

Section 6

MONETARY SECTOR

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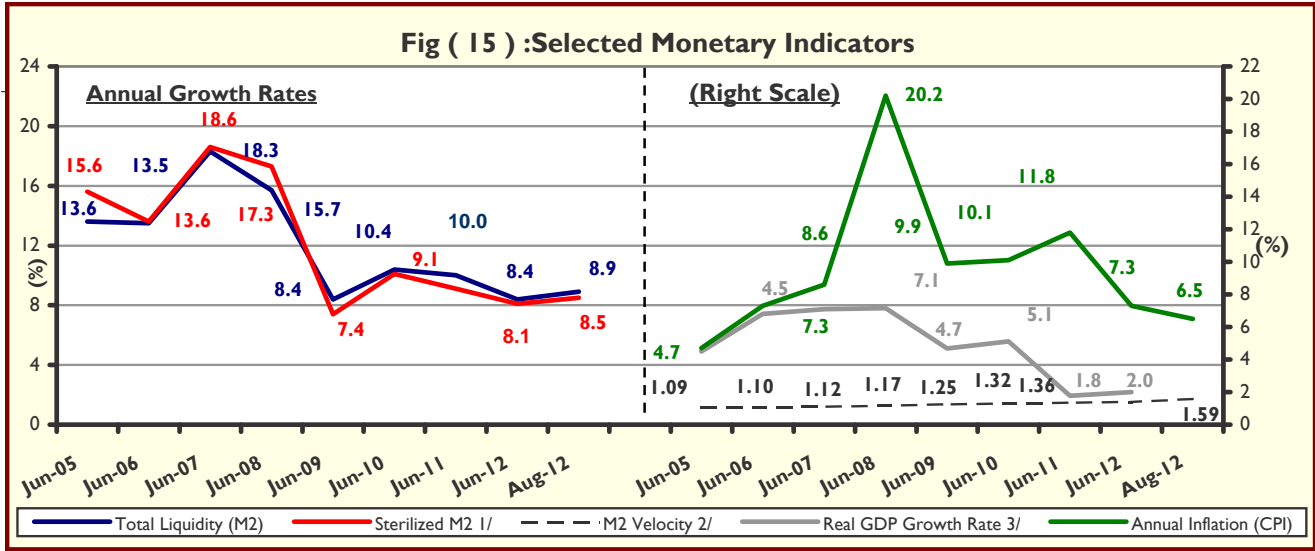
**Table (24) : Developments in Main Monetary Aggregates
(August 2012)**

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-1.5	-2.5	-36.7	-35.1
CBE NFA	2.0	-6.1	-48.5	-47.9
CBE NIR	5.2	-1.9	-38.3	-42.8
Banks NFA 2/	-4.3	0.9	-21.2	-13.7
Net Foreign Assets (US dollar terms)	-1.8	-3.1	-37.9	-37.0
CBE NFA	1.6	-6.7	-49.5	-49.3
CBE NIR	4.9	-2.5	-39.5	-44.4
Banks NFA 2/	-4.6	0.2	-22.7	-16.1
Net Domestic Assets	1.7	5.7	23.0	24.2
Net Claims on Government and GASC	2.7	8.9	32.7	36.4
Claims on Public Companies	1.2	-0.9	21.7	20.4
Claims on Private Sector	0.4	1.2	6.7	5.0
Total Liquidity (M2)	1.2	4.5	8.9	7.5
Money (M1)	2.0	7.3	9.1	11.4
Quasi Money	1.0	3.5	8.8	6.4

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 Planning, GDP (at market prices) for 2012/2013 is projected to reach LE 1778 billion compared to a revised figure of LE 1542.3 billion in 2011/2012.

Table (25) : Monetary Survey
Assets and Liabilities of The Banking Sector
(August 2012)

(LE Millions)

	Aug-07	Aug-08	Aug-09	Aug-10	Aug-11	May-12	Jun-12 [#]	Jul-12 [#]	Aug-12 [*]
Net Foreign Assets 1/	214,145	291,210	256,428	305,893	242,729	157,609	157,624	156,065	153,731
	(43.4)	(36.0)	-(11.9)	(19.3)	-(20.6)	-(37.9)	-(37.8)	-(38.5)	-(36.7)
Central bank (Net)	101,854	183,144	171,542	191,915	137,597	75,449	76,059	69,477	70,843
Foreign Assets	165,290	184,820	179,900	200,322	146,765	91,672	92,169	85,598	89,976
Foreign Liabilities	63,436	1,676	8,358	8,407	9,168	16,223	16,110	16,121	19,133
Banks (Net)	112,291	108,066	84,886	113,978	105,132	82,160	81,565	86,588	82,888
Foreign Assets	135,407	133,511	112,561	152,347	134,860	114,941	114,796	116,647	113,778
Foreign Liabilities	23,116	25,445	27,675	38,369	29,728	32,781	33,231	30,059	30,890
Net Domestic Assets of which:	462,764	489,989	580,075	629,341	781,630	909,972	936,784	945,809	961,536
	(8.8)	(5.9)	(18.4)	(8.5)	(24.2)	(22.8)	(23.9)	(23.6)	(23.0)
Net Claims on Government, and GASC 1	187,094	194,093	299,785	334,779	463,579	564,769	578,654	599,146	615,055
National Currency	238,561	245,955	363,887	402,862	552,703	625,854	638,492	656,644	667,566
Foreign Currency	-51,467	-51,862	-64,102	-68,083	-89,124	-61,085	-59,838	-57,498	-52,511
Claims on Public Business Sector	25,458	27,603	33,067	30,902	34,231	42,025	40,620	41,177	41,662
National Currency	18,651	19,963	25,023	22,176	26,094	33,136	31,784	32,471	33,043
Foreign Currency	6,807	7,640	8,044	8,726	8,137	8,889	8,836	8,706	8,619
Claims on Private Sector 2/	335,952	380,451	383,685	420,588	424,924	447,948	453,292	451,527	453,497
National Currency	248,019	271,943	285,781	308,461	318,334	344,338	348,849	347,823	349,115
Foreign Currency	87,933	108,508	97,904	112,127	106,590	103,610	104,443	103,704	104,382
Other Items (net) 1/ 3/	-85,740	-112,158	-136,462	-156,928	-141,104	-144,770	-135,782	-146,041	-148,678
Total Liquidity (M2)	676,909	781,199	836,503	935,234	1,024,359	1,067,581	1,094,408	1,101,874	1,115,267
	(17.8)	(15.4)	(7.1)	(11.8)	(9.5)	(7.4)	(8.4)	(8.1)	(8.9)
Money (M1) 4/	139,310	175,365	187,894	218,489	260,197	264,626	274,510	278,388	283,817
	(20.5)	(25.9)	(7.1)	(16.3)	(19.1)	(8.4)	(10.4)	(9.5)	(9.1)
Currency in Circulation	91,327	108,835	122,890	141,715	178,363	187,396	194,027	196,361	202,586
Demand Deposits in Local Currency	47,983	66,530	65,004	76,774	81,834	77,230	80,483	82,027	81,231
Quasi Money	537,599	605,834	648,609	716,745	764,162	802,955	819,898	823,486	831,450
	(17.2)	(12.7)	(7.1)	(10.5)	(6.6)	(7.0)	(7.8)	(7.7)	(8.8)
Local Currency Time and Savings Deposits	382,640	445,311	486,622	558,142	587,523	617,905	633,858	637,110	643,869
Foreign Currency Demand Deposits	25,566	29,015	31,001	35,815	40,848	46,053	44,965	45,224	45,318
Foreign Currency Time and Savings Deposits	129,393	131,508	130,986	122,788	135,791	138,997	141,075	141,152	142,263

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)
(August 2012)

	Aug-07	Aug-08	Aug-09	Aug-10	Aug-11	May-12	Jun-12 [#]	Jul-12 [#]	Aug-12 [*]
Net Foreign Assets (In Million US\$) ^{4/}	37,914	54,715	46,386	53,843	40,801	26,146	26,126	25,807	25,342
Central bank NFA	18,033	34,411	31,031	33,781	23,129	12,516	12,607	11,489	11,678
Net International Reserves	49,146	55,030	47,898	55,323	42,342	28,837	28,796	28,473	28,496
Central Bank (Gross)	29,665	34,819	32,914	35,527	25,008	15,515	15,534	14,422	15,127
Banks (net)	19,881	20,304	15,355	20,062	17,672	13,630	13,519	14,318	13,664
Foreign assets	23,974	25,085	20,361	26,816	22,669	19,068	19,027	19,289	18,756
Foreign Liabilities	4,093	4,781	5,006	6,754	4,997	5,438	5,508	4,971	5,092
<u>In Percent of Beginning of Money Stocks ^{5/}</u>									
Net Foreign Assets	-0.7%	-1.6%	0.3%	2.6%	-1.1%	-9.5%	-9.5%	-0.1%	-0.4%
Net Domestic Assets	2.8%	3.5%	0.4%	-0.6%	2.5%	15.3%	17.9%	0.8%	2.3%
Money (M1)	1.2%	0.6%	0.6%	0.5%	1.1%	1.6%	2.6%	0.4%	0.9%
Quasi Money	0.9%	1.3%	0.0%	1.5%	0.3%	4.2%	5.9%	0.3%	1.1%
Dollarization (% of Total Liquidity) ^{6/}	22.9	20.5	19.4	17.0	17.2	17.3	17.0	16.9	16.8
M2 Multiplier ^{7/}	4.68	4.68	4.53	4.29	4.05	4.07	4.15	4.30	4.34
M2 Velocity ^{8/}	1.32	1.33	1.44	1.47	1.51	1.44	1.41	1.61	1.59
M2 (annual percentage change)	17.8	15.4	7.1	11.8	9.5	7.4	8.4	8.1	8.9
Credit to private sector (annual percentage change) ^{9/}	14.5	13.2	0.9	9.6	1.0	7.3	7.3	6.8	6.7
Exchange Rate ^{10/}	5.65	5.32	5.53	5.68	5.95	6.03	6.03	6.05	6.07

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.

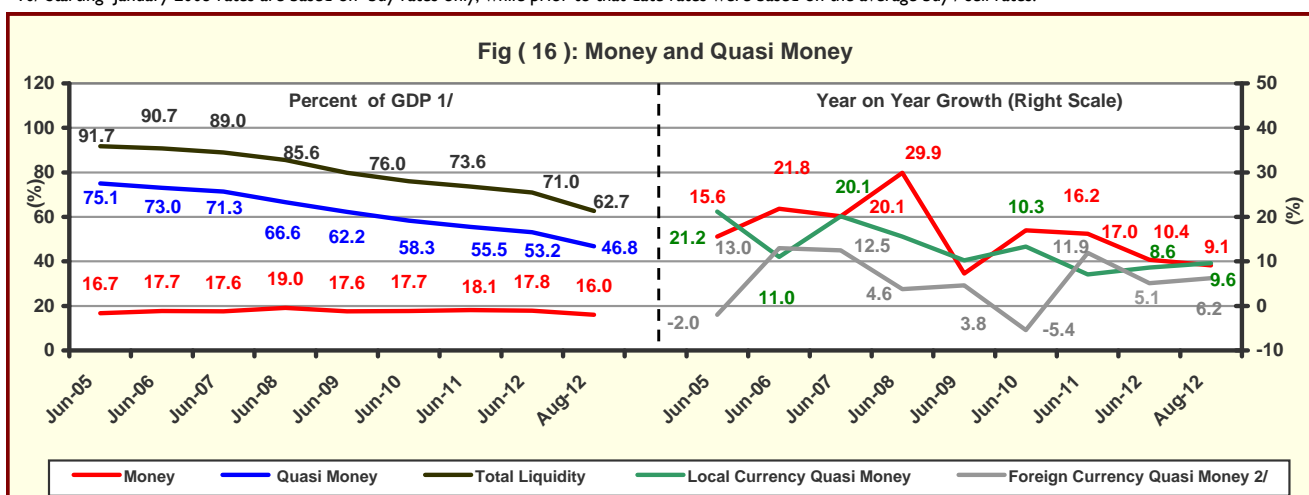
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity . It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

7/ M2 / Reserve Money.

8/ GDP / M2. According to the Ministry of Planning, GDP (at market prices) for 2012/2013 is projected to reach LE 1778 billion compared to a revised figure of LE 1542.3 billion in 2011/2012.

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 Planning, GDP (at market prices) for 2012/2013 is projected to reach LE 1778 billion compared to a revised figure of LE 1542.3 billion in 2011/2012.

2/ Foreign currency demand, and time and savings deposits.

Table (26) : Central Bank Reserve Money ^{1/}

(LE Millions)

	Aug-07	Aug-08	Aug-09	Aug-10	Aug-11	May-12	Jun-12 [#]	Jul-12 [#]	Aug-12 [*]
Reserve Money	144,579	167,009	184,745	217,936	253,221	262,213	263,668	256,235	256,705
	(20.2)	(17.7)	(10.6)	(18.0)	(16.2)	(6.1)	(5.1)	(1.3)	(1.4)
Currency in Circulation	96,557	115,585	131,001	151,661	190,086	197,071	204,870	208,398	214,650
	(16.8)	(19.7)	(13.3)	(15.8)	(25.3)	(10.3)	(14.4)	(14.2)	(12.9)
Banks LE Deposits with CBE	48,022	51,424	53,744	66,275	63,135	65,142	58,798	47,837	42,055
	(27.5)	16.73	(9.2)	(23.3)	-(4.7)	-(4.9)	-(18.2)	-(32.0)	-(33.4)
Counter Assets:									
Net Foreign Assets ^{2/}	101,854	183,144	171,542	191,915	137,597	75,449	76,059	69,477	70,843
	(49.8)	(79.8)	-(6.3)	(11.9)	-(28.3)	-(49.7)	-(48.3)	-(51.0)	-(48.5)
Net Domestic Assets ^{2/}	42,725	-16,135	13,203	26,021	115,624	186,764	187,609	186,758	185,862
	-(18.3)	(100.1)	(181.8)	(97.1)	(344.3)	(92.6)	(80.7)	(68.2)	(60.7)
Net Claims on Government ^{3/}	121,341	93,512	96,519	110,475	131,209	175,688	165,374	182,962	192,668
	(15.0)	-(22.9)	(3.2)	(14.5)	(18.8)	(49.9)	(61.2)	(43.1)	(46.8)
Claims	198,073	163,383	167,494	182,424	207,266	257,741	256,605	263,167	271,473
	(15.8)	-(17.5)	(2.5)	(8.9)	(13.6)	(27.9)	(35.3)	(29.4)	(31.0)
Securities	165,688	123,123	130,771	130,597	129,097	129,097	178,831	178,831	178,831
Credit Facilities	32,385	40,260	36,723	51,827	78,169	128,644	77,774	84,336	92,642
Deposits ^{4/}	76,732	69,871	70,975	71,949	76,057	82,053	91,231	80,205	78,805
	(17.0)	-(8.9)	(1.6)	(1.4)	(5.7)	-(2.7)	(4.8)	(6.1)	(3.6)
Net Claims on Banks	52,448	57,492	4,439	46,309	-1,585	-1,767	-2,706	-1,123	-1,105
Net Balancing Items ^{5/}	-180,327	-167,139	-87,755	-130,763	-14,000	12,843	24,941	4,919	-5,701
Memorandum Items									
Reserve Money Velocity ^{6/, 7/}	6.19	6.24	6.53	6.29	6.09	5.88	5.85	6.94	6.93

Source: Central Bank of Egypt.

() Percent change over same period in previous year.

* Preliminary.

Revised.

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 Planning, GDP (at market prices) for 2012/2013 is projected to reach LE 1778 billion compared to a revised figure of LE 1542.3 billion in 2011/2012.

Table (27) : Deposits With Banks ^{1/}

(LE Millions)

	Jul-07	Jul-08	Jul-09	Jul-10	Jul-11	May-12	Jun-12	Jul-12 [#]	Aug-12 [*]
Total Deposits	662,342	763,417	822,570	901,024	972,788	1,011,174	1,026,686	1,029,584	1,035,884
	(14.7)	(15.3)	(7.7)	(9.5)	(8.0)	(6.2)	(6.4)	(5.8)	(6.5)
In local currency	477,118	567,422	614,630	693,506	737,531	768,418	780,886	785,611	791,422
In foreign currency	185,224	195,995	207,940	207,518	235,257	242,756	245,800	243,973	244,462
Non Government Deposits ^{2/}	585,507	672,637	718,812	788,806	854,327	887,341	908,070	912,570	920,047
	(19.1)	(14.9)	(6.9)	(9.7)	(8.3)	(6.5)	(7.1)	(6.8)	(7.9)
In local currency	430,699	510,834	551,962	627,070	671,214	698,633	718,217	722,459	728,530
In foreign currency	154,808	161,803	166,850	161,736	183,113	188,708	189,853	190,111	191,517
Government Deposits	76,835	90,780	103,758	112,218	118,461	123,833	118,616	117,014	115,837
	-(10.1)	(18.1)	(14.3)	(8.2)	(5.6)	(4.6)	(1.2)	-(1.2)	-(3.5)
In local currency	46,419	56,588	62,668	66,436	66,317	69,785	62,669	63,152	62,892
In foreign currency	30,416	34,192	41,090	45,782	52,144	54,048	55,947	53,862	52,945
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	28.0	25.7	25.3	23.0	24.2	24.0	23.9	23.7	23.6
Dollarization in Non-Government Deposits	26.4	24.1	23.2	20.5	21.4	21.3	20.9	20.8	20.8
Dollarization in Government Deposits	39.6	37.7	39.6	40.8	44.0	43.6	47.2	46.0	45.7

Source: Central bank of Egypt.

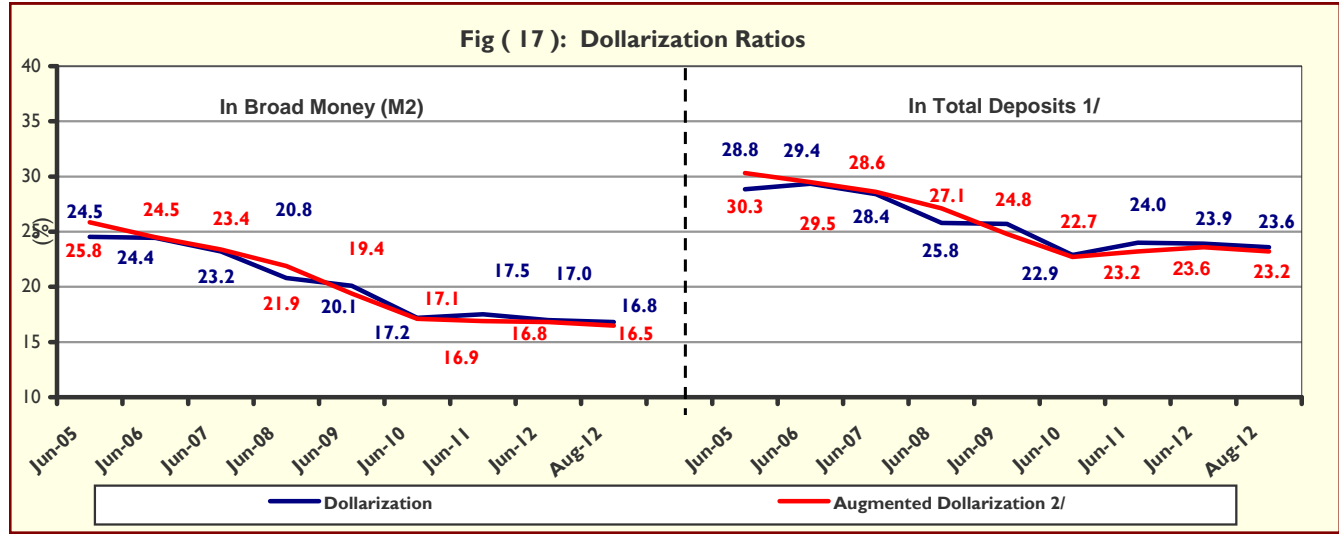
() Percent change over same period in previous year.

* Preliminary.

Revised

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)

	Aug-07	Aug-08	Aug-09	Aug-10	Aug-11	May-12	Jun-12	Jul-12	Aug-12 [*]
Total lending	361,054	414,048	427,506	466,853	476,596	502,274	506,736	505,140	505,501
	(10.5)	(14.7)	(3.3)	(9.2)	(2.1)	(6.7)	(6.9)	(6.3)	(6.1)
To Government ^{2/}	26,615	30,552	31,701	35,475	38,635	32,660	33,589	33,183	33,807
	(19.3)	(14.8)	(3.8)	(11.9)	(8.9)	-(19.1)	-(15.6)	-(17.7)	-(12.5)
In local currency	10,464	9,089	13,824	18,452	17,739	15,562	14,615	14,262	13,902
In foreign currency	16,151	21,463	17,877	17,023	20,896	17,098	18,974	18,921	19,905
To Non-Government	334,439	383,496	395,805	431,378	437,961	469,614	473,147	471,957	471,694
	(9.9)	(14.7)	(3.2)	(9.0)	(1.5)	(9.1)	(8.9)	(8.5)	(7.7)
In local currency	241,283	264,093	280,864	297,195	312,316	346,445	349,560	349,149	349,778
In foreign currency	93,156	119,403	114,941	134,183	125,645	123,169	123,587	122,808	121,916
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	85.7	86.0	84.9	85.8	84.8	85.2	85.4	85.3	85.1
Non Government Loans/ Deposits ^{4/}	56.7	56.6	55.0	53.9	51.4	52.9	52.1	51.7	51.3
Government Loans / Deposits	32.9	33.6	30.3	31.9	32.2	26.4	28.3	28.4	29.2
Foreign currency denominated credit to total credit	30.3	34.0	31.1	32.4	30.7	27.9	28.1	28.1	28.1
Government foreign currency denominated credit to total government credit	60.7	70.3	56.4	48.0	54.1	52.4	56.5	57.0	58.9
Non - government foreign currency denominated credit to total non-government credit	27.9	31.1	29.0	31.1	28.7	26.2	26.1	26.0	25.8

Source: Central Bank of Egypt.

() Percent change over previous year

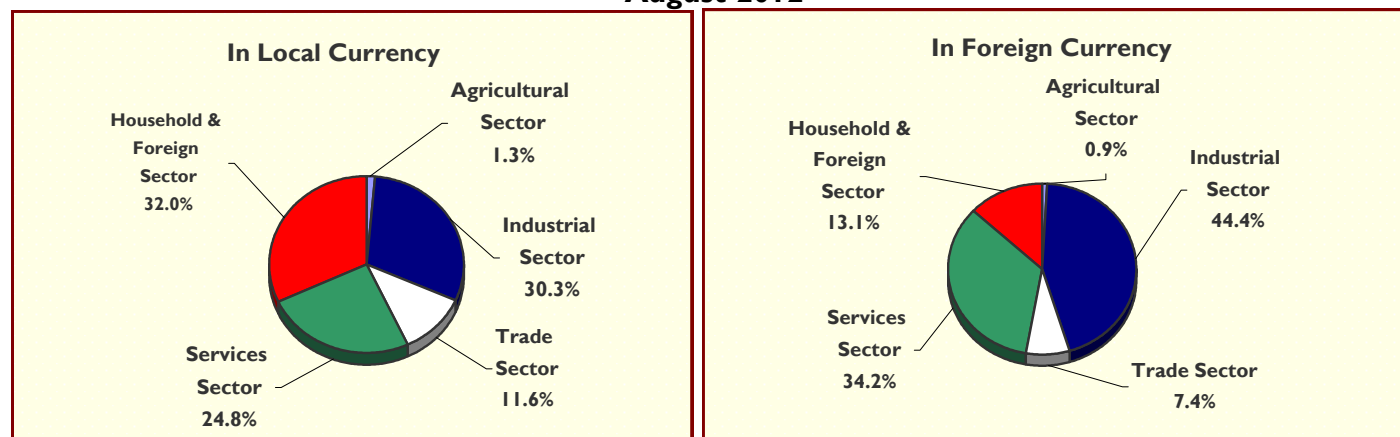
* Preliminary.

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
August-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 Savings 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						
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	11.90	7.70	14.60	11.50	9.00
Jul-12	9.50	12.00	7.70	14.33	11.50	9.00
Aug-12	9.50	12.00	7.70	14.21	11.50	9.00
Sep-12	9.50	--	--	13.43	11.50	9.00

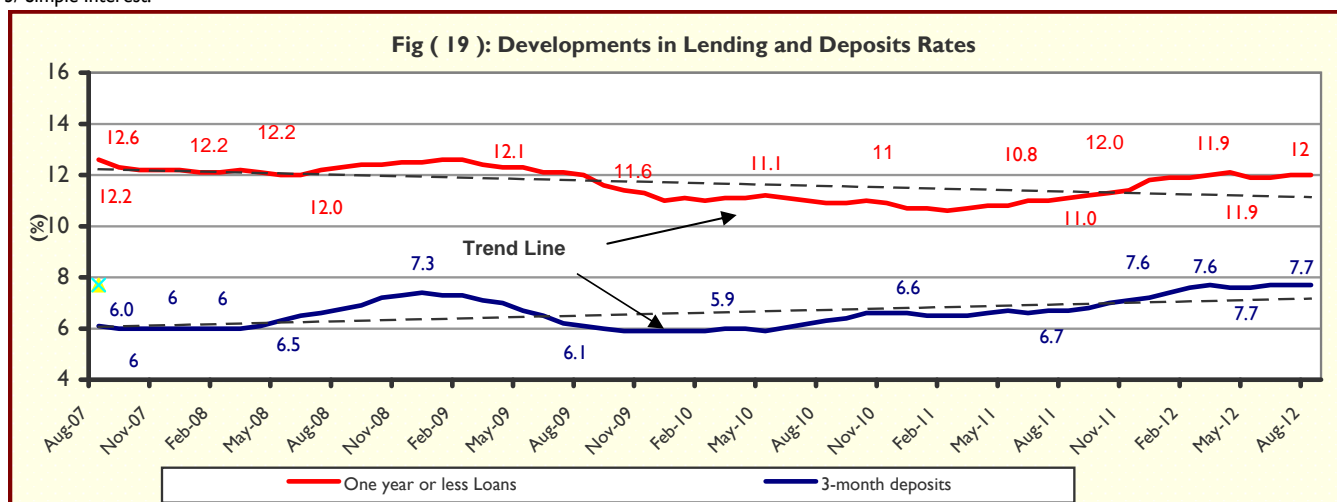
Source: Central Bank of Egypt.

-- 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.



Source: Central Bank of Egypt.

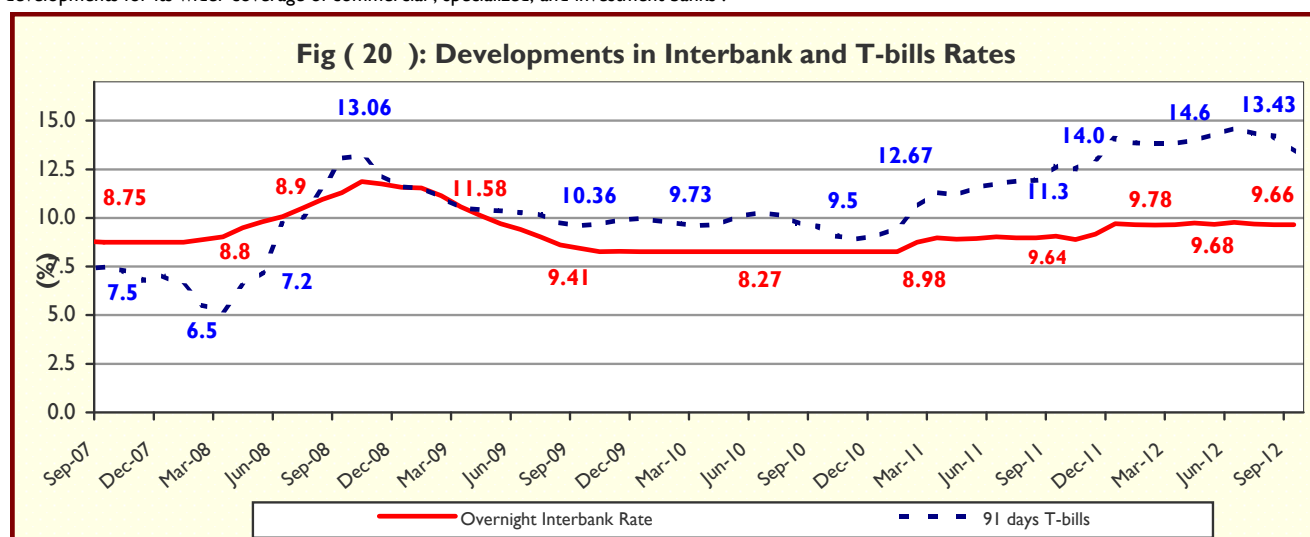
Table (30) : Average Interbank Rates ^{1/}

	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				
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	--
Jul-12	9.68	9.85	10.25	10.00
Aug-12	9.65	9.79	9.85	10.49
Sep-12	9.66	9.83	9.96	10.05

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.