

Section 6

MONETARY SECTOR

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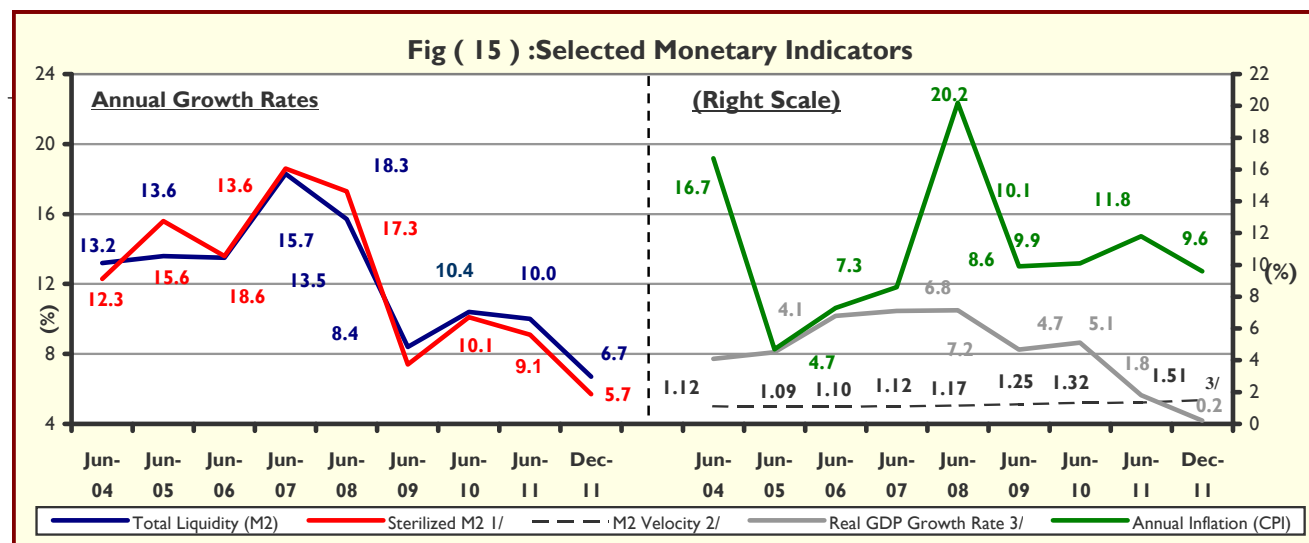
**Table (24) : Developments in Main Monetary Aggregates
(December 2011)**

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-8.2	-15.6	-37.7	-15.0
CBE NFA	-10.7	-26.7	-51.1	-22.5
CBE NIR	-9.5	-23.9	-47.0	-20.5
Banks NFA 2/	-5.4	0.1	-12.8	-0.8
Net Foreign Assets (US dollar terms)	-8.8	-16.2	-40.8	-19.7
CBE NFA	-11.3	-27.2	-53.6	-26.8
CBE NIR	-10.1	-24.5	-49.7	-25.0
Banks NFA 2/	-6.0	-0.7	-17.2	-6.2
Net Domestic Assets	2.9	6.2	26.9	21.2
Net Claims on Government and GASC	1.4	6.9	41.4	34.8
Claims on Public Companies	3.7	11.4	19.6	3.3
Claims on Private Sector	0.28	1.6	6.1	3.4
Total Liquidity (M2)	0.7	1.4	6.7	9.7
Money (M1)	-1.1	0.7	14.4	17.3
Quasi Money	1.3	1.6	4.4	7.4

Source: Central Bank of Egypt.

1/ Average year on year growth for twelve successive observations.

2/ Commercial, specialized, business and investment banks.



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
(December 2011)**

(LE Millions)

	Dec-06	Dec-07	Dec-08	Dec-09	Dec-10	Sep-11	Oct-11	Nov-11	Dec-11
Net Foreign Assets 1/	189,139	232,658	248,470	255,857	305,252	225,259	221,790	207,061	190,179
	(67.7)	(23.0)	(6.8)	(3.0)	(19.3)	-(27.8)	-(29.7)	-(32.1)	-(37.7)
Central bank (Net)	80,108	107,207	184,397	177,126	198,207	132,030	120,315	108,397	96,828
Foreign Assets	146,156	172,727	185,787	185,621	206,313	141,293	129,609	118,955	107,201
Foreign Liabilities	66,048	65,520	1,390	8,495	8,106	9,263	9,294	10,558	10,373
Banks (Net)	109,031	125,451	64,073	78,731	107,045	93,229	101,475	98,664	93,351
Foreign Assets	127,371	148,285	92,994	105,446	148,104	124,628	133,387	130,767	123,741
Foreign Liabilities	18,340	22,834	28,921	26,715	41,059	31,399	31,912	32,103	30,390
Net Domestic Assets of which:	412,170	483,617	542,908	610,497	668,710	799,171	809,144	824,635	848,692
	(0.6)	(17.3)	(12.3)	(12.4)	(9.5)	(25.7)	(25.3)	(25.3)	(26.9)
Net Claims on Government, and GASC 1/	180,087	193,161	244,417	328,753	364,674	482,312	492,114	508,614	515,774
National Currency	233,255	240,256	298,480	389,913	434,886	570,471	579,820	588,807	588,870
Foreign Currency	-53,168	-47,095	-54,063	-61,160	-70,212	-88,159	-87,706	-80,193	-73,096
Claims on Public Business Sector	35,290	27,643	28,840	35,633	32,478	34,856	35,997	37,438	38,838
National Currency	27,515	19,912	20,862	27,942	24,030	26,744	27,567	28,783	29,958
Foreign Currency	7,775	7,731	7,978	7,691	8,448	8,112	8,430	8,655	8,880
Claims on Private Sector 2/	310,016	346,703	388,539	382,427	407,905	425,947	427,560	431,574	432,788
National Currency	232,995	254,815	280,061	282,426	298,490	319,801	324,264	327,043	328,862
Foreign Currency	77,021	91,888	108,478	100,001	109,415	106,146	103,296	104,531	103,926
Other Items (net) 1/ 3/	-113,223	-83,890	-118,888	-136,316	-136,347	-143,944	-146,527	-152,991	-138,708
Total Liquidity (M2)	601,309	716,275	791,378	866,354	973,962	1,024,430	1,030,934	1,031,696	1,038,871
	(15.1)	(19.1)	(10.5)	(9.5)	(12.4)	(8.0)	(7.2)	(7.1)	(6.7)
Money (M1) 4/	121,342	151,800	174,460	196,973	223,456	253,802	259,887	258,379	255,581
	(20.5)	(25.1)	(14.9)	(12.9)	(13.4)	(15.1)	(16.7)	(14.9)	(14.4)
Currency in Circulation	83,054	96,676	114,036	126,666	143,633	174,133	176,900	178,162	176,578
Demand Deposits in Local Currency	38,288	55,124	60,424	70,307	79,823	79,669	82,987	80,217	79,003
Quasi Money	479,967	564,475	616,918	669,381	750,506	770,628	771,047	773,317	783,290
	(13.8)	(17.6)	(9.3)	(8.5)	(12.1)	(5.9)	(4.4)	(4.7)	(4.4)
Local Currency Time and Savings Deposits	330,623	404,236	453,733	514,528	592,451	593,542	594,770	594,227	602,253
Foreign Currency Demand Deposits	21,259	26,876	25,889	29,124	34,072	41,253	42,199	44,005	40,850
Foreign Currency Time and Savings Deposits	128,085	133,363	137,296	125,729	123,983	135,833	134,078	135,085	140,187

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)
(December 2011)

	Dec-06	Dec-07	Dec-08	Dec-09	Dec-10	Sep-11	Oct-11	Nov-11	Dec-11 [*]
Net Foreign Assets (In Million US\$)^{4/}	33,131	42,161	45,107	46,742	53,471	37,773	37,240	34,675	31,641
Central bank NFA	14,032	19,428	33,475	32,359	34,720	22,139	20,202	18,152	16,110
Net International Reserves	44,701	54,035	45,359	48,294	54,891	39,326	38,800	36,443	33,367
Central Bank (Gross)	26,058	31,681	34,112	34,163	36,005	24,009	22,072	20,150	18,119
Banks (net)	19,099	22,734	11,632	14,383	18,751	15,633	17,038	16,523	15,531
Foreign assets	22,311	26,872	16,882	19,264	25,943	20,898	22,397	21,899	20,587
Foreign Liabilities	3,213	4,138	5,250	4,880	7,192	5,265	5,358	5,376	5,056
<u>In Percent of Beginning of Money Stocks^{5/}</u>									
Net Foreign Assets	9.9%	2.1%	-7.2%	0.2%	2.5%	-2.8%	-3.1%	-4.6%	-6.3%
Net Domestic Assets	-2.6%	6.0%	10.4%	4.0%	3.7%	4.3%	5.3%	6.8%	9.2%
Money (M1)	2.2%	3.1%	0.5%	1.7%	1.0%	0.5%	1.1%	1.0%	0.7%
Quasi Money	5.2%	5.0%	2.7%	2.5%	5.1%	1.0%	1.0%	1.2%	2.2%
Dollarization (% of Total Liquidity) ^{6/}	24.8	22.4	20.6	17.9	16.2	17.3	17.1	17.4	17.4
M2 Multiplier ^{7/}	4.77	5.09	4.71	4.49	4.46	4.25	4.32	3.99	4.04
M2 Velocity ^{8/}	1.24	1.25	1.32	1.39	1.41	1.53	1.52	1.52	1.51
M2 (annual percentage change)	15.1	19.1	10.5	9.5	12.4	8.0	7.2	7.1	6.7
Credit to private sector (annual percentage change) ^{9/}	10.3	11.8	12.1	-1.6	6.7	1.3	0.9	1.3	6.1
Exchange Rate ^{10/}	5.71	5.52	5.51	5.47	5.71	5.96	5.96	5.97	6.01

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.

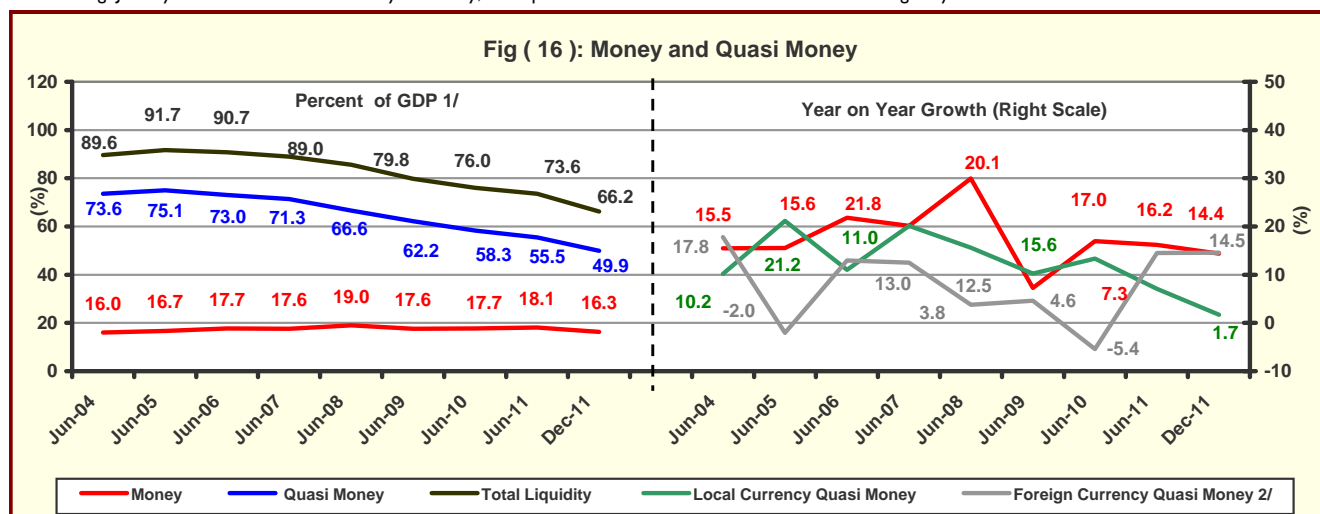
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity . It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

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)

	Dec-06	Dec-07	Dec-08	Dec-09	Dec-10	Sep-11	Oct-11	Nov-11	Dec-11 [*]
Reserve Money	126,111	140,826	167,906	193,063	218,393	241,242	238,818	258,471	257,346
	(10.5)	(14.4)	(19.2)	(15.0)	(13.1)	(11.3)	(13.5)	(16.5)	(17.8)
Currency in Circulation	87,962	103,674	121,280	134,039	153,209	184,981	188,716	190,352	187,292
	(20.2)	(17.9)	(17.0)	(10.5)	(14.3)	(20.8)	(23.3)	(22.3)	(22.2)
Banks LE Deposits with CBE	38,149	37,152	46,626	59,024	65,184	56,261	50,102	68,119	70,054
	--	--	--	(26.6)	(10.4)	-(11.5)	-(12.7)	(2.8)	(7.5)
Counter Assets:									
Net Foreign Assets ^{2/}	80,108	107,207	184,397	177,126	198,207	132,030	120,315	108,397	96,828
	(48.3)	(33.8)	(72.0)	-(3.9)	(11.9)	-(31.1)	-(37.9)	-(44.2)	-(51.1)
Net Domestic Assets ^{2/}	46,003	33,619	-16,491	15,937	20,186	109,212	118,503	150,074	160,518
	--	-(156.7)	-(149.1)	(196.6)	(26.7)	(336.7)	(609.3)	(443.5)	(695.2)
Net Claims on Government ^{3/}	112,470	114,735	86,147	103,989	100,252	147,132	149,542	158,019	153,250
	(5.4)	(2.0)	-(24.9)	(20.7)	-(3.6)	(34.0)	(39.6)	(55.0)	(52.9)
Claims	179,164	191,663	158,886	176,961	176,459	223,608	226,615	237,998	233,811
	(0.3)	(7.0)	-(17.1)	(11.4)	-(0.3)	(22.5)	(24.9)	(33.6)	(32.5)
Securities	164,761	165,688	123,123	127,474	130,597	129,097	129,097	129,097	129,097
Credit Facilities	14,403	25,975	35,763	49,487	45,862	94,511	97,518	108,901	104,714
Deposits ^{4/}	66,694	76,928	72,739	72,972	76,207	76,476	77,073	79,979	80,561
	-(7.4)	(15.3)	-(5.4)	(0.3)	(4.4)	(5.2)	(3.6)	(5.0)	(5.7)
Net Claims on Banks	37,665	67,907	4,169	7,048	39,848	-2,853	-2,231	-2,048	-1,665
Net Balancing Items ^{5/}	-146,837	-149,023	-106,807	-95,100	-119,914	-35,067	-28,808	-5,897	8,933
Memorandum Items									
Reserve Money Velocity ^{6/, 7/}	5.91	6.36	6.21	6.25	6.28	6.51	6.57	6.07	6.10

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)

	Dec-06	Dec-07	Dec-08	Dec-09	Dec-10	Sep-11	Oct-11	Nov-11	Dec-11 [*]
Total Deposits	593,849	709,461	775,958	859,223	952,133	978,125	981,239	979,956	989,427
	(9.5)	(19.5)	(9.4)	(10.7)	(10.8)	(5.9)	(4.6)	(4.6)	(3.9)
In local currency	413,036	516,448	573,854	660,087	743,551	746,324	751,000	747,536	755,416
In foreign currency	180,813	193,013	202,104	199,136	208,582	231,801	230,239	232,420	234,011
Non Government Deposits ^{2/}	521,765	624,551	682,264	744,826	836,636	857,429	861,242	860,341	868,903
	(14.4)	(19.7)	(9.2)	(9.2)	(12.3)	(5.8)	(4.5)	(4.3)	(3.9)
In local currency	371,240	462,758	517,176	587,529	675,283	676,726	681,421	677,728	684,312
In foreign currency	150,525	161,793	165,088	157,297	161,353	180,703	179,821	182,613	184,591
Government Deposits	72,084	84,910	93,694	114,397	115,497	120,696	119,997	119,615	120,524
	-(16.5)	(17.8)	(10.3)	(22.1)	(1.0)	(6.6)	(5.7)	(6.2)	(4.4)
In local currency	41,796	53,690	56,678	72,558	68,268	69,598	69,579	69,808	71,104
In foreign currency	30,288	31,220	37,016	41,839	47,229	51,098	50,418	49,807	49,420
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	30.4	27.2	26.0	23.2	21.9	23.7	23.5	23.7	23.7
Dollarization in Non-Government Deposits	28.8	25.9	24.2	21.1	19.3	21.1	20.9	21.2	21.2
Dollarization in Government Deposits	42.0	36.8	39.5	36.6	40.9	42.3	42.0	41.6	41.0

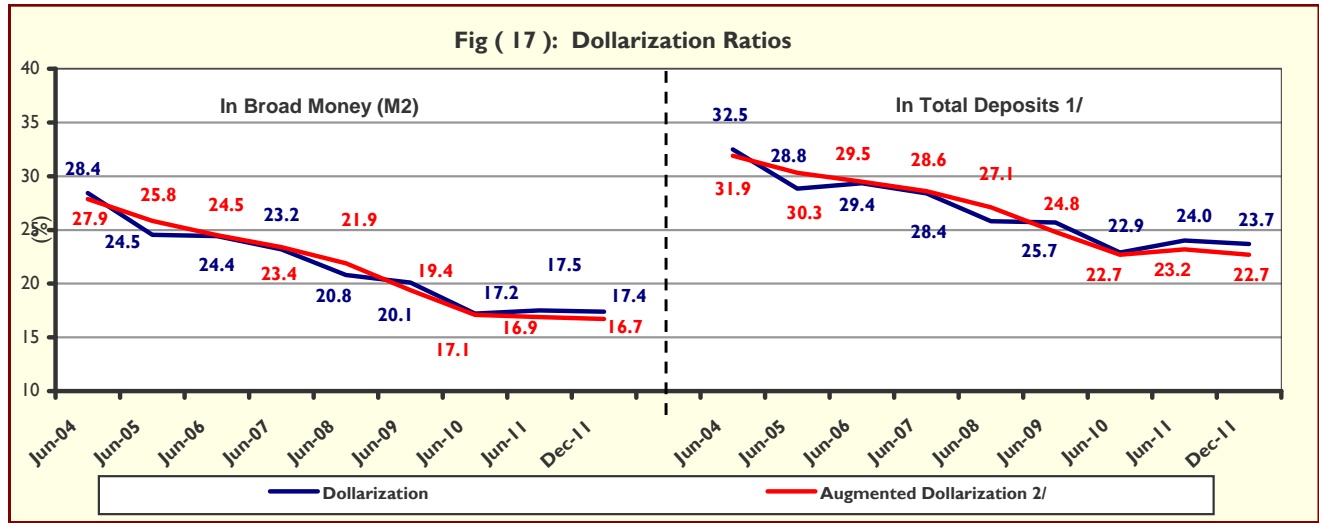
Source: Central bank of Egypt.

() 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)

	Dec-06	Dec-07	Dec-08	Dec-09	Dec-10	Sep-11	Oct-11	Nov-11	Dec-11 [*]
Total lending	343,935	381,773	429,188	432,597	458,081	478,956	481,703	486,314	489,729
	(8.7)	(11.0)	(12.4)	(0.8)	(5.9)	(2.5)	(2.2)	(2.5)	(6.9)
To Government ^{2/}	23,768	31,956	31,679	34,191	38,172	38,026	37,800	36,841	37,227
	(13.2)	(34.4)	-(0.9)	(7.9)	(11.6)	(2.5)	(0.4)	-(4.4)	-(2.5)
In local currency	11,911	11,024	8,034	13,082	19,457	17,656	17,477	17,089	16,844
In foreign currency	11,857	20,932	23,645	21,109	18,715	20,370	20,323	19,752	20,383
To Non-Government	320,167	349,817	397,509	398,406	419,909	440,930	443,903	449,473	452,502
	(8.4)	(9.3)	(13.6)	(0.2)	(5.4)	(2.5)	(2.3)	(3.1)	(7.8)
In local currency	237,106	247,756	276,948	281,143	288,094	315,390	320,213	324,758	328,537
In foreign currency	83,061	102,061	120,561	117,263	131,815	125,540	123,690	124,715	123,965
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	82.9	84.5	85.9	83.9	84.6	84.8	84.7	84.8	84.5
Non Government Loans/ Deposits ^{4/}	61.4	56.0	58.3	53.5	50.2	51.4	51.5	52.2	52.1
Government Loans / Deposits	33.0	37.6	33.8	29.9	33.1	31.5	31.5	30.8	30.9
Foreign currency denominated credit to total credit	27.6	32.2	33.6	32.0	32.9	30.5	29.9	29.7	29.5
Government foreign currency denominated credit to total government credit	49.9	65.5	74.6	61.7	49.0	53.6	53.8	53.6	54.8
Non - government foreign currency denominated credit to total non-government credit	25.9	29.2	30.3	29.4	31.4	28.5	27.9	27.7	27.4

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

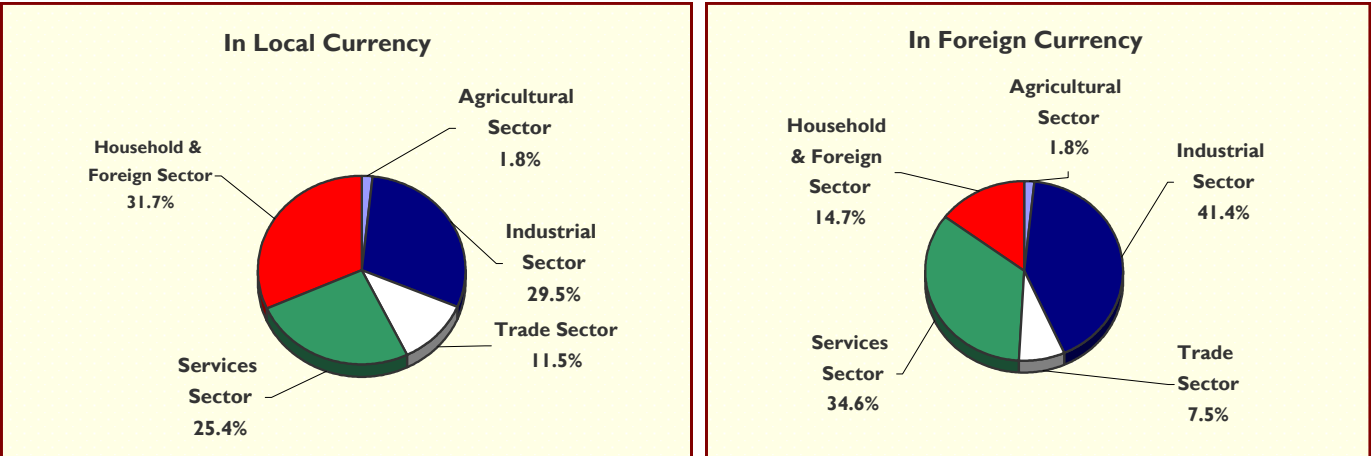
1/ Excludes credit provided by the Central Bank of Egypt.

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
December-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						
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	11.80	7.20	14.08	11.50	9.00
Jan-12	9.50	--	--	13.83	11.50	9.00

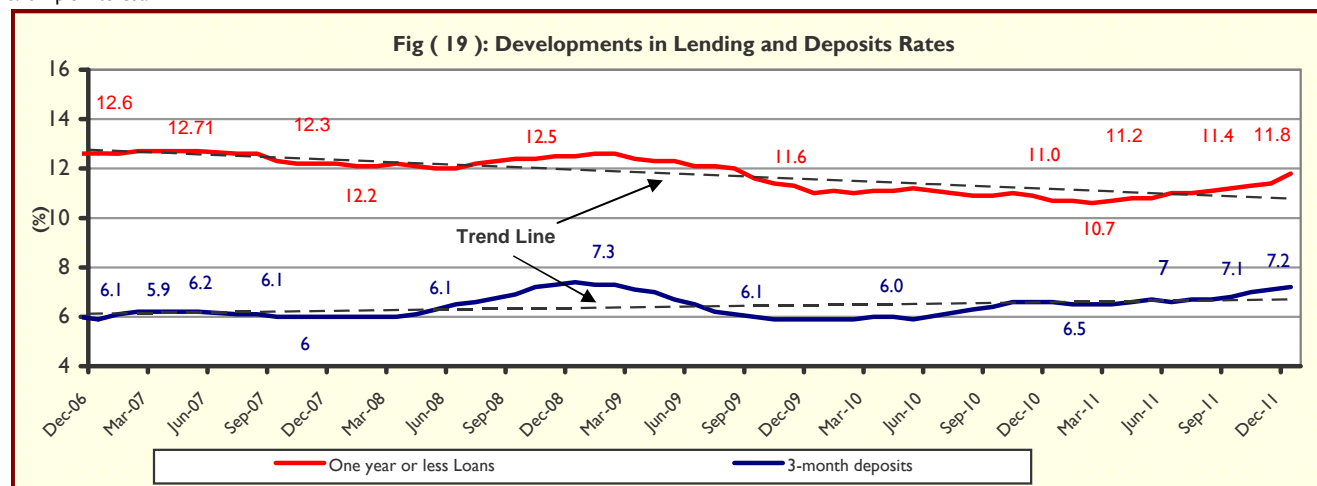
Source: Central Bank of Egypt.

-- Data unavailable.

1/ End of period rate.

/ 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.

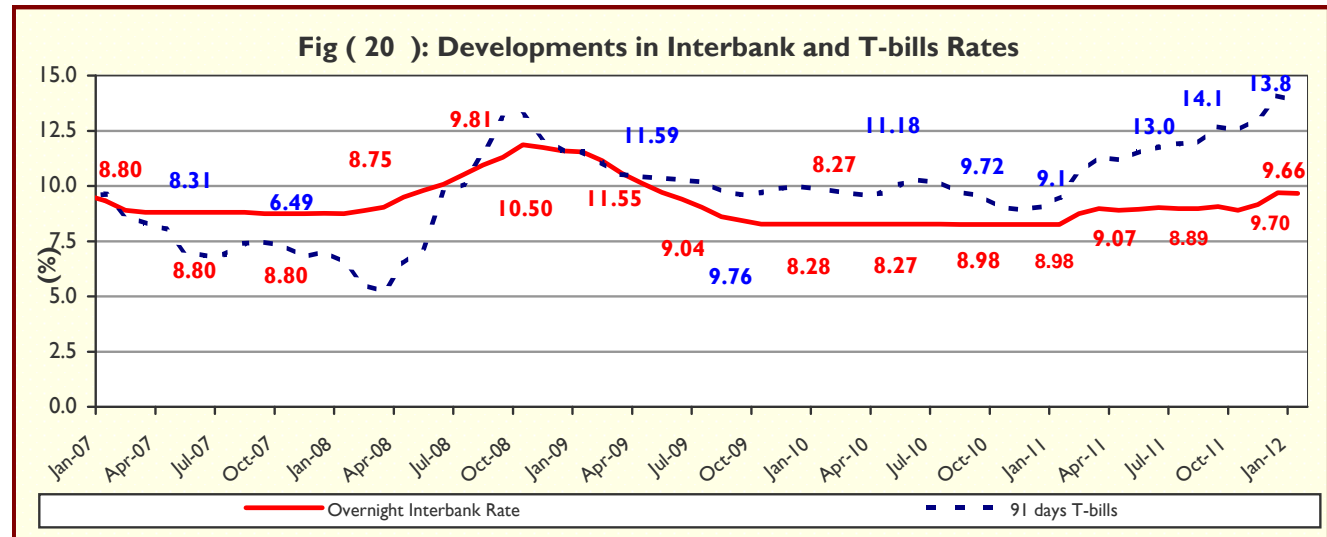
Table (30) : Average Interbank Rates ^{1/}

	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				
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
Jan-12	9.66	9.81	9.94	9.90

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'.



Source: Central Bank of Egypt.