

Section 6

MONETARY SECTOR

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

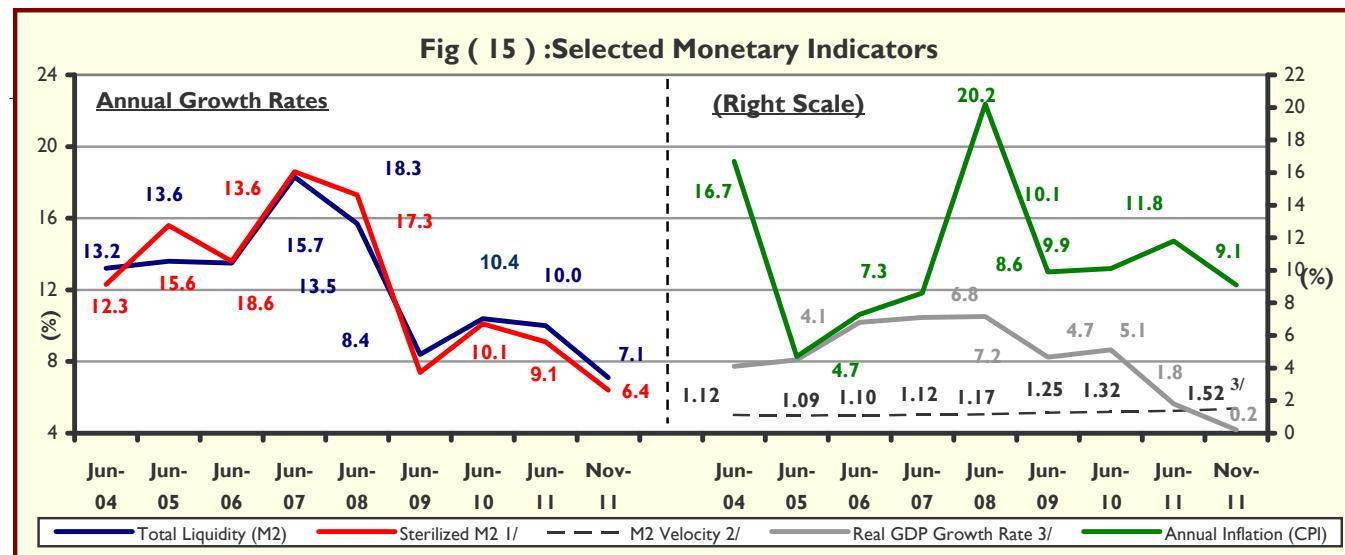
	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-6.6	-14.7	-32.1	-10.3
CBE NFA	-9.9	-21.2	-44.2	-17.2
CBE NIR	-8.3	-19.0	-41.0	-15.8
Banks NFA 2/	-2.8	-6.2	-10.8	3.2
Net Foreign Assets (US dollar terms)	-7.1	-15.2	-34.8	-15.1
CBE NFA	-10.3	-21.7	-46.5	-21.7
CBE NIR	-8.7	-19.4	-43.4	-20.4
Banks NFA 2/	-3.2	-6.7	-14.4	-2.3
Net Domestic Assets	1.9	5.5	25.3	19.7
Net Claims on Government and GASC	3.4	9.7	43.0	32.2
Claims on Public Companies	4.0	9.4	17.2	0.9
Claims on Private Sector	0.94	1.6	1.3	3.5
Total Liquidity (M2)	0.1	0.7	7.1	10.2
Money (M1)	-0.6	-0.7	14.9	17.3
Quasi Money	0.3	1.2	4.7	8.0

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. Reflects Real GDP growth for the period July-September 2011/2012.

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

	Nov-06	Nov-07	Nov-08	Nov-09	Nov-10	Aug-11	Sep-11	Oct-11	Nov-11*
Net Foreign Assets 1/	180,153	225,935	250,927	263,883	304,944	242,729	225,259	221,790	207,061
	(66.3)	(25.4)	(11.1)	(5.2)	(15.6)	-(20.6)	-(27.8)	-(29.7)	-(32.1)
Central bank (Net)	73,447	105,912	186,047	175,210	194,312	137,597	132,030	120,315	108,397
Foreign Assets	139,783	171,850	187,629	183,917	202,761	146,765	141,293	129,609	118,955
Foreign Liabilities	66,336	65,938	1,582	8,707	8,449	9,168	9,263	9,294	10,558
Banks (Net)	106,706	120,023	64,880	88,673	110,632	105,132	93,229	101,475	98,664
Foreign Assets	122,722	147,783	95,989	113,997	152,037	134,860	124,628	133,387	130,767
Foreign Liabilities	16,016	27,760	31,109	25,324	41,405	29,728	31,399	31,912	32,103
Net Domestic Assets of which:	407,187	478,696	533,874	590,174	658,311	781,630	799,171	809,144	824,635
	(-0.8)	(17.6)	(11.5)	(10.5)	(11.5)	(24.2)	(25.7)	(25.3)	(25.3)
Net Claims on Government, and GASC 1/	177,131	188,416	229,404	310,500	355,771	463,579	482,312	492,114	508,614
National Currency	230,939	238,815	284,250	373,027	424,540	552,703	570,471	579,820	588,807
Foreign Currency	-53,808	-50,399	-54,846	-62,527	-68,769	-89,124	-88,159	-87,706	-80,193
Claims on Public Business Sector	35,170	27,214	28,801	34,870	31,935	34,231	34,856	35,997	37,438
National Currency	27,357	19,576	20,845	27,181	23,461	26,094	26,744	27,567	28,783
Foreign Currency	7,813	7,638	7,956	7,689	8,474	8,137	8,112	8,430	8,655
Claims on Private Sector 2/	306,308	346,385	389,446	384,929	426,197	424,924	425,947	427,560	431,574
National Currency	230,569	253,938	281,079	284,631	312,532	318,334	319,801	324,264	327,043
Foreign Currency	75,739	92,447	108,367	100,298	113,665	106,590	106,146	103,296	104,531
Other Items (net) 1/ 3/	-111,422	-83,319	-113,777	-140,125	-155,592	-141,104	-143,944	-146,527	-152,991
Total Liquidity (M2)	587,340	704,631	784,801	854,057	963,255	1,024,359	1,024,430	1,030,934	1,031,696
	(13.2)	(20.0)	(11.4)	(8.8)	(12.8)	(9.5)	(8.0)	(7.2)	(7.1)
Money (M1) 4/	117,687	149,178	176,249	198,403	224,890	260,197	253,802	259,887	258,379
	(18.1)	(26.8)	(18.1)	(12.6)	(13.4)	(19.1)	(15.1)	(16.7)	(14.9)
Currency in Circulation	79,859	95,062	113,757	131,081	145,053	178,363	174,133	176,900	178,162
Demand Deposits in Local Currency	37,828	54,116	62,492	67,322	79,837	81,834	79,669	82,987	80,217
Quasi Money	469,653	555,453	608,552	655,654	738,365	764,162	770,628	771,047	773,317
	(12.0)	(18.3)	(9.6)	(7.7)	(12.6)	(6.6)	(5.9)	(4.4)	(4.7)
Local Currency Time and Savings Deposits	326,961	398,183	441,433	499,938	581,350	587,523	593,542	594,770	594,227
Foreign Currency Demand Deposits	21,202	25,337	26,999	29,362	33,542	40,848	41,253	42,199	44,005
Foreign Currency Time and Savings Deposits	121,490	131,933	140,120	126,354	123,473	135,791	135,833	134,078	135,085

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)
 (November 2011)

	Nov-06	Nov-07	Nov-08	Nov-09	Nov-10	Aug-11	Sep-11	Oct-11	Nov-11*
Net Foreign Assets (In Million US\$)^{4/}	31,517	41,098	45,447	48,416	53,087	40,801	37,773	37,240	34,675
Central bank NFA	12,849	19,266	33,696	32,147	33,827	23,129	22,139	20,202	18,152
Net International Reserves	43,123	53,092	45,734	50,013	54,558	42,342	39,326	38,800	36,443
Central Bank (Gross)	24,907	31,495	35,109	34,113	35,571	25,008	24,009	22,072	20,193
Banks (net)	18,668	21,833	11,751	16,269	19,260	17,672	15,633	17,038	16,523
Foreign assets	21,470	26,882	17,385	20,916	26,468	22,669	20,898	22,397	21,899
Foreign Liabilities	2,802	5,050	5,634	4,646	7,208	4,997	5,265	5,358	5,376
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	8.3%	1.1%	-6.9%	1.2%	2.5%	-1.1%	-2.8%	-3.1%	-4.6%
Net Domestic Assets	-3.5%	5.2%	9.2%	1.6%	2.5%	2.5%	4.3%	5.3%	6.8%
Money (M1)	1.5%	2.7%	0.7%	1.9%	1.2%	1.1%	0.5%	1.1%	1.0%
Quasi Money	3.3%	3.6%	1.6%	0.9%	3.8%	0.3%	1.0%	1.0%	1.2%
Dollarization (% of Total Liquidity) ^{6/}	24.3	22.3	21.3	18.2	16.3	17.2	17.3	17.1	17.4
M2 Multiplier ^{7/}	4.64	4.85	4.79	4.48	4.34	4.05	4.25	4.32	3.99
M2 Velocity ^{8/}	1.27	1.27	1.33	1.41	1.42	1.53	1.53	1.52	1.52
M2 (annual percentage change)	13.2	20.0	11.4	8.8	12.8	9.5	8.0	7.2	7.1
Credit to private sector (annual percentage change) ^{9/}	10.2	13.1	12.4	-1.2	10.7	1.0	1.3	0.9	1.3
Exchange Rate ^{10/}	5.72	5.50	5.52	5.45	5.74	5.95	5.96	5.96	5.97

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.

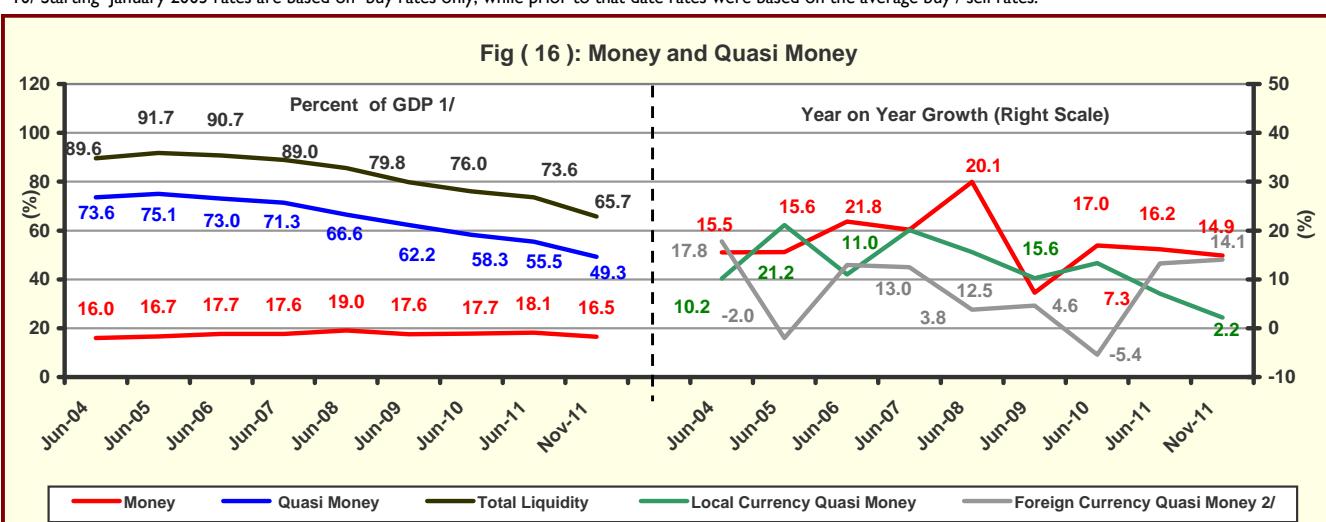
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity. It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

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)

	Nov-06	Nov-07	Nov-08	Nov-09	Nov-10	Aug-11	Sep-11	Oct-11	Nov-11[*]
Reserve Money	126,595	145,173	163,803	190,794	221,924	253,221	241,242	238,818	258,471
	(15.2)	(10.5)	(12.8)	(16.5)	(16.3)	(16.2)	(11.3)	(13.5)	(16.5)
Currency in Circulation	84,556	100,717	121,122	139,453	155,660	190,086	184,981	188,716	190,352
	(15.7)	(19.1)	(20.3)	(15.1)	(11.6)	(25.3)	(20.8)	(23.3)	(22.3)
Banks LE Deposits with CBE	42,039	44,456	42,681	51,341	66,264	63,135	56,261	50,102	68,119
	--	--	--	(20.3)	(29.1)	(4.7)	(11.5)	(12.7)	(2.8)
Counter Assets:									
Net Foreign Assets ^{2/}	73,447	105,912	186,047	175,210	194,312	137,597	132,030	120,315	108,397
	(44.4)	(44.2)	(75.7)	-(5.8)	(10.9)	-(28.3)	-(31.1)	-(37.9)	-(44.2)
Net Domestic Assets ^{2/}	53,148	39,261	-22,244	15,584	27,612	115,624	109,212	118,503	150,074
	--	-(149.1)	-(156.7)	(170.1)	(77.2)	(344.3)	(336.7)	(609.3)	(443.5)
Net Claims on Government ^{3/}	110,538	116,571	92,558	102,433	101,920	131,209	147,132	149,542	158,019
	(1.7)	(5.5)	-(20.6)	(10.7)	-(0.5)	(18.8)	(34.0)	(39.6)	(55.0)
Claims	171,098	192,072	165,352	174,167	178,126	207,266	223,608	226,615	237,998
	-(4.6)	(12.3)	-(13.9)	(5.3)	(2.3)	(13.6)	(22.5)	(24.9)	(33.6)
Securities	164,761	165,688	123,123	130,771	130,597	129,097	129,097	129,097	129,097
Credit Facilities	6,337	26,384	42,229	43,396	47,529	78,169	94,511	97,518	108,901
Deposits ^{4/}	60,560	75,501	72,794	71,734	76,206	76,057	76,476	77,073	79,979
	-(14.3)	(24.7)	-(3.6)	-(1.5)	(6.2)	(5.7)	(5.2)	(3.6)	(5.0)
Net Claims on Banks	30,046	69,527	913	15,159	50,739	-1,585	-2,853	-2,231	-2,048
Net Balancing Items ^{5/}	-143,563	-146,837	-115,715	-102,008	-125,047	-14,000	-35,067	-28,808	-5,897
Memorandum Items									
Reserve Money Velocity ^{6/, 7/}	5.88	6.17	6.36	6.32	6.18	6.20	6.51	6.57	6.07

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)

	Nov-06	Nov-07	Nov-08	Nov-09	Nov-10	Aug-11	Sep-11	Oct-11	Nov-11*
Total Deposits	595,793	697,717	772,667	839,413	937,178	972,435	978,125	981,239	979,956
	(10.6)	(17.1)	(10.7)	(8.6)	(11.6)	(6.7)	(5.9)	(4.6)	(4.6)
In local currency	420,492	507,768	566,220	639,990	730,617	740,195	746,324	751,000	747,536
In foreign currency	175,301	189,949	206,447	199,423	206,561	232,240	231,801	230,239	232,420
Non Government Deposits ^{2/}	511,272	614,281	677,683	727,898	824,512	852,414	857,429	861,242	860,341
	(12.9)	(20.1)	(10.3)	(7.4)	(13.3)	(6.6)	(5.8)	(4.5)	(4.3)
In local currency	367,286	455,589	507,856	569,898	664,198	672,118	676,726	681,421	677,728
In foreign currency	143,986	158,692	169,827	158,000	160,314	180,296	180,703	179,821	182,613
Government Deposits	84,521	83,436	94,984	111,515	112,666	120,021	120,696	119,997	119,615
	-(1.7)	-(1.3)	(13.8)	(17.4)	(1.0)	(7.9)	(6.6)	(5.7)	(6.2)
In local currency	53,206	52,179	58,364	70,092	66,419	68,077	69,598	69,579	69,808
In foreign currency	31,315	31,257	36,620	41,423	46,247	51,944	51,098	50,418	49,807
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	29.4	27.2	26.7	23.8	22.0	23.9	23.7	23.5	23.7
Dollarization in Non-Government Deposits	28.2	25.8	25.1	21.7	19.4	21.2	21.1	20.9	21.2
Dollarization in Government Deposits	37.0	37.5	38.6	37.1	41.0	43.3	42.3	42.0	41.6

Source: Central bank of Egypt.

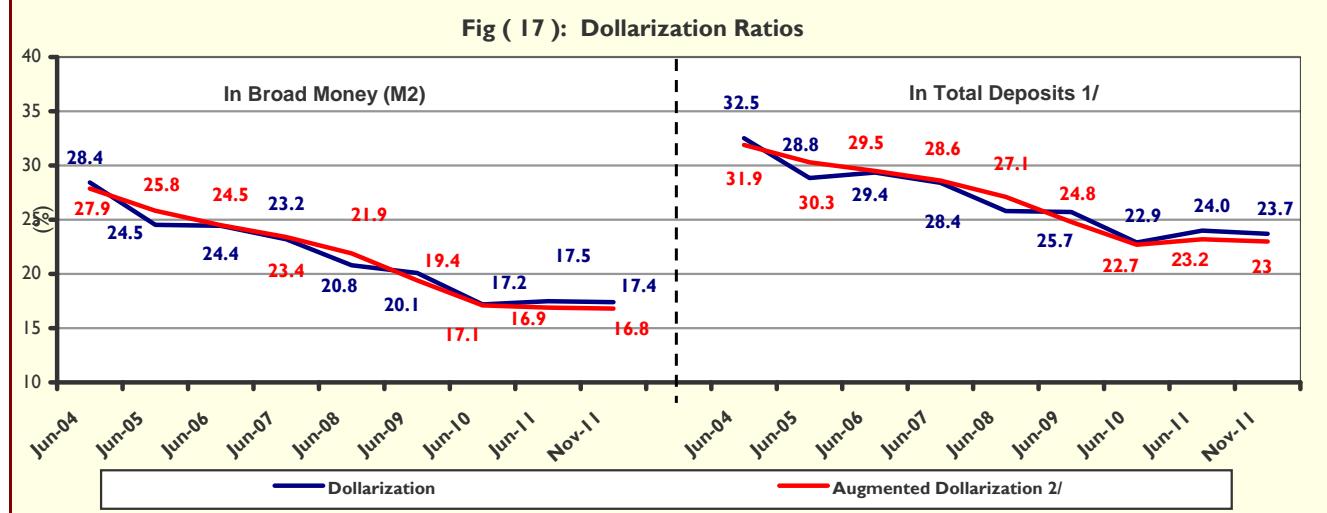
() Percent change over same period in previous year.

*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.

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)

	Nov-06	Nov-07	Nov-08	Nov-09	Nov-10	Aug-11	Sep-11	Oct-11	Nov-11
Total lending	341,234	377,798	428,916	433,162	474,669	476,596	478,956	481,703	486,314
	(8.9)	(10.7)	(13.5)	(1.0)	(9.6)	(2.1)	(2.5)	(2.2)	(2.5)
To Government ^{2/}	24,295	27,719	30,915	33,408	38,530	38,635	38,026	37,800	36,841
	(16.1)	(14.1)	(11.5)	(8.1)	(15.3)	(8.9)	(2.5)	(0.4)	(-4.4)
In local currency	11,962	10,421	8,433	14,225	19,962	17,739	17,656	17,477	17,089
In foreign currency	12,333	17,298	22,482	19,183	18,568	20,896	20,370	20,323	19,752
To Non-Government	316,939	350,079	398,001	399,754	436,139	437,961	440,930	443,903	449,473
	(8.4)	(10.5)	(13.7)	(0.4)	(9.1)	(1.5)	(2.5)	(2.3)	(3.1)
In local currency	235,044	246,802	277,753	282,414	301,229	312,316	315,390	320,213	324,758
In foreign currency	81,895	103,277	120,248	117,340	134,910	125,645	125,540	123,690	124,715
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	82.6	85.6	86.1	84.3	85.2	84.8	84.8	84.7	84.8
Non Government Loans/ Deposits ^{4/}	62.0	57.0	58.7	54.9	52.9	51.4	51.4	51.5	52.2
Government Loans / Deposits	28.7	33.2	32.5	30.0	34.2	32.2	31.5	31.5	30.8
Foreign currency denominated credit to total credit	27.6	31.9	33.3	31.5	32.3	30.7	30.5	29.9	29.7
Government foreign currency denominated credit to total government credit	50.8	62.4	72.7	57.4	48.2	54.1	53.6	53.8	53.6
Non - government foreign currency denominated credit to total non-government credit	25.8	29.5	30.2	29.4	30.9	28.7	28.5	27.9	27.7

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

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

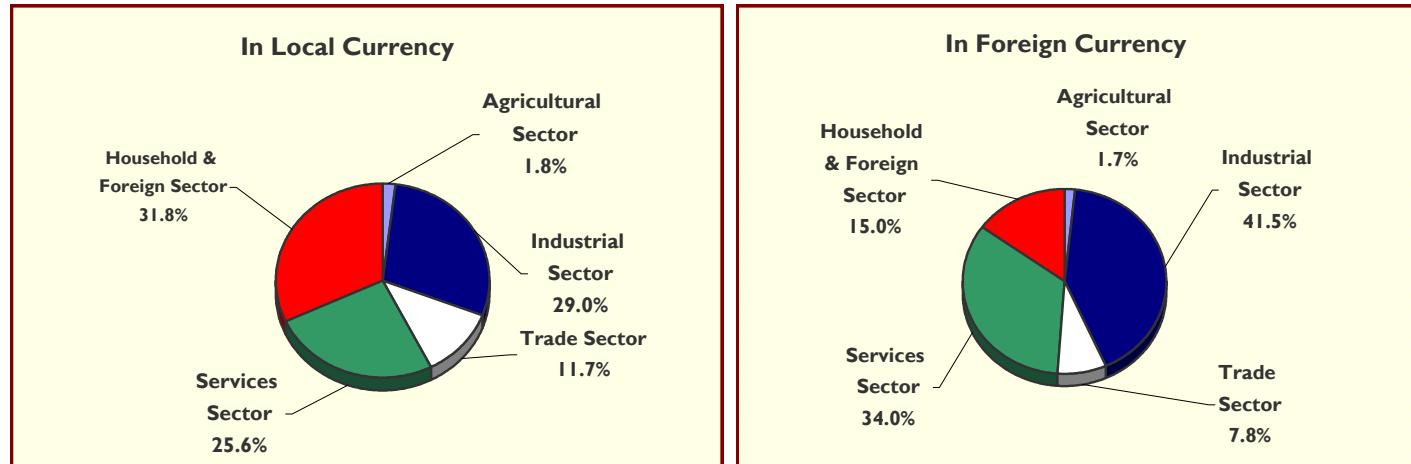
2/ Includes central government and economic authorities.

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

November-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						
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	11.40	7.10	13.04	11.50	9.00
Dec-11	9.50	--	--	14.08	11.50	9.00

Source: Central Bank of Egypt.

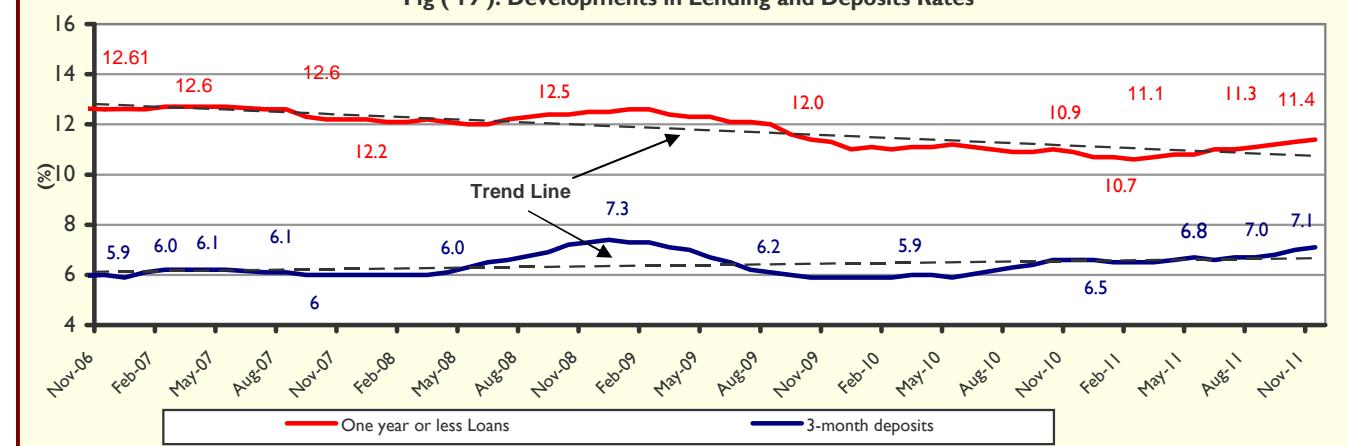
-- Data unavailable.

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/}

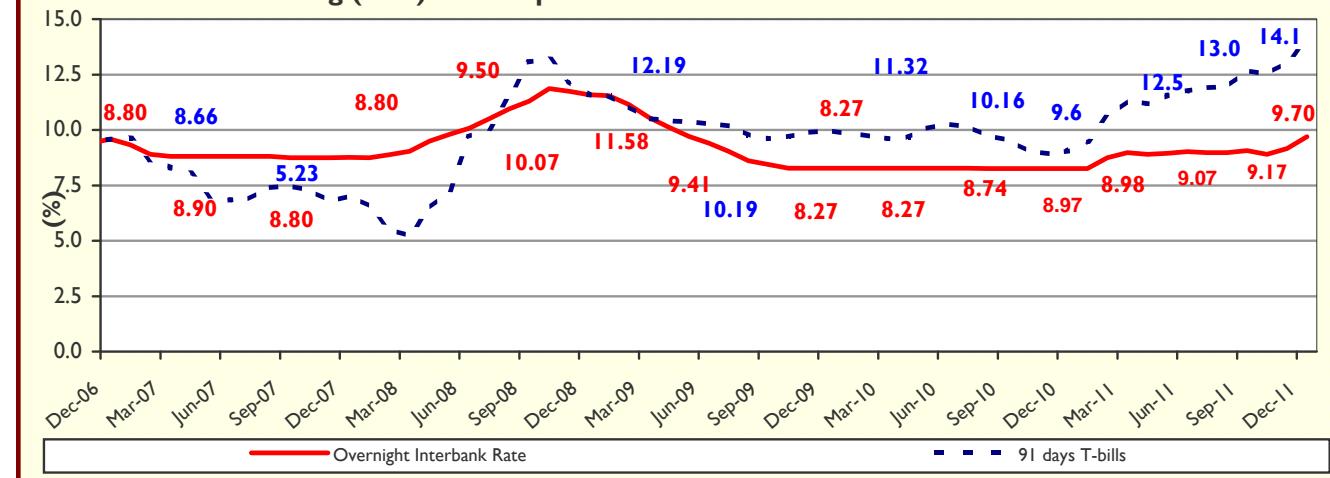
	Overnight	One Week	Month	More than One Month
Yearly Average				
2003	8.4	9.4	9.7	9.9
2004	8.2	9.8	10.7	10.3
2005	9.5	10.1	10.4	10.7
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
Monthly Average				
Dec-10	8.26	8.27	--	8.36
Jan-11	8.26	8.27	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
Dec-11	9.70	9.83	10.05	11.30

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.