

Section 6

MONETRY SECTOR

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

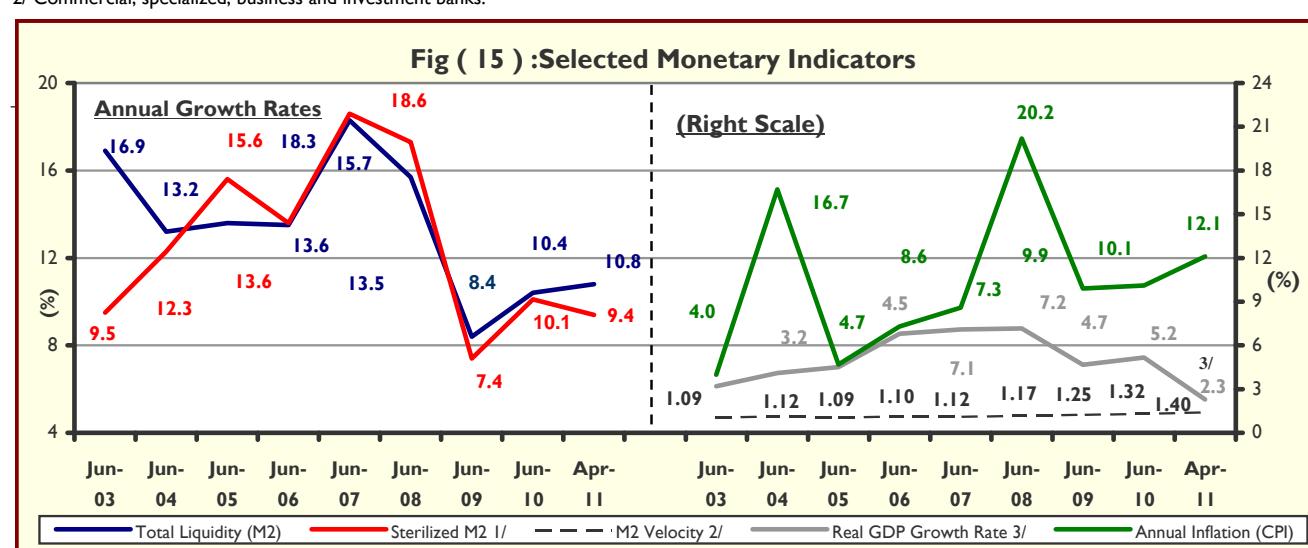
	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-3.7	-10.5	-11.3	10.0
CBE NFA	-7.5	-20.0	-14.9	6.6
CBE NIR	-6.5	-17.9	-12.8	7.1
Banks NFA 2/	2.9	9.4	-5.2	16.8
Net Foreign Assets (US dollar terms)	-4.1	-12.7	-17.8	5.5
CBE NFA	-8.0	-22.0	-21.2	2.2
CBE NIR	-6.9	-19.9	-19.1	2.7
Banks NFA 2/	2.4	6.7	-12.1	12.0
Net Domestic Assets	1.2	6.9	21.5	12.2
Net Claims on Government and GASC	2.0	15.9	37.8	18.4
Claims on Public Companies	0.1	2.6	-8.9	-6.8
Claims on Private Sector	0.02	1.1	4.5	7.8
Total Liquidity (M2)	-0.1	1.8	10.8	11.5
Money (M1)	0.4	5.4	17.7	16.0
Quasi Money	-0.3	0.6	8.8	10.1

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 Ministry of Economic Development, GDP(at market prices) for 2010/2011 is projected to reach LE 1378 billion, compared to LE 1206.7 billion recorded in 2009/2010.

3/ Real Growth of GDP at market prices. Data reflects the real GDP Growth for the period July-March 2010/2011.

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

	Apr-06	Apr-07	Apr-08	Apr-09	Apr-10	Jan-11	Feb-11	Mar-11	Apr-11*
Net Foreign Assets 1/	139,372	206,981	251,529	242,438	288,939	286,196	274,549	266,036	256,212
	(85.4)	(48.5)	(21.5)	-(3.6)	(19.2)	(9.6)	(1.4)	-(3.7)	-(11.3)
Central bank (Net)	60,787	86,149	114,997	171,632	181,980	193,507	184,740	167,446	154,804
Foreign Assets	128,591	151,420	180,171	173,210	190,248	201,551	192,784	175,498	162,851
Foreign Liabilities	67,804	65,271	65,174	1,578	8,268	8,044	8,044	8,052	8,047
Banks (Net)	78,585	120,832	136,532	70,806	106,959	92,689	89,809	98,590	101,408
Foreign Assets	96,036	141,462	163,081	99,352	134,702	132,870	132,332	136,404	136,472
Foreign Liabilities	17,451	20,630	26,549	28,546	27,743	40,181	42,523	37,814	35,064
Net Domestic Assets of which:	406,535	412,198	509,398	569,972	601,437	683,516	707,998	722,040	730,548
	(-0.6)	(1.4)	(23.6)	(11.9)	(5.5)	(12.7)	(17.0)	(18.0)	(21.5)
Net Claims on Government, and GASC 1/	172,339	175,729	208,768	273,702	310,139	368,796	401,928	419,024	427,490
National Currency	225,895	226,826	258,606	334,727	378,232	449,599	485,646	504,752	511,362
Foreign Currency	-53,556	-51,097	-49,838	-61,025	-68,093	-80,803	-83,718	-85,727	-83,872
Claims on Public Business Sector	34,509	25,232	27,420	30,933	36,961	32,840	33,296	33,668	33,688
National Currency	28,040	19,506	19,986	21,748	27,967	24,322	24,516	24,991	25,119
Foreign Currency	6,469	5,726	7,434	9,185	8,994	8,518	8,780	8,677	8,569
Claims on Private Sector 2/	285,559	320,801	363,053	391,277	399,778	413,103	416,371	417,777	417,846
National Currency	217,773	239,362	261,402	285,334	295,186	301,213	304,294	306,645	308,571
Foreign Currency	67,786	81,439	101,651	105,943	104,592	111,890	112,077	111,132	109,275
Other Items (net) 1/ 3/	-85,872	-109,564	-89,843	-125,940	-145,441	-131,223	-143,597	-148,429	-148,476
Total Liquidity (M2)	545,907	619,179	760,927	812,410	890,376	969,712	982,547	988,076	986,760
	(12.8)	(13.4)	(22.9)	(6.8)	(9.6)	(11.8)	(12.2)	(11.2)	(10.8)
Money (M1) 4/	106,158	126,096	165,815	176,539	205,416	229,528	239,401	240,814	241,863
	(21.5)	(18.8)	(31.5)	(6.5)	(16.4)	(16.4)	(19.9)	(19.3)	(17.7)
Currency in Circulation	70,857	83,700	100,555	114,214	130,271	145,857	161,818	163,489	165,003
Demand Deposits in Local Currency	35,301	42,396	65,260	62,325	75,145	83,671	77,583	77,325	76,860
Quasi Money	439,749	493,083	595,112	635,871	684,960	740,184	743,146	747,262	744,897
	(10.8)	(12.1)	(20.7)	(6.8)	(7.7)	(10.4)	(9.9)	(8.9)	(8.8)
Local Currency Time and Savings Deposits	306,111	346,414	426,989	466,443	529,535	579,119	568,572	567,394	566,259
Foreign Currency Demand Deposits	22,195	22,396	36,593	30,900	29,998	38,134	45,829	46,257	44,613
Foreign Currency Time and Savings Deposits	111,443	124,273	131,530	138,528	125,427	122,931	128,745	133,611	134,025

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)
 (April 2011)

	Apr-06	Apr-07	Apr-08	Apr-09	Apr-10	Jan-11	Feb-11	Mar-11	Apr-11*
Net Foreign Assets (In Million US\$)^{4/}	24,284	36,419	46,450	43,135	52,421	49,367	46,693	44,951	43,086
Central bank NFA	10,591	15,158	21,237	30,537	33,016	33,379	31,419	28,292	26,032
Net International Reserves	36,098	47,904	58,486	43,416	53,922	50,754	48,062	46,311	44,439
Central Bank (Gross)	22,794	27,118	33,810	31,189	34,654	35,007	33,321	30,106	28,024
Banks (net)	13,693	21,261	25,214	12,598	19,405	15,988	15,274	16,658	17,053
Foreign assets	16,733	24,891	30,116	17,677	24,439	22,919	22,506	23,047	22,950
Foreign Liabilities	3,041	3,630	4,903	5,079	5,033	6,931	7,232	6,389	5,897
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	11.8%	13.1%	5.0%	-8.0%	4.2%	0.4%	-0.9%	-1.8%	-2.9%
Net Domestic Assets	-1.3%	-2.6%	9.9%	14.0%	2.9%	5.3%	8.0%	9.5%	10.4%
Money (M1)	3.3%	3.0%	5.2%	0.8%	2.7%	1.7%	2.8%	2.9%	3.0%
Quasi Money	7.2%	7.5%	9.6%	5.2%	4.4%	4.0%	4.3%	4.8%	4.5%
Dollarization (% of Total Liquidity) ^{6/}	24.5	23.7	22.1	20.9	17.5	16.6	17.8	18.2	18.1
M2 Multiplier ^{7/}	4.81	4.85	4.76	4.77	4.45	4.20	3.98	4.21	4.10
M2 Velocity ^{8/}	1.13	1.20	1.18	1.28	1.36	1.42	1.40	1.39	1.40
M2 (annual percentage change)	12.8	13.4	22.9	6.8	9.6	11.8	12.2	11.2	10.8
Credit to private sector (annual percentage change) ^{9/}	6.9	12.3	13.2	7.8	2.2	7.4	7.6	6.2	4.5
Exchange Rate ^{10/}	5.74	5.68	5.42	5.62	5.51	5.80	5.88	5.92	5.95

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.

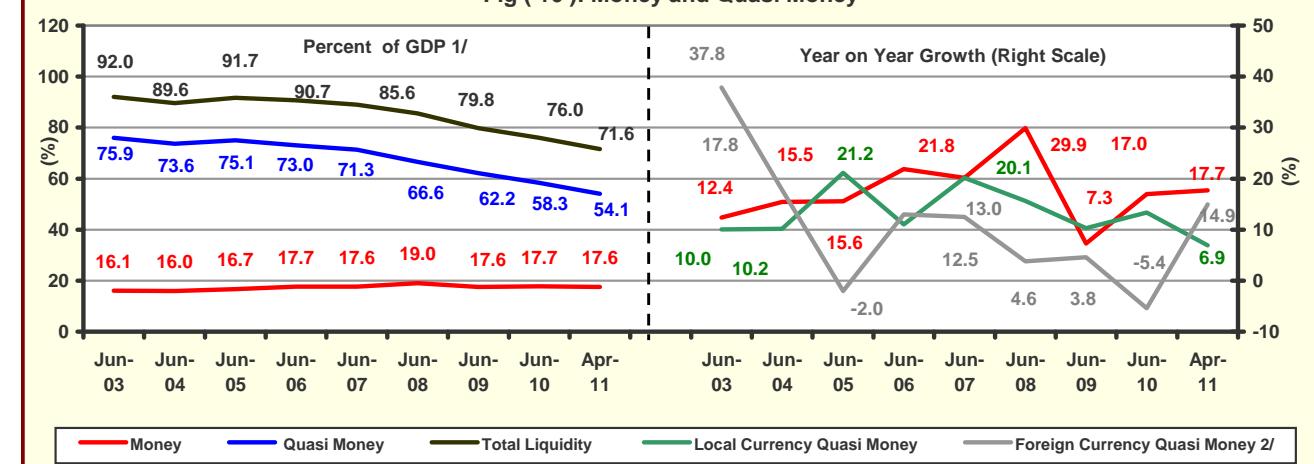
7/ M2 / Reserve Money.

8/ GDP / M2. According to Ministry of Economic Development, GDP(at market prices) for 2010/2011 is projected to reach LE 1378 billion, compared to LE 1206.7 billion recorded in 2009/2010.

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 Ministry of Economic Development, GDP(at market prices) for 2010/2011 is projected to reach LE 1378 billion, compared to LE 1206.7 billion recorded in 2009/2010.

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

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

(LE Millions)

	Apr-06	Apr-07	Apr-08	Apr-09	Apr-10	Jan-11	Feb-11	Mar-11	Apr-11*
Reserve Money	113,498	127,657	159,909	170,474	199,951	230,862	246,961	234,900	240,849
	--	--	(25.3)	(6.6)	(17.3)	(20.1)	(32.0)	(19.8)	(20.5)
Currency in Circulation	75,575	88,846	106,743	121,055	137,852	154,156	177,017	175,647	175,752
	(15.8)	(17.6)	(20.1)	(13.4)	(13.9)	(15.0)	(30.6)	(28.7)	(27.5)
Banks LE Deposits with CBE	37,923	38,811	53,166	49,419	62,099	76,706	69,944	59,253	65,097
	--	--	(10.7)	-(7.0)	(25.7)	(31.9)	(35.8)	-(0.7)	(4.8)
Counter Assets:									
Net Foreign Assets ^{2/}	60,787	86,149	114,997	171,632	181,980	193,507	184,740	167,446	154,804
	(104.0)	(41.7)	(33.5)	(49.2)	(6.0)	(9.6)	(3.7)	-(6.9)	-(14.9)
Net Domestic Assets ^{2/}	52,711	41,508	44,912	-1,158	17,971	37,355	62,221	67,454	86,045
	--	(3.1)	(8.2)	-(102.6)	(1651.9)	(137.8)	(591.9)	(313.9)	(378.8)
Net Claims on Government ^{3/}	117,245	111,917	120,112	86,582	75,556	104,468	106,555	108,831	108,404
	-(1.8)	-(4.5)	(7.3)	-(27.9)	-(12.7)	(5.7)	(11.2)	(27.8)	(43.5)
Claims	181,225	186,591	194,614	162,737	153,421	183,667	187,983	189,582	191,806
	-(14.6)	(3.0)	(4.3)	-(16.4)	-(5.7)	(7.3)	(10.5)	(18.2)	(25.0)
Securities	168,051	164,761	165,438	122,378	124,559	130,597	130,597	130,597	130,597
Credit Facilities	13,174	21,830	29,176	40,359	28,862	53,070	57,386	58,985	61,209
Deposits ^{4/}	63,980	74,674	74,502	76,155	77,865	79,199	81,428	80,751	83,402
	-(31.2)	(16.7)	-(0.2)	(2.2)	(2.2)	(9.5)	(9.4)	(7.4)	(7.1)
Net Claims on Banks	5,888	65,373	78,040	-4,331	34,869	17,936	2,169	-1,287	-856
Net Balancing Items ^{5/}	-129,231	-135,782	-153,240	-83,409	-92,454	-85,049	-46,503	-40,090	-21,503
Memorandum Items									
Reserve Money Velocity ^{6/ 7/}	5.44	5.83	5.60	6.11	6.03	5.97	5.58	5.87	5.72

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 Ministry of Economic Development, GDP(at market prices) for 2010/2011 is projected to reach LE 1378 billion, compared to LE 1206.7 billion recorded in 2009/2010.

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

(LE Millions)

	Apr-06	Apr-07	Apr-08	Apr-09	Apr-10	Jan-11	Feb-11	Mar-11 [#]	Apr-11 [*]
Total Deposits	563,987	608,165	754,661	802,348	886,422	944,700	943,706	949,203	945,798
	(10.3)	(7.8)	(24.1)	(6.3)	(10.5)	(10.1)	(9.4)	(8.5)	(6.7)
In local currency	399,184	429,866	551,643	589,864	677,128	733,513	716,017	715,185	712,602
In foreign currency	164,803	178,299	203,018	212,484	209,294	211,187	227,689	234,018	233,196
Non Government Deposits ^{2/}	478,083	540,642	666,744	702,571	765,139	830,359	827,056	831,130	828,193
	(12.9)	(13.1)	(23.3)	(5.4)	(8.9)	(11.3)	(9.9)	(8.7)	(8.2)
In local currency	343,199	392,696	496,687	531,276	607,441	666,004	648,989	647,737	646,119
In foreign currency	134,884	147,946	170,057	171,295	157,698	164,355	178,067	183,393	182,074
Government Deposits	85,904	67,523	87,917	99,777	121,283	114,341	116,650	118,073	117,605
	-(2.4)	-(21.4)	(30.2)	(13.5)	(21.6)	(2.5)	(6.0)	(6.8)	-(3.0)
In local currency	55,985	37,170	54,956	58,588	69,687	67,509	67,028	67,448	66,483
In foreign currency	29,919	30,353	32,961	41,189	51,596	46,832	49,622	50,625	51,122
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	29.2	29.3	26.9	26.5	23.6	22.4	24.1	24.7	24.7
Dollarization in Non-Government Deposits	28.2	27.4	25.5	24.4	20.6	19.8	21.5	22.1	22.0
Dollarization in Government Deposits	34.8	45.0	37.5	41.3	42.5	41.0	42.5	42.9	43.5

Source: Central bank of Egypt.

() Percent change over same period in previous year.

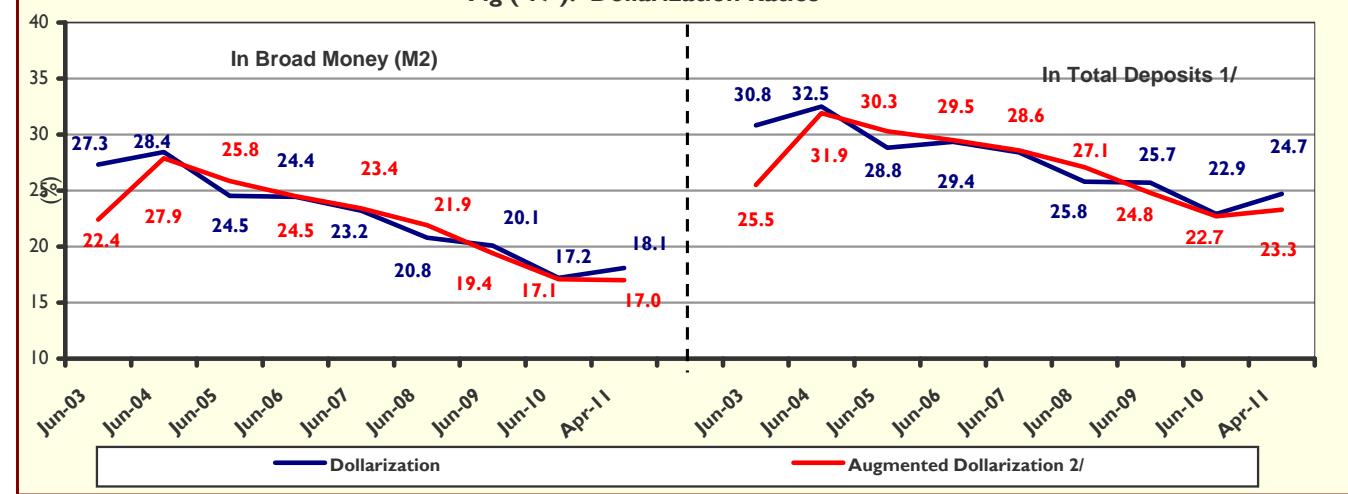
* Preliminary.

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.

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)

	Apr-06	Apr-07	Apr-08	Apr-09	Apr-10	Jan-11	Feb-11	Mar-11	Apr-11
Total lending	318,766	348,581	398,124	431,607	452,905	465,109	469,496	469,961	473,045
	(4.4)	(9.4)	(14.2)	(8.4)	(4.9)	(6.8)	(7.4)	(6.5)	(4.4)
To Government ^{2/}	20,977	26,820	30,767	31,608	38,484	38,782	38,821	38,311	41,449
	(4.4)	(27.9)	(14.7)	(2.7)	(21.8)	(17.6)	(19.0)	(16.2)	(7.7)
In local currency	10,501	11,479	10,302	9,774	14,481	19,175	18,956	18,753	18,617
In foreign currency	10,476	15,341	20,465	21,834	24,003	19,607	19,865	19,558	22,833
To Non-Government	297,789	321,761	367,357	399,999	414,421	426,327	430,675	431,650	431,596
	(4.4)	(8.0)	(14.2)	(8.9)	(3.6)	(6.0)	(6.5)	(5.7)	(4.1)
In local currency	224,822	235,927	256,216	283,246	291,385	292,360	295,812	299,115	301,633
In foreign currency	72,967	85,834	111,141	116,753	123,036	133,967	134,863	132,535	129,963
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	82.7	85.1	85.5	85.5	83.4	84.6	84.7	84.7	84.2
Non Government Loans/ Deposits ^{4/}	62.3	59.5	55.1	56.9	54.2	51.3	52.1	51.9	52.1
Government Loans / Deposits	24.4	39.7	35.0	31.7	31.7	33.9	33.3	32.4	35.2
Foreign currency denominated credit to total credit	26.2	29.0	33.1	32.1	32.5	33.0	33.0	32.4	32.3
Government foreign currency denominated credit to total government credit	49.9	57.2	66.5	69.1	62.4	50.6	51.2	51.1	55.1
Non - government foreign currency denominated credit to total non-government credit	24.5	26.7	30.3	29.2	29.7	31.4	31.3	30.7	30.1

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

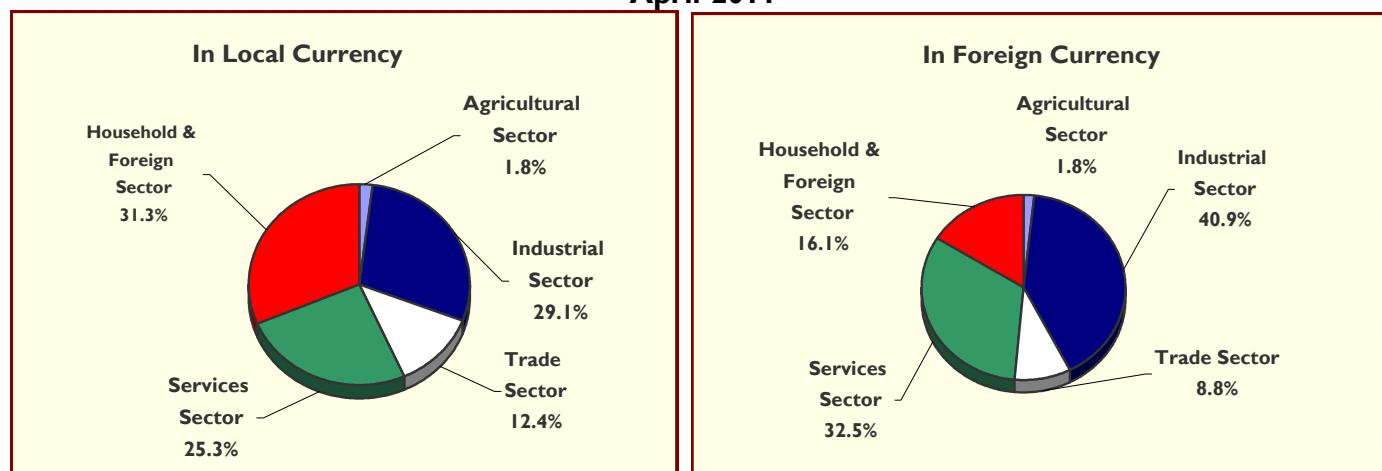
1/ Excludes credit provided by the Central Bank of Egypt.

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
April-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
Monthly Average						
May-10	8.50	11.20	5.90	10.08	9.50	9.00
Jun-10	8.50	--	--	10.26	9.50	9.00
Jul-10	8.50	11.10	6.30	10.16	9.50	9.00
Aug-10	8.50	10.90	6.30	9.72	9.50	9.00
Sep-10	8.50	10.90	6.40	9.56	9.50	9.00
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	--	--	11.45	9.50	9.00

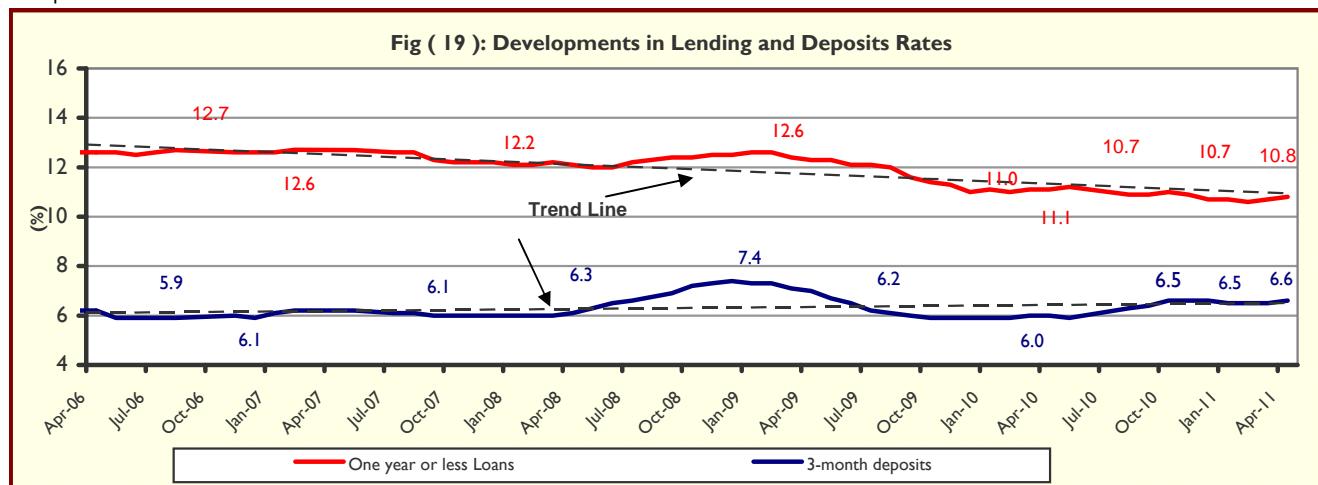
Source: Central Bank of Egypt.

-- 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 ¹¹

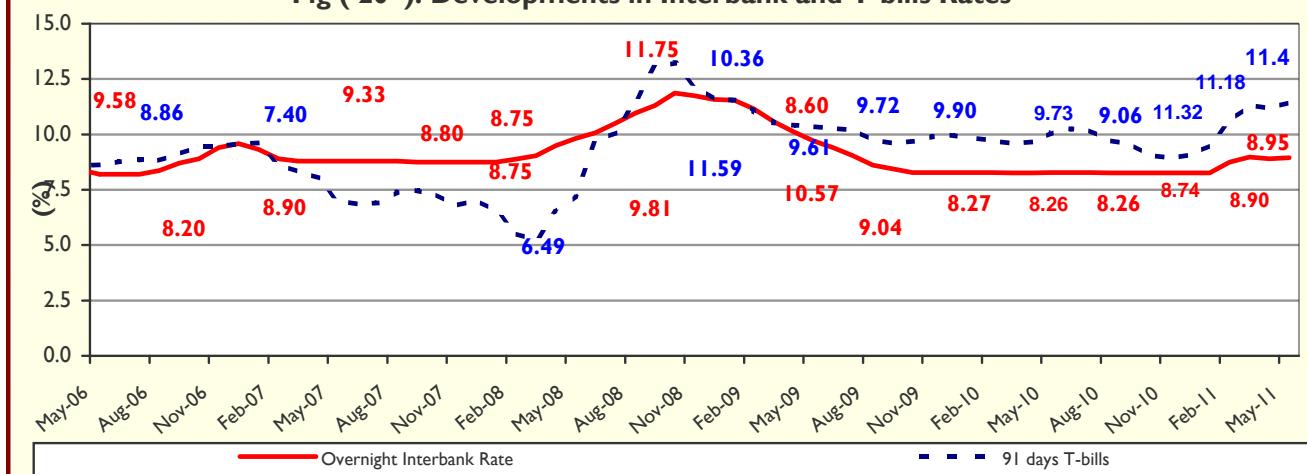
	Overnight	One Week	Month	More than One Month
Yearly Average				
2003	8.4	9.4	9.7	9.9
2004	8.2	9.8	10.7	10.3
2005	9.5	10.1	10.4	10.7
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
Monthly Average				
May-10	8.27	8.27	8.31	8.41
Jun-10	8.27	8.28	8.32	8.45
Jul-10	8.27	8.28	--	8.35
Aug-10	8.26	8.28	--	--
Sep-10	8.26	8.27	8.25	--
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

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 banks¹.

Fig (20) : Developments in Interbank and T-bills Rates



Source: Central Bank of Egypt.