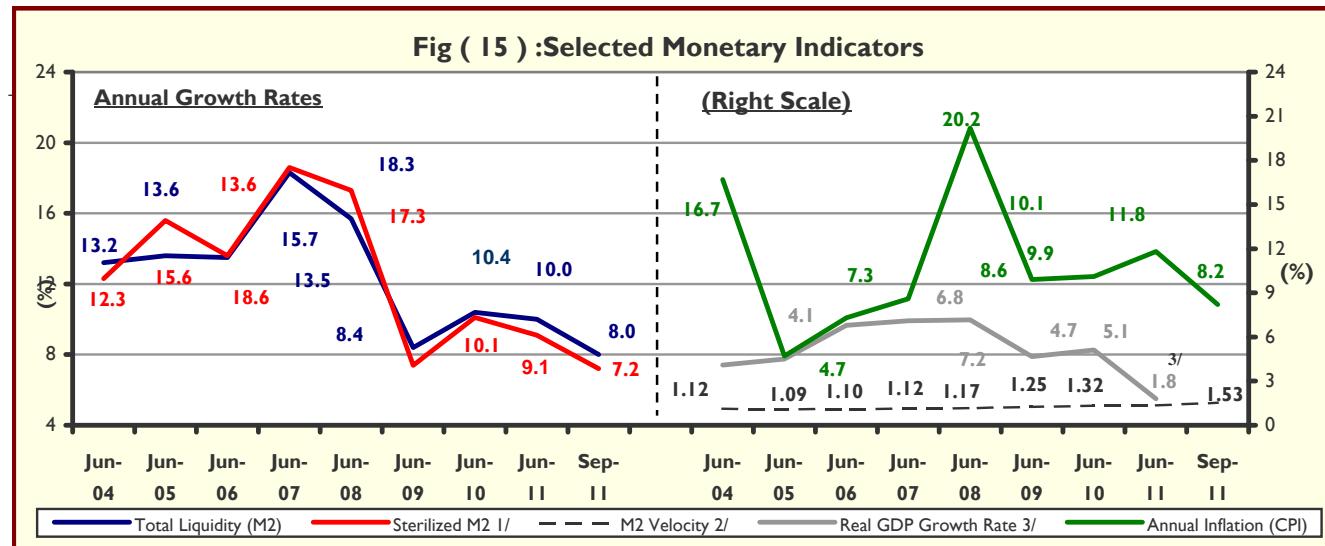
	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-7.2	-11.1	-27.8	-2.1
CBE NFA	-4.0	-10.3	-31.1	-8.6
CBE NIR	-3.8	-9.2	-29.2	-7.8
Banks NFA 2/	-11.3	-12.3	-22.6	10.9
Net Foreign Assets (US dollar terms)	-7.4	-11.5	-31.1	-7.4
CBE NFA	-4.3	-10.7	-34.3	-13.6
CBE NIR	-4.0	-9.6	-32.4	-12.9
Banks NFA 2/	-11.5	-12.7	-26.2	5.0
Net Domestic Assets	2.2	5.7	25.7	17.3
Net Claims on Government and GASC	4.0	10.3	41.3	27.5
Claims on Public Companies	1.8	5.7	13.4	-2.9
Claims on Private Sector	0.24	0.8	1.3	5.0
Total Liquidity (M2)	0.0	1.5	8.0	11.1
Money (M1)	-2.5	2.0	15.1	17.0
Quasi Money	0.8	1.3	5.9	9.4

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 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. It is noteworthy that Real GDP growth for the period July-September 2011/2012 is not yet available.

Table (25) : Monetary Survey
Assets and Liabilities of The Banking Sector
(September 2011)

	(LE Millions)									
	Sep-06	Sep-07	Sep-08	Sep-09	Sep-10	Jun-11	Jul-11#	Aug-11#	Sep-11*	
Net Foreign Assets 1/	152,467	215,081	274,385	261,819	312,144	253,500	253,654	242,729	225,259	
	(46.7)	(41.1)	(27.6)	-(4.6)	(19.2)	-(10.2)	-(10.5)	-(20.6)	-(27.8)	
Central bank (Net)	68,945	100,365	187,077	173,334	191,648	147,197	141,811	137,597	132,030	
Foreign Assets	135,543	164,579	188,652	182,140	200,054	156,331	150,921	146,765	141,293	
Foreign Liabilities	66,598	64,214	1,575	8,806	8,406	9,134	9,110	9,168	9,263	
Banks (Net)	83,522	114,716	87,308	88,485	120,496	106,303	111,843	105,132	93,229	
Foreign Assets	99,345	140,819	114,759	115,549	159,599	139,150	142,545	134,860	124,628	
Foreign Liabilities	15,823	26,103	27,451	27,064	39,103	32,846	30,702	29,728	31,399	
Net Domestic Assets of which:	429,758	466,820	503,486	585,989	636,028	755,911	765,272	781,630	799,171	
	(4.6)	(8.6)	(7.9)	(16.4)	(8.5)	(19.0)	(19.7)	(24.2)	(25.7)	
Net Claims on Government, and GASC 1/	183,931	188,857	207,688	310,727	341,319	437,337	454,032	463,579	482,312	
National Currency	237,549	240,990	259,916	374,086	409,033	524,335	542,249	552,703	570,471	
Foreign Currency	-53,618	-52,133	-52,228	-63,359	-67,714	-86,998	-88,217	-89,124	-88,159	
Claims on Public Business Sector	33,468	25,729	28,250	33,506	30,727	32,981	33,331	34,231	34,856	
National Currency	26,618	18,820	20,370	25,414	22,099	24,853	25,360	26,094	26,744	
Foreign Currency	6,850	6,909	7,880	8,092	8,628	8,128	7,971	8,137	8,112	
Claims on Private Sector 2/	295,967	337,640	385,548	385,062	420,301	422,448	422,692	424,924	425,947	
National Currency	222,339	249,258	272,531	286,157	308,528	316,938	317,129	318,334	319,801	
Foreign Currency	73,628	88,382	113,017	98,905	111,773	105,510	105,563	106,590	106,146	
Other Items (net) 1/ 3/	-83,608	-85,406	-118,000	-143,306	-156,319	-136,855	-144,783	-141,104	-143,944	
Total Liquidity (M2)	582,226	681,900	777,871	847,808	948,172	1,009,411	1,018,926	1,024,359	1,024,430	
	(13.1)	(17.1)	(14.1)	(9.0)	(11.8)	(10.0)	(10.4)	(9.5)	(8.0)	
Money (M1) 4/	117,291	141,922	177,641	192,759	220,472	248,707	254,288	260,197	253,802	
	(17.4)	(21.0)	(25.2)	(8.5)	(14.4)	(16.2)	(19.2)	(19.1)	(15.1)	
Currency in Circulation	78,481	92,244	112,984	127,479	143,799	167,887	171,046	178,363	174,133	
Demand Deposits in Local Currency	38,810	49,678	64,657	65,280	76,673	80,820	83,242	81,834	79,669	
Quasi Money	464,935	539,978	600,230	655,049	727,700	760,704	764,638	764,162	770,628	
	(12.1)	(16.1)	(11.2)	(9.1)	(11.1)	(8.1)	(7.8)	(6.6)	(5.9)	
Local Currency Time and Savings Deposits	323,374	384,004	440,268	493,662	569,542	583,732	585,246	587,523	593,542	
Foreign Currency Demand Deposits	22,848	25,030	27,896	30,807	34,013	41,298	43,106	40,848	41,253	
Foreign Currency Time and Savings Deposits	118,713	130,944	132,066	130,580	124,145	135,674	136,286	135,791	135,833	

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)
 (September 2011)

	Sep-06	Sep-07	Sep-08	Sep-09	Sep-10	Jun-11	Jul-11 #	Aug-11 #	Sep-11 *
Net Foreign Assets (In Million US\$)^{4/}	26,595	38,228	50,623	47,569	54,854	42,698	42,666	40,801	37,773
Central bank NFA	12,026	17,839	34,515	31,493	33,679	24,793	23,853	23,129	22,139
Net International Reserves	38,212	49,641	50,913	49,169	56,332	44,236	44,198	42,342	39,326
Central Bank (Gross)	24,140	29,881	35,024	33,508	35,534	26,569	25,706	25,008	24,009
Banks (net)	14,569	20,389	16,108	16,077	21,175	17,905	18,812	17,672	15,633
Foreign assets	17,329	25,029	21,173	20,994	28,047	23,437	23,977	22,669	20,898
Foreign Liabilities	2,760	4,639	5,065	4,917	6,872	5,532	5,164	4,997	5,265
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	3.4%	-0.5%	-3.8%	0.9%	3.2%	-3.2%	0.02%	-1.07%	-2.80%
Net Domestic Assets	0.5%	3.4%	5.3%	1.1%	0.1%	13.2%	0.9%	2.5%	4.3%
Money (M1)	1.4%	1.6%	0.9%	1.2%	0.7%	3.8%	0.6%	1.1%	0.5%
Quasi Money	2.5%	1.3%	0.5%	0.8%	2.6%	6.2%	0.4%	0.3%	1.0%
Dollarization (% of Total Liquidity) ^{6/}	24.3	22.9	20.6	19.0	16.7	17.5	17.6	17.2	17.3
M2 Multiplier ^{7/}	4.82	4.79	4.37	4.43	4.38	4.02	4.03	4.05	4.25
M2 Velocity ^{8/}	1.28	1.31	1.34	1.42	1.45	1.36	1.54	1.53	1.53
M2 (annual percentage change)	13.1	17.1	14.1	9.0	11.8	10.0	10.4	9.5	8.0
Credit to private sector (annual percentage change) ^{9/}	7.8	14.1	14.2	-0.1	9.2	0.8	1.3	1.0	1.3
Exchange Rate ^{10/}	5.73	5.63	5.42	5.50	5.69	5.94	5.95	5.95	5.96

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.

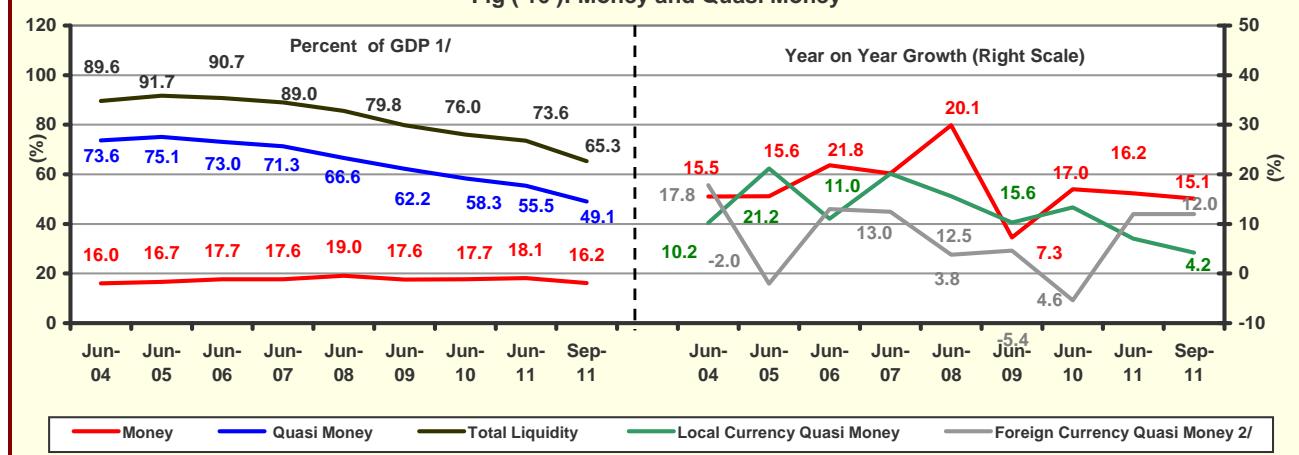
7/ M2 / Reserve Money.

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

Fig (16) : Money and Quasi Money



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)

	Sep-06	Sep-07	Sep-08	Sep-09	Sep-10	Jun-11	Jul-11 [#]	Aug-11 [#]	Sep-11 [*]
Reserve Money	120,875	142,261	178,091	191,497	216,655	250,992	252,873	253,221	241,242
	(11.8)	--	(25.2)	(7.5)	(13.1)	(23.6)	(20.7)	(16.2)	(11.3)
Currency in Circulation	83,101	98,166	120,913	135,583	153,079	179,096	182,548	190,086	184,981
	(18.5)	(18.1)	(23.2)	(12.1)	(12.9)	(24.2)	(23.1)	(25.3)	(20.8)
Banks LE Deposits with CBE	37,774	44,095	57,178	55,914	63,576	71,896	70,325	63,135	56,261
	--	--	--	-(2.2)	(13.7)	(22.2)	(14.8)	-(4.7)	-(11.5)
Counter Assets:									
Net Foreign Assets ^{2/}	68,945	100,365	187,076	173,334	191,648	147,197	141,811	137,597	132,030
	(40.6)	(45.6)	(86.4)	-(7.3)	(10.6)	-(22.6)	-(25.5)	-(28.3)	-(31.1)
Net Domestic Assets ^{2/}	51,930	41,896	-8,985	18,163	25,007	103,795	111,062	115,624	109,212
	--	-(137.8)	-(121.4)	(302.1)	(37.7)	(708.6)	(481.8)	(344.3)	(336.7)
Net Claims on Government ^{3/}	116,386	121,186	101,571	94,308	109,835	102,562	127,825	131,209	147,132
	(13.9)	(4.1)	-(16.2)	-(7.2)	(16.5)	(27.2)	(33.8)	(18.8)	(34.0)
Claims	172,791	196,528	175,828	164,474	182,528	189,621	203,414	207,266	223,608
	-(3.5)	(13.7)	-(10.5)	-(6.5)	(11.0)	(26.2)	(23.1)	(13.6)	(22.5)
Securities	164,761	165,688	123,123	130,771	130,597	130,597	129,097	129,097	129,097
Credit Facilities	8,030	30,840	52,705	33,703	51,931	59,024	74,317	78,169	94,511
Deposits ^{4/}	56,405	75,342	74,257	70,166	72,693	87,059	75,589	76,057	76,476
	-(26.7)	(33.6)	-(1.4)	-(5.5)	(3.6)	(24.9)	(8.4)	(5.7)	(5.2)
Net Claims on Banks	13,685	51,899	42,438	8,810	56,622	147	1,169	-1,585	-2,853
Net Balancing Items ^{5/}	-131,064	-131,189	-152,994	-84,955	-141,450	1,086	-17,932	-14,000	-35,067
Memorandum Items									
Reserve Money Velocity ^{6/ 7/}	6.16	6.29	5.85	6.30	6.33	5.47	6.21	6.20	6.51

Source: Central Bank of Egypt.

() Percent change over same period in previous year.

* Preliminary.

Revised.

-- 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)

	Sep-06	Sep-07	Sep-08	Sep-09	Sep-10	Jun-11	Jul-11 [#]	Aug-11 [#]	Sep-11 [*]
Total Deposits	590,503	676,462	763,703	832,371	923,687	965,339	972,788	972,435	978,125
	(10.0)	(14.6)	(12.9)	(9.0)	(11.0)	(7.2)	(8.0)	(6.7)	(5.9)
In local currency	417,394	487,016	567,295	627,525	716,942	733,246	737,531	740,195	746,324
In foreign currency	173,109	189,446	196,408	204,846	206,745	232,093	235,257	232,240	231,801
Non Government Deposits ^{2/}	507,100	594,489	670,793	725,198	810,422	848,116	854,327	852,414	857,429
	(12.5)	(17.2)	(12.8)	(8.1)	(11.8)	(7.7)	(8.3)	(6.6)	(5.8)
In local currency	364,326	436,810	508,403	561,378	649,359	667,426	671,214	672,118	676,726
In foreign currency	142,774	157,679	162,390	163,820	161,063	180,690	183,113	180,296	180,703
Government Deposits	83,403	81,973	92,910	107,173	113,265	117,223	118,461	120,021	120,696
	-(2.9)	-(1.7)	(13.3)	(15.4)	(5.7)	(4.0)	(5.6)	(7.9)	(6.6)
In local currency	53,068	50,206	58,892	66,147	67,583	65,820	66,317	68,077	69,598
In foreign currency	30,335	31,767	34,018	41,026	45,682	51,403	52,144	51,944	51,098
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	29.3	28.0	25.7	24.6	22.4	24.0	24.2	23.9	23.7
Dollarization in Non-Government Deposits	28.2	26.5	24.2	22.6	19.9	21.3	21.4	21.2	21.1
Dollarization in Government Deposits	36.4	38.8	36.6	38.3	40.3	43.9	44.0	43.3	42.3

Source: Central bank of Egypt.

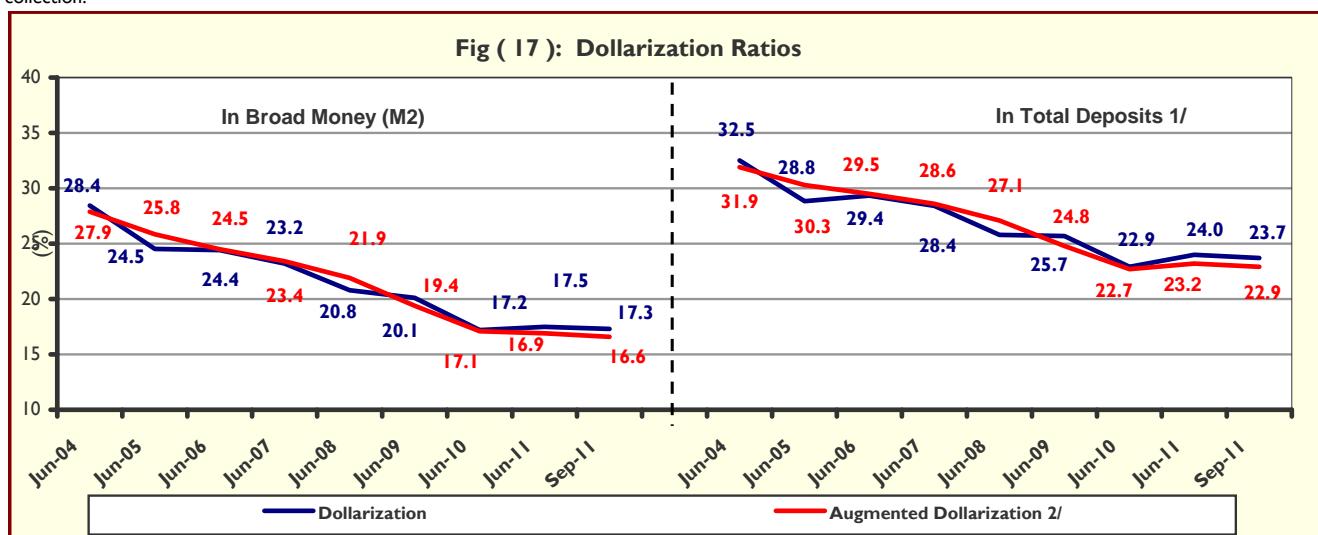
() Percent change over same period in previous year.

* Preliminary.

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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)									
	Sep-06	Sep-07	Sep-08	Sep-09	Sep-10	Jun-11	Jul-11 [#]	Aug-11 [#]	Sep-11 [*]	
Total lending	329,296	364,015	422,706	429,793	467,397	474,139	475,401	476,596	478,956	
	(6.3)	(10.5)	(16.1)	(1.7)	(8.7)	(1.7)	(2.3)	(2.1)	(2.5)	
To Government ^{2/}	22,367	26,352	30,932	32,440	37,101	39,802	40,317	38,635	38,026	
	(0.4)	(17.8)	(17.4)	(4.9)	(14.4)	(1.1)	(1.3)	(8.9)	(2.5)	
In local currency	11,692	10,392	8,783	14,063	18,954	18,191	17,950	17,739	17,656	
In foreign currency	10,675	15,960	22,149	18,377	18,147	21,611	22,367	20,896	20,370	
To Non-Government	306,929	337,663	391,774	397,353	430,296	434,337	435,084	437,961	440,930	
	(6.7)	(10.0)	(16.0)	(1.4)	(8.3)	(1.8)	(2.4)	(1.5)	(2.5)	
In local currency	228,021	242,152	267,116	281,267	296,534	309,573	310,380	312,316	315,390	
In foreign currency	78,908	95,511	124,658	116,086	133,762	124,764	124,704	125,645	125,540	
Memorandum Items (In Percent):										
Credit to private sector ^{3/} / Total Credit	83.1	85.8	86.0	84.7	85.5	84.7	84.6	84.8	84.8	
Non Government Loans/ Deposits ^{4/}	60.5	56.8	58.4	54.8	53.1	51.2	50.9	51.4	51.4	
Government Loans / Deposits	26.8	32.1	33.3	30.3	32.8	34.0	34.0	32.2	31.5	
Foreign currency denominated credit to total credit	27.2	30.6	34.7	31.3	32.5	30.9	30.9	30.7	30.5	
Government foreign currency denominated credit to total government credit	47.7	60.6	71.6	56.6	48.9	54.3	55.5	54.1	53.6	
Non - government foreign currency denominated credit to total non-government credit	25.7	28.3	31.8	29.2	31.1	28.7	28.7	28.7	28.5	

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

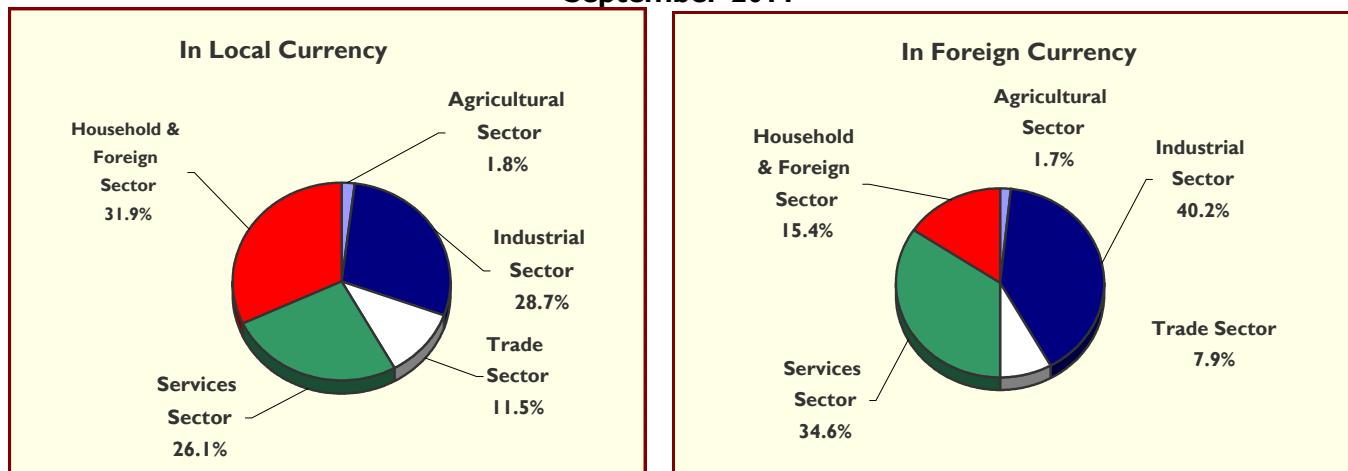
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1/ Excludes credit provided by the Central Bank of Egypt.

2/ Includes central government and economic authorities.

3/ Includes private business sector, household sector, and non-resident (foreign sector).

**Fig (18) : Sectoral Distribution of Non-Government Credit Facilities
September-2011**



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						
Oct-10	8.50	11.00	6.60	9.06	9.50	9.00
Nov-10	8.50	10.90	6.60	8.93	9.50	9.00
Dec-10	8.50	10.70	6.60	9.06	9.50	9.00
Jan-11	8.50	10.70	6.50	9.49	9.50	9.00
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	--	--	12.79	10.00	9.00

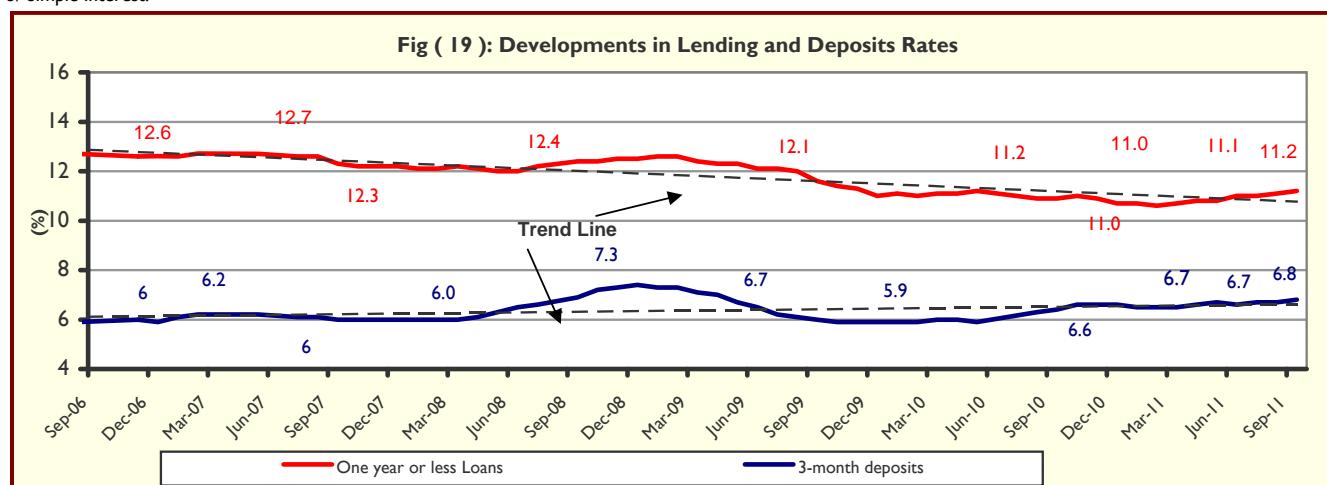
Source: Central Bank of Egypt.

-- 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/}

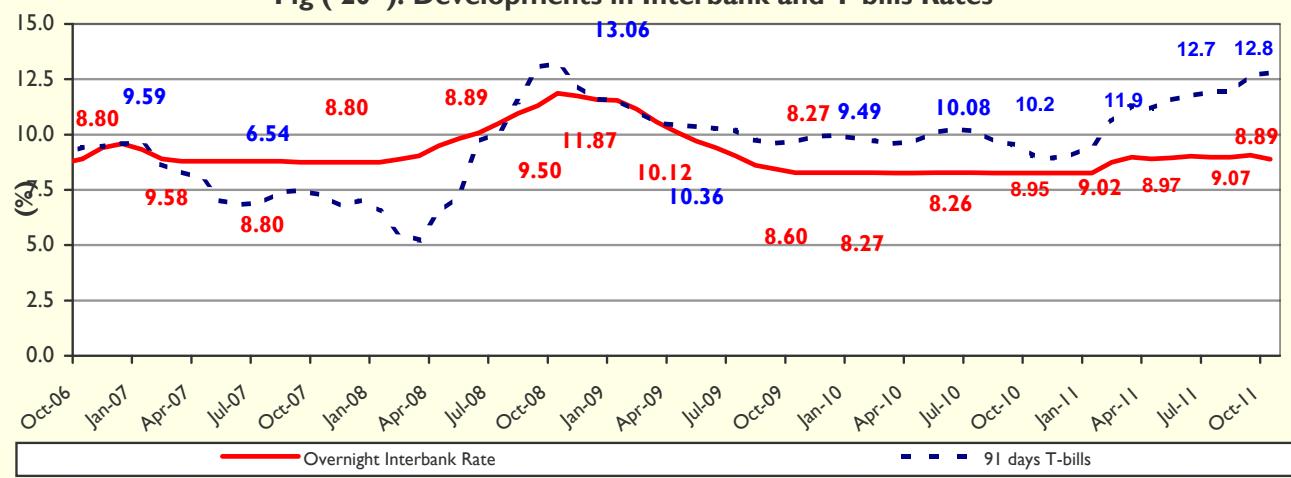
	Overnight	One Week	Month	More than One Month
Yearly Average				
2003	8.4	9.4	9.7	9.9
2004	8.2	9.8	10.7	10.3
2005	9.5	10.1	10.4	10.7
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
Monthly Average				
Oct-10	8.26	8.26	8.29	--
Nov-10	8.26	8.26	--	8.40
Dec-10	8.26	8.27	--	8.36
Jan-11	8.26	8.27	8.50	8.27
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

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.