

Section 6

MONETARY SECTOR

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

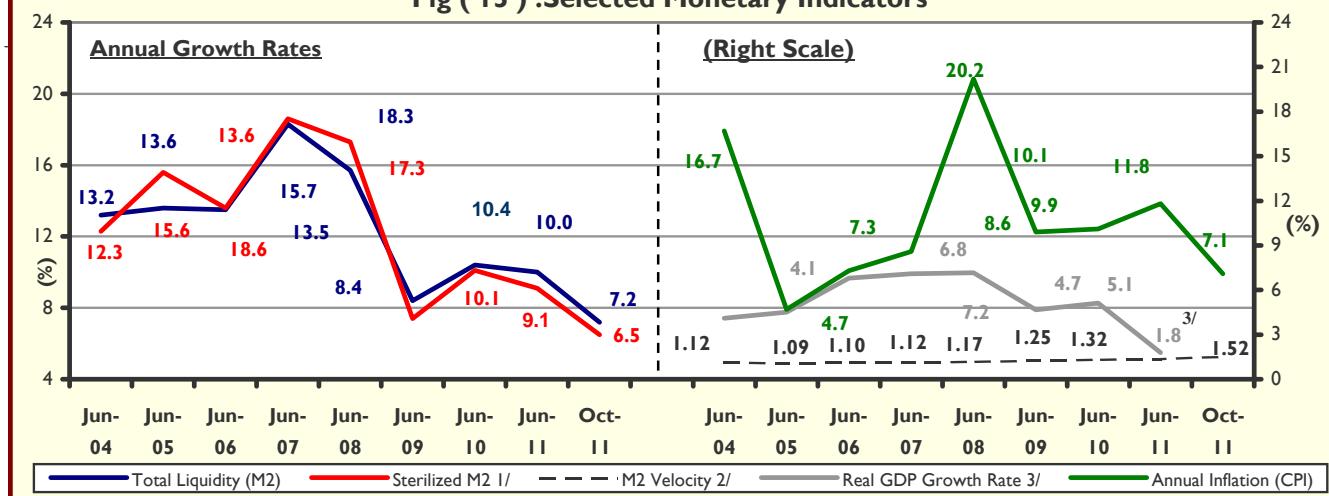
	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-1.5	-12.6	-29.7	-6.3
CBE NFA	-8.9	-15.2	-37.9	-12.6
CBE NIR	-8.2	-14.0	-35.3	-11.5
Banks NFA 2/	8.8	-9.3	-16.5	6.2
Net Foreign Assets (US dollar terms)	-1.4	-12.7	-32.5	-11.4
CBE NFA	-8.8	-15.3	-40.4	-17.4
CBE NIR	-8.1	-14.1	-37.9	-16.4
Banks NFA 2/	9.0	-9.4	-19.9	0.5
Net Domestic Assets	1.2	5.7	25.3	18.6
Net Claims on Government and GASC	2.0	8.4	41.3	29.9
Claims on Public Companies	3.3	8.0	13.1	-1.2
Claims on Private Sector	0.38	1.2	0.9	4.3
Total Liquidity (M2)	0.6	1.2	7.2	10.6
Money (M1)	2.4	2.2	16.7	17.1
Quasi Money	0.1	0.8	4.4	8.7

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
(October 2011)

	Oct-06	Oct-07	Oct-08	Oct-09	Oct-10	Jul-11	Aug-11	Sep-11 [#]	Oct-11 [*]
Net Foreign Assets 1/	160,734	220,119	260,333	261,728	315,293	253,654	242,729	225,259	221,790
	(51.2)	(36.9)	(18.3)	(0.5)	(20.5)	-(10.5)	-(20.6)	-(27.8)	-(29.7)
Central bank (Net)	70,389	104,187	191,353	175,167	193,724	141,811	137,597	132,030	120,315
Foreign Assets	137,221	168,604	192,932	183,880	202,151	150,921	146,765	141,293	129,609
Foreign Liabilities	66,832	64,417	1,579	8,713	8,427	9,110	9,168	9,263	9,294
Banks (Net)	90,345	115,932	68,980	86,561	121,569	111,843	105,132	93,229	101,475
Foreign Assets	107,125	148,119	98,221	113,055	159,134	142,545	134,860	124,628	133,387
Foreign Liabilities	16,780	32,187	29,241	26,494	37,565	30,702	29,728	31,399	31,912
Net Domestic Assets of which:	428,218	469,813	520,210	586,029	645,951	765,272	781,630	799,171	809,144
	(4.3)	(9.7)	(10.7)	(12.7)	(10.2)	(19.7)	(24.2)	(25.7)	(25.3)
Net Claims on Government, and GASC 1/	181,960	186,141	219,433	308,389	348,270	454,032	463,579	482,312	492,114
National Currency	235,785	236,498	273,705	372,094	417,149	542,249	552,703	570,471	579,820
Foreign Currency	-53,825	-50,357	-54,272	-63,705	-68,879	-88,217	-89,124	-88,159	-87,706
Claims on Public Business Sector	33,986	26,333	28,629	34,093	31,828	33,331	34,231	34,856	35,997
National Currency	27,054	19,122	20,587	26,144	23,027	25,360	26,094	26,744	27,567
Foreign Currency	6,932	7,211	8,042	7,949	8,801	7,971	8,137	8,112	8,430
Claims on Private Sector 2/	301,674	341,929	390,042	385,903	423,580	422,692	424,924	425,947	427,560
National Currency	227,365	252,065	279,612	284,790	309,999	317,129	318,334	319,801	324,264
Foreign Currency	74,309	89,864	110,430	101,113	113,581	105,563	106,590	106,146	103,296
Other Items (net) 1/ 3/	-89,402	-84,590	-117,894	-142,356	-157,727	-144,783	-141,104	-143,944	-146,527
Total Liquidity (M2)	588,952	689,934	780,543	847,757	961,244	1,018,926	1,024,359	1,024,430	1,030,934
	(14.0)	(17.1)	(13.1)	(8.6)	(13.4)	(10.4)	(9.5)	(8.0)	(7.2)
Money (M1) 4/	120,215	144,755	172,849	192,609	222,674	254,288	260,197	253,802	259,887
	(20.1)	(20.4)	(19.4)	(11.4)	(15.6)	(19.2)	(19.1)	(15.1)	(16.7)
Currency in Circulation	80,552	94,244	112,561	126,066	142,783	171,046	178,363	174,133	176,900
Demand Deposits in Local Currency	39,663	50,511	60,288	66,543	79,891	83,242	81,834	79,669	82,987
Quasi Money	468,737	545,179	607,694	655,148	738,570	764,638	764,162	770,628	771,047
	(12.5)	(16.3)	(11.5)	(7.8)	(12.7)	(7.8)	(6.6)	(5.9)	(4.4)
Local Currency Time and Savings Deposits	325,470	391,235	438,853	497,084	576,948	585,246	587,523	593,542	594,770
Foreign Currency Demand Deposits	21,546	23,446	29,725	29,944	36,321	43,106	40,848	41,253	42,199
Foreign Currency Time and Savings Deposits	121,721	130,498	139,116	128,120	125,301	136,286	135,791	135,833	134,078

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)

(October 2011)

	Oct-06	Oct-07	Oct-08	Oct-09	Oct-10	Jul-11	Aug-11	Sep-11	#	Oct-11*
Net Foreign Assets (In Million US\$)^{4/}	28,052	39,747	47,004	47,912	55,172	42,666	40,801	37,773		37,240
Central bank NFA	12,285	18,813	34,549	32,066	33,899	23,853	23,129	22,139		20,202
Net International Reserves	39,716	51,379	47,289	49,507	56,646	44,198	42,342	39,326		38,800
Central Bank (Gross)	24,487	30,921	35,031	34,026	35,545	25,706	25,008	24,009		22,072
Banks (net)	15,767	20,934	12,455	15,846	21,273	18,812	17,672	15,633		17,038
Foreign assets	18,696	26,746	17,734	20,696	27,846	23,977	22,669	20,898		22,397
Foreign Liabilities	2,929	5,812	5,280	4,850	6,573	5,164	4,997	5,265		5,358
In Percent of Beginning of Money Stocks^{5/}										
Net Foreign Assets	4.9%	0.2%	-5.7%	0.9%	3.6%	0.02%	-1.1%	-2.8%		-3.1%
Net Domestic Assets	0.2%	3.9%	7.5%	1.1%	1.2%	0.9%	2.5%	4.3%		5.3%
Money (M1)	2.0%	2.0%	0.3%	1.2%	0.9%	0.6%	1.1%	0.5%		1.1%
Quasi Money	3.2%	2.1%	1.5%	0.8%	3.8%	0.4%	0.3%	1.0%		1.0%
Dollarization (% of Total Liquidity) ^{6/}	24.3	22.3	21.6	18.6	16.8	17.6	17.2	17.3		17.1
M2 Multiplier ^{7/}	4.65	4.78	4.55	4.52	4.57	4.03	4.05	4.25		4.32
M2 Velocity ^{8/}	1.26	1.30	1.34	1.42	1.43	1.54	1.53	1.53		1.52
M2 (annual percentage change)	14.0	17.1	13.1	8.6	13.4	10.4	9.5	8.0		7.2
Credit to private sector (annual percentage change) ^{9/}	8.8	13.3	14.1	-1.1	9.8	1.3	1.0	1.3		0.9
Exchange Rate ^{10/}	5.73	5.54	5.54	5.46	5.71	5.95	5.95	5.96		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.

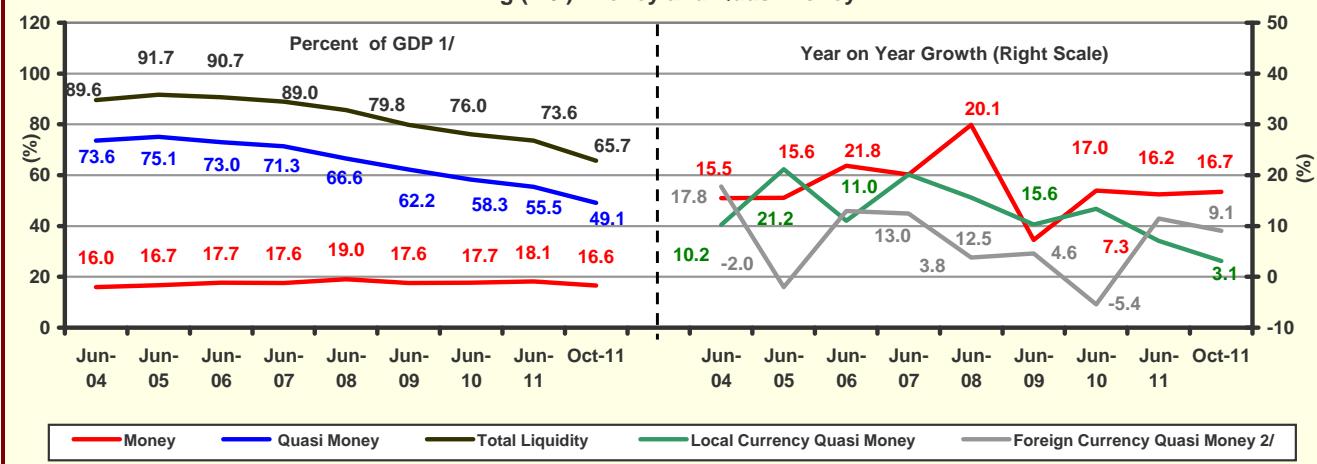
7/ M2 / Reserve Money.

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)

	Oct-06	Oct-07	Oct-08	Oct-09	Oct-10	Jul-11	Aug-11	Sep-11 [#]	Oct-11 [*]
Reserve Money	126,757	144,286	171,676	187,520	210,432	252,873	253,221	241,242	238,818
	--	(15.2)	(19.0)	(9.2)	(12.2)	(20.7)	(16.2)	(11.3)	(13.5)
Currency in Circulation	86,334	100,133	119,545	133,070	153,037	182,548	190,086	184,981	188,716
	(17.0)	(16.0)	(19.4)	(11.3)	(15.0)	(23.1)	(25.3)	(20.8)	(23.3)
Banks LE Deposits with CBE	40,423	44,153	52,131	54,450	57,395	70,325	63,135	56,261	50,102
	--	--	--	(4.4)	(5.4)	(14.8)	(4.7)	(11.5)	(12.7)
Counter Assets:									
Net Foreign Assets ^{2/}	70,389	104,187	191,353	175,167	193,724	141,811	137,597	132,030	120,315
	(41.2)	(48.0)	(83.7)	-(8.5)	(10.6)	-(25.5)	-(28.3)	-(31.1)	-(37.9)
Net Domestic Assets ^{2/}	56,368	40,098	-19,677	12,353	16,708	111,062	115,624	109,212	118,503
	--	-(121.4)	-(149.1)	(162.8)	(35.3)	(481.8)	(344.3)	(336.7)	(609.3)
Net Claims on Government ^{3/}	115,796	118,469	98,396	103,856	107,088	127,825	131,209	147,132	149,542
	(9.4)	(2.3)	-(16.9)	(5.5)	(3.1)	(33.8)	(18.8)	(34.0)	(39.6)
Claims	173,548	193,934	173,018	177,839	181,474	203,414	207,266	223,608	226,615
	-(1.7)	(11.7)	-(10.8)	(2.8)	(2.0)	(23.1)	(13.6)	(22.5)	(24.9)
Securities	164,761	165,688	123,123	130,771	130,597	129,097	129,097	129,097	129,097
Credit Facilities	8,787	28,246	49,895	47,068	50,877	74,317	78,169	94,511	97,518
Deposits ^{4/}	57,752	75,465	74,622	73,983	74,386	75,589	76,057	76,476	77,073
	-(18.3)	(30.7)	-(1.1)	-(0.9)	(0.5)	(8.4)	(5.7)	(5.2)	(3.6)
Net Claims on Banks	21,283	65,192	5,272	10,935	55,317	1,169	-1,585	-2,853	-2,231
Net Balancing Items ^{5/}	-131,189	-143,563	-123,345	-102,438	-145,697	-17,932	-14,000	-35,067	-28,808
Memorandum Items									
Reserve Money Velocity ^{6/, 7/}	5.88	6.21	6.07	6.43	6.52	6.21	6.20	6.51	6.57

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)

	Oct-06	Oct-07	Oct-08	Oct-09	Oct-10	Jul-11	Aug-11	Sep-11 [#]	Oct-11 [*]
Total Deposits	597,112	681,763	768,307	836,271	937,733	972,788	972,435	978,125	981,239
	(11.6)	(14.2)	(12.7)	(8.8)	(12.1)	(8.0)	(6.7)	(5.9)	(4.6)
In local currency	421,579	495,554	561,434	634,979	726,684	737,531	740,195	746,324	751,000
In foreign currency	175,533	186,209	206,873	201,292	211,049	235,257	232,240	231,801	230,239
Non Government Deposits ^{2/}	512,476	599,521	673,742	726,657	824,247	854,327	852,414	857,429	861,242
	(14.0)	(17.0)	(12.4)	(7.9)	(13.4)	(8.3)	(6.6)	(5.8)	(4.5)
In local currency	367,956	444,172	502,507	566,186	659,485	671,214	672,118	676,726	681,421
In foreign currency	144,520	155,349	171,235	160,471	164,762	183,113	180,296	180,703	179,821
Government Deposits	84,636	82,242	94,565	109,614	113,486	118,461	120,021	120,696	119,997
	-(1.3)	-(2.8)	(15.0)	(15.9)	(3.5)	(5.6)	(7.9)	(6.6)	(5.7)
In local currency	53,623	51,382	58,927	68,793	67,199	66,317	68,077	69,598	69,579
In foreign currency	31,013	30,860	35,638	40,821	46,287	52,144	51,944	51,098	50,418
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	29.4	27.3	26.9	24.1	22.5	24.2	23.9	23.7	23.5
Dollarization in Non-Government Deposits	28.2	25.9	25.4	22.1	20.0	21.4	21.2	21.1	20.9
Dollarization in Government Deposits	36.6	37.5	37.7	37.2	40.8	44.0	43.3	42.3	42.0

Source: Central bank of Egypt.

() Percent change over same period in previous year.

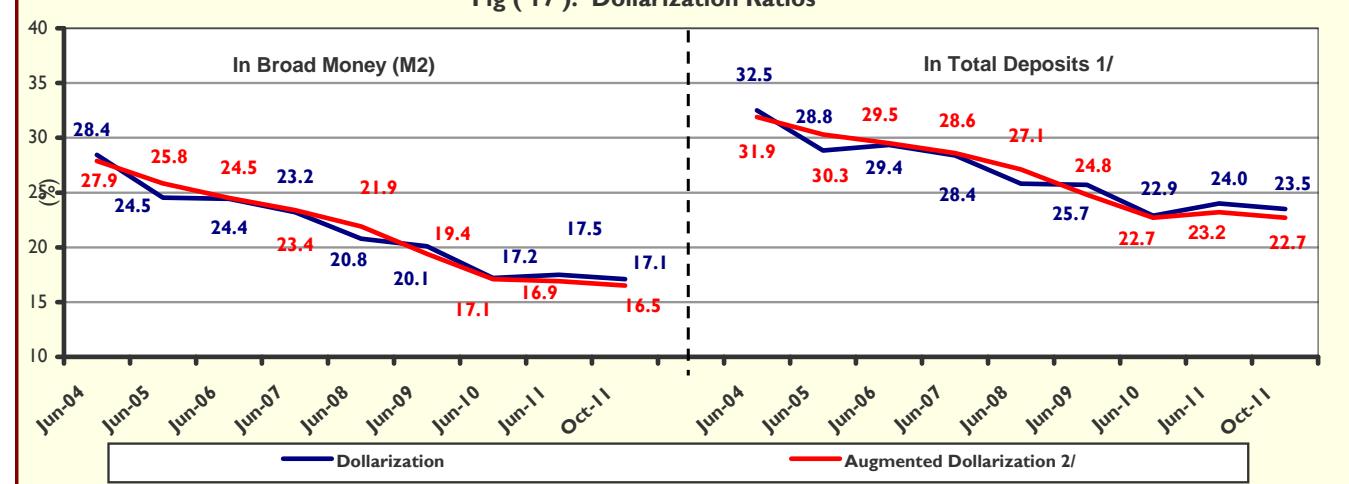
* Preliminary.

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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.

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/}

	Oct-06	Oct-07	Oct-08	Oct-09	Oct-10	Jul-11	Aug-11	Sep-11	#	* Oct-11	(LE Millions)
Total lending	336,102	369,533	429,103	430,934	471,441	475,401	476,596	478,956	481,703		
	(7.6)	(9.9)	(16.1)	(0.4)	(9.4)	(2.3)	(2.1)	(2.5)	(2.2)		
To Government ^{2/}	22,945	27,276	31,292	31,919	37,656	40,317	38,635	38,026	37,800		
	(5.5)	(18.9)	(14.7)	(2.0)	(18.0)	(1.3)	(8.9)	(2.5)	(0.4)		
In local currency	11,593	10,551	8,618	13,778	19,357	17,950	17,739	17,656	17,477		
In foreign currency	11,352	16,725	22,674	18,141	18,299	22,367	20,896	20,370	20,323		
To Non-Government	313,157	342,257	397,811	399,015	433,785	435,084	437,961	440,930	443,903		
	(7.7)	(9.3)	(16.2)	(0.3)	(8.7)	(2.4)	(1.5)	(2.5)	(2.3)		
In local currency	233,461	244,847	275,732	281,011	298,342	310,380	312,316	315,390	320,213		
In foreign currency	79,696	97,410	122,079	118,004	135,443	124,704	125,645	125,540	123,690		
Memorandum Items (In Percent):											
Credit to private sector ^{3/} / Total Credit	83.1	85.6	86.1	84.8	85.3	84.6	84.8	84.8	84.7		
Non Government Loans/ Deposits ^{4/}	61.1	57.1	59.0	54.9	52.6	50.9	51.4	51.4	51.5		
Government Loans / Deposits	27.1	33.2	33.1	29.1	33.2	34.0	32.2	31.5	31.5		
Foreign currency denominated credit to total credit	27.1	30.9	33.7	31.6	32.6	30.9	30.7	30.5	29.9		
Government foreign currency denominated credit to total government credit	49.5	61.3	72.5	56.8	48.6	55.5	54.1	53.6	53.8		
Non - government foreign currency denominated credit to total non-government credit	25.4	28.5	30.7	29.6	31.2	28.7	28.7	28.5	27.9		

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

Revised

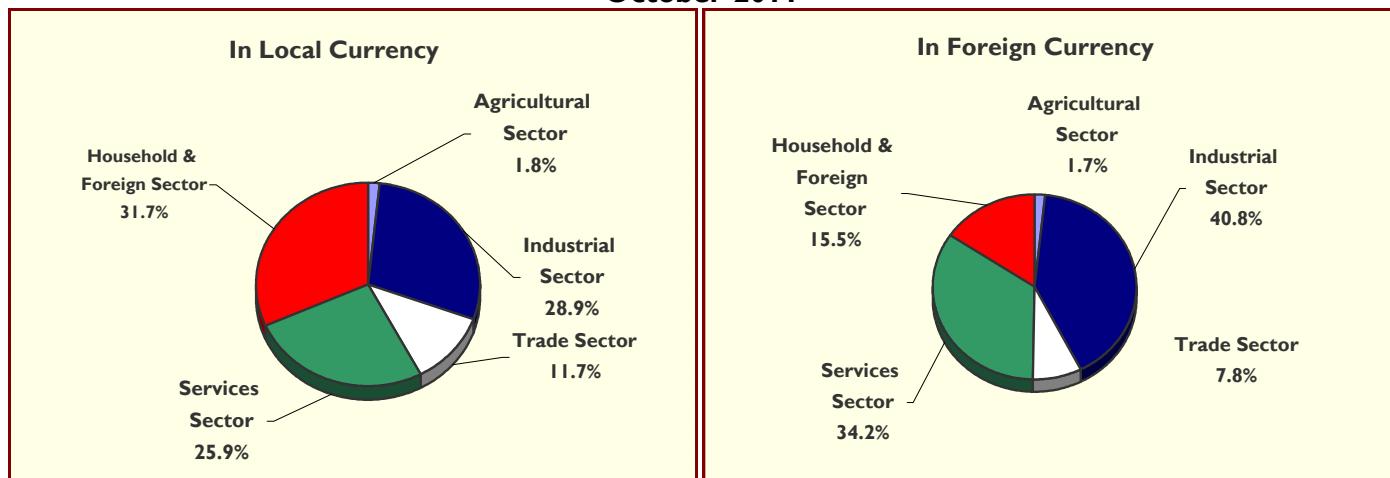
1/ Excludes credit provided by the Central Bank of Egypt.

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
October-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						
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	11.30	7.00	12.52	10.00	9.00
Nov-11	9.50	--	--	13.04	11.50	9.00

Source: Central Bank of Egypt.

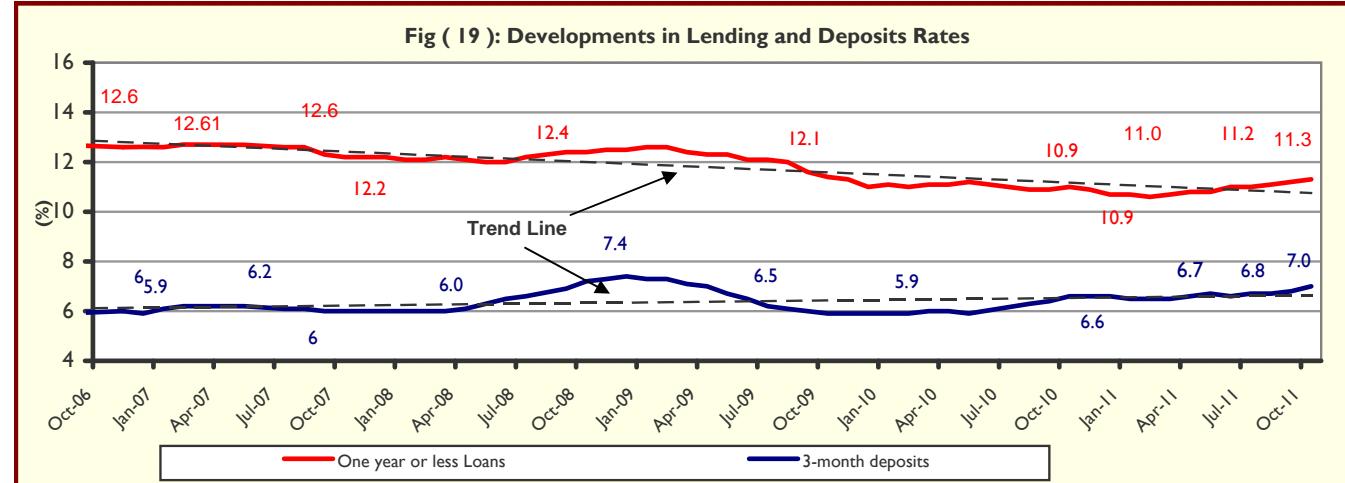
-- Data unavailable.

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.

Fig (19) : Developments in Lending and Deposits Rates



Source: Central Bank of Egypt.

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

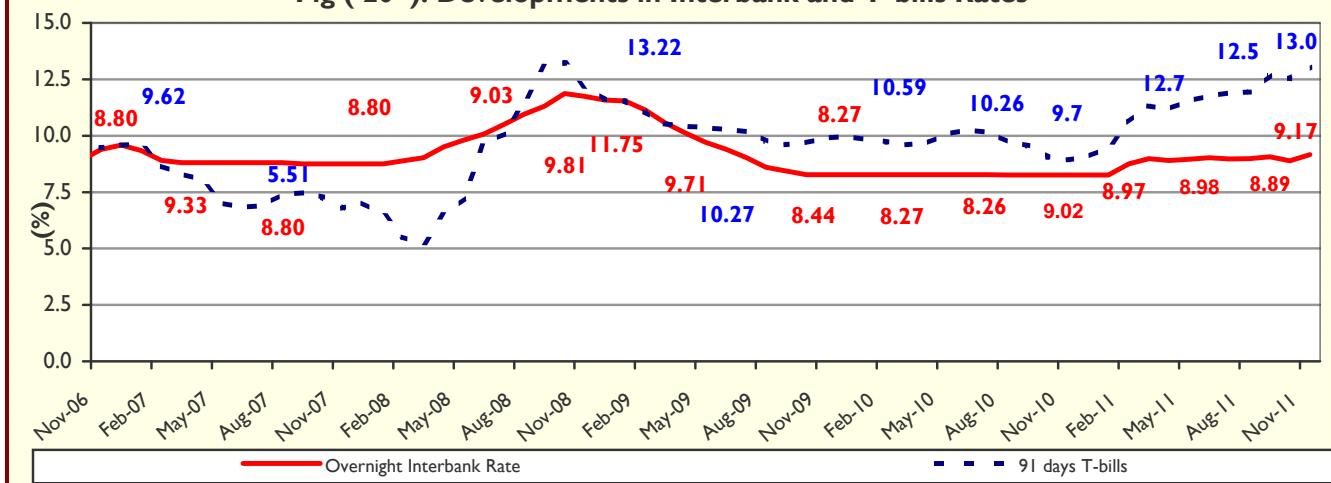
	Overnight	One Week	Month	More than One Month
Yearly Average				
2003	8.4	9.4	9.7	9.9
2004	8.2	9.8	10.7	10.3
2005	9.5	10.1	10.4	10.7
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
Monthly Average				
Nov-10	8.26	8.26	--	8.40
Dec-10	8.26	8.27	--	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
Nov-11	9.17	9.27	9.10	9.31

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.