

Section 6

MONETRY SECTOR

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

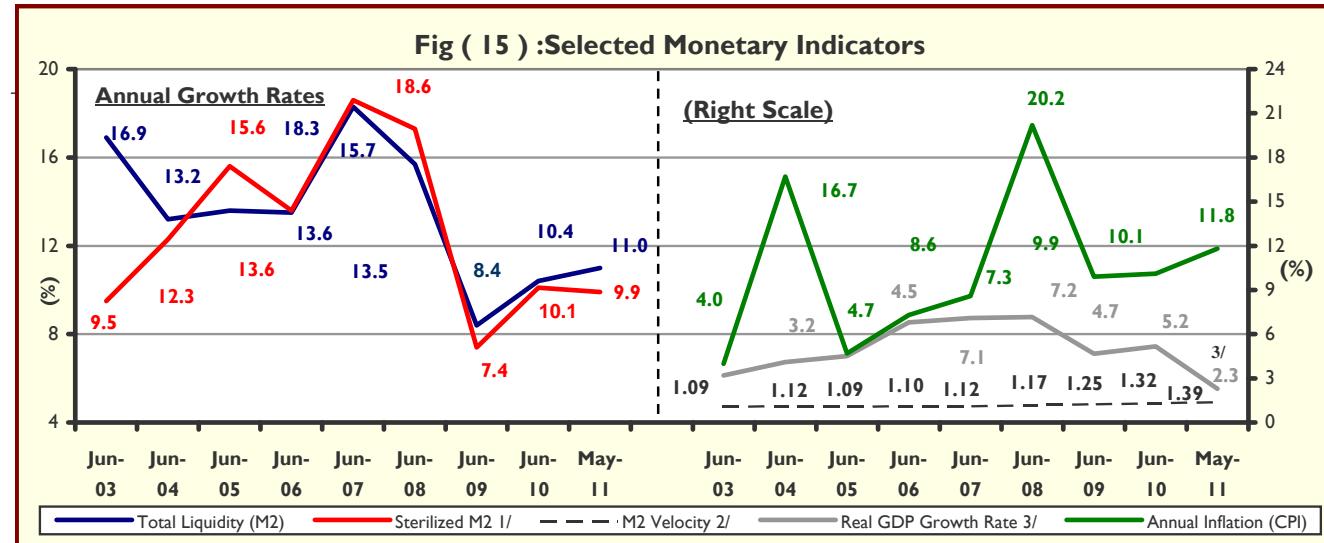
	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-1.0	-7.6	-7.3	8.7
CBE NFA	-3.0	-18.7	-20.3	4.0
CBE NIR	-3.0	-17.5	-17.9	4.6
Banks NFA 2/	2.1	15.3	21.2	18.2
Net Foreign Assets (US dollar terms)	-0.8	-8.5	-12.5	3.7
CBE NFA	-2.8	-19.5	-24.7	-0.7
CBE NIR	-2.8	-18.3	-22.4	-0.2
Banks NFA 2/	2.3	14.2	14.5	12.8
Net Domestic Assets	1.4	4.6	19.0	13.1
Net Claims on Government and GASC	1.7	8.2	37.4	20.3
Claims on Public Companies	-1.8	-0.6	-11.6	-9.2
Claims on Private Sector	-0.12	0.2	2.7	7.6
Total Liquidity (M2)	0.8	1.2	11.0	11.7
Money (M1)	0.9	1.9	19.2	16.4
Quasi Money	0.7	1.0	8.5	10.3

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
(May 2011)

	May-06	May-07	May-08	May-09	May-10	Feb-11	Mar-11	Apr-11 [#]	May-11 [*]
Net Foreign Assets 1/	133,851	214,973	245,425	252,357	273,763	274,549	266,036	256,212	253,644
	(77.0)	(60.6)	(14.2)	(2.8)	(8.5)	(1.4)	(-3.7)	(-11.3)	(-7.3)
Central bank (Net)	59,572	92,505	115,608	171,241	188,375	184,740	167,446	154,804	150,122
Foreign Assets	129,086	157,296	180,465	172,798	196,598	192,784	175,498	162,852	159,313
Foreign Liabilities	69,514	64,791	64,857	1,557	8,223	8,044	8,052	8,048	9,191
Banks (Net)	74,279	122,468	129,817	81,116	85,388	89,809	98,590	101,408	103,522
Foreign Assets	92,411	144,595	156,041	109,821	117,628	132,332	136,404	136,472	140,091
Foreign Liabilities	18,132	22,127	26,224	28,705	32,240	42,523	37,814	35,064	36,569
Net Domestic Assets of which:	417,328	435,050	516,757	574,490	622,270	707,998	722,040	730,580	740,802
	(0.7)	(4.2)	(18.8)	(11.2)	(8.3)	(17.0)	(18.0)	(21.5)	(19.0)
Net Claims on Government, and GASC 1/	174,424	175,477	208,996	276,434	316,450	401,928	419,024	427,591	434,694
National Currency	229,382	226,547	258,784	339,480	378,749	485,646	504,752	511,464	518,996
Foreign Currency	-54,958	-51,070	-49,788	-63,046	-62,299	-83,718	-85,727	-83,873	-84,302
Claims on Public Business Sector	35,323	25,181	26,878	31,954	37,432	33,296	33,668	33,688	33,083
National Currency	28,758	19,097	19,548	22,852	28,057	24,516	24,991	25,119	24,812
Foreign Currency	6,565	6,084	7,330	9,102	9,375	8,780	8,677	8,569	8,271
Claims on Private Sector 2/	287,515	328,717	362,996	387,735	406,365	416,371	417,777	417,847	417,336
National Currency	217,466	244,830	259,584	284,068	298,997	304,294	306,645	308,571	311,908
Foreign Currency	70,049	83,887	103,412	103,667	107,368	112,077	111,132	109,276	105,428
Other Items (net) 1/ 3/	-79,934	-94,325	-82,113	-121,633	-137,977	-143,597	-148,429	-148,546	-144,311
Total Liquidity (M2)	551,179	650,023	762,182	826,847	896,033	982,547	988,076	986,792	994,446
	(12.5)	(17.9)	(17.3)	(8.5)	(8.4)	(12.2)	(11.2)	(10.8)	(11.0)
Money (M1) 4/	106,256	126,596	170,621	180,164	204,718	239,401	240,814	241,864	244,039
	(20.3)	(19.1)	(34.8)	(5.6)	(13.6)	(19.9)	(19.3)	(17.7)	(19.2)
Currency in Circulation	72,678	85,301	104,189	117,238	133,082	161,818	163,489	165,003	167,448
Demand Deposits in Local Currency	33,578	41,295	66,432	62,926	71,636	77,583	77,325	76,861	76,591
Quasi Money	444,923	523,427	591,561	646,683	691,315	743,146	747,262	744,928	750,407
	(10.7)	(17.6)	(13.0)	(9.3)	(6.9)	(9.9)	(8.9)	(8.8)	(8.5)
Local Currency Time and Savings Deposits	309,964	367,847	431,127	475,747	534,126	568,572	567,394	566,290	571,974
Foreign Currency Demand Deposits	22,042	23,266	29,592	32,593	33,870	45,829	46,257	44,613	44,129
Foreign Currency Time and Savings Deposits	112,917	132,314	130,842	138,343	123,319	128,745	133,611	134,025	134,304

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)
 (May 2011)

	May-06	May-07	May-08	May-09	May-10	Feb-11	Mar-11	Apr-11 [#]	May-11 [*]
Net Foreign Assets (In Million US\$)^{4/}	23,257	37,816	45,916	44,969	48,850	46,693	44,951	43,086	42,740
Central bank NFA	10,351	16,273	21,629	30,514	33,613	31,419	28,292	26,032	25,296
Net International Reserves	35,335	49,213	58,050	45,246	50,317	48,062	46,311	44,439	44,289
Central Bank (Gross)	22,860	28,036	34,102	31,208	35,100	33,321	30,106	28,024	27,228
Banks (net)	12,906	21,543	24,287	14,454	15,236	15,274	16,658	17,053	17,444
Foreign assets	16,057	25,436	29,193	19,570	20,989	22,506	23,047	22,950	23,606
Foreign Liabilities	3,150	3,892	4,906	5,115	5,753	7,232	6,389	5,897	6,162
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	10.7%	14.6%	4.0%	-6.7%	2.4%	-0.9%	-1.8%	-2.9%	-3.1%
Net Domestic Assets	0.9%	1.4%	11.0%	14.5%	5.4%	8.0%	9.5%	10.4%	11.5%
Money (M1)	3.4%	3.1%	5.9%	1.3%	2.6%	2.8%	2.9%	3.0%	3.3%
Quasi Money	8.2%	12.9%	9.1%	6.6%	5.2%	4.3%	4.8%	4.5%	5.1%
Dollarization (% of Total Liquidity)^{6/}	24.5	23.9	21.0	20.7	17.5	17.8	18.2	18.1	17.9
M2 Multiplier^{7/}	4.87	5.21	4.65	4.84	4.66	3.98	4.21	4.10	4.02
M2 Velocity^{8/}	1.12	1.15	1.17	1.26	1.35	1.40	1.39	1.40	1.39
M2 (annual percentage change)	12.5	17.9	17.3	8.5	8.4	12.2	11.2	10.8	11.0
Credit to private sector (annual percentage change)^{9/}	6.9	14.3	10.4	6.8	4.8	7.6	6.2	4.5	2.7
Exchange Rate^{10/}	5.76	5.68	5.35	5.61	5.60	5.88	5.92	5.95	5.93

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.

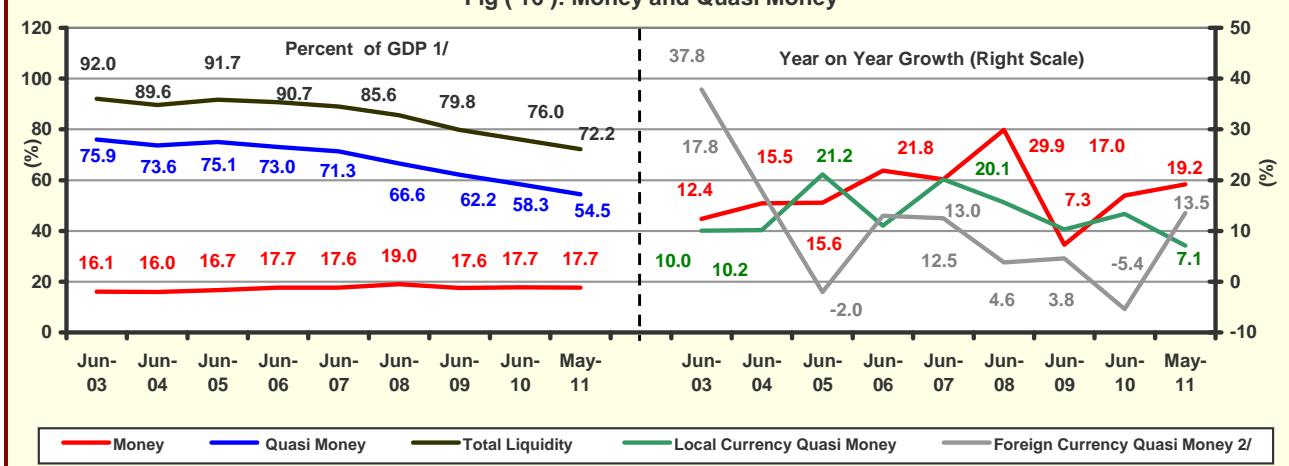
7/ M2 / Reserve Money.

8/ GDP / M2. According to 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)

	May-06	May-07	May-08	May-09	May-10	Feb-11	Mar-11	Apr-11	May-11*
Reserve Money	113,246	124,670	163,796	170,796	192,250	246,961	234,900	240,849	247,100
	--	(14.8)	(31.4)	(4.3)	(12.6)	(32.0)	(19.8)	(20.5)	(28.5)
Currency in Circulation	76,950	90,532	110,607	124,761	141,877	177,017	175,647	175,752	178,630
	(15.4)	(17.7)	(22.2)	(12.8)	(13.7)	(30.6)	(28.7)	(27.5)	(25.9)
Banks LE Deposits with CBE	36,296	34,138	53,189	46,035	50,373	69,944	59,253	65,097	68,470
	--	10.66	-	-(13.5)	(9.4)	(35.8)	-(0.7)	(4.8)	(35.9)
Counter Assets:									
Net Foreign Assets ^{2/}	59,571	92,505	115,608	171,241	188,375	184,740	167,446	154,804	150,123
	(81.5)	(55.3)	(25.0)	(48.1)	(10.0)	(3.7)	-(6.9)	-(14.9)	-(20.3)
Net Domestic Assets ^{2/}	53,675	32,165	48,188	-445	3,875	62,221	67,454	86,045	96,977
	--	(8.2)	(49.8)	-(100.9)	(970.8)	(591.9)	(313.9)	(378.8)	(2402.6)
Net Claims on Government ^{3/}	114,076	112,301	115,249	74,202	75,311	106,555	108,831	108,404	117,197
	-(3.7)	-(1.6)	(2.6)	-(35.6)	(1.5)	(11.2)	(27.8)	(43.5)	(55.6)
Claims	174,180	187,203	190,049	151,860	153,931	187,983	189,582	191,806	201,541
	-(21.7)	(7.5)	(1.5)	-(20.1)	(1.4)	(10.5)	(18.2)	(25.0)	(30.9)
Securities	163,479	164,761	165,438	122,378	123,900	130,597	130,597	130,597	130,597
Credit Facilities	10,701	22,442	24,611	29,482	30,031	57,386	58,985	61,209	70,944
Deposits ^{4/}	60,104	74,902	74,800	77,658	78,620	81,428	80,751	83,402	84,344
	-(42.2)	(24.6)	-(0.1)	(3.8)	(1.2)	(9.4)	(7.4)	(7.1)	(7.3)
Net Claims on Banks	3,262	58,367	81,171	-659	21,788	2,169	-1,287	-856	-1,545
Net Balancing Items ^{5/}	-135,782	-138,503	-148,232	-73,988	-93,224	-46,503	-40,090	-21,503	-18,675
Memorandum Items									
Reserve Money Velocity ^{6/, 7/}	5.45	5.97	5.47	6.10	6.28	5.58	5.87	5.72	5.58

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)

	May-06	May-07	May-08	May-09	May-10	Feb-11	Mar-11	Apr-11	May-11*
Total Deposits	567,137	637,687	751,012	813,569	882,784	943,706	949,203	945,727	951,708
	(9.3)	(12.4)	(17.8)	(8.3)	(8.5)	(9.4)	(8.5)	(6.7)	(7.8)
In local currency	400,414	449,662	555,216	599,311	677,496	716,017	715,185	712,531	718,504
In foreign currency	166,723	188,025	195,796	214,258	205,288	227,689	234,018	233,196	233,204
Non Government Deposits ^{2/}	481,833	570,180	663,972	713,987	768,149	827,056	831,130	828,224	833,303
	(11.7)	(18.3)	(16.4)	(7.5)	(7.6)	(9.9)	(8.7)	(8.2)	(8.5)
In local currency	345,665	412,607	501,475	541,183	608,530	648,989	647,737	646,150	651,467
In foreign currency	136,168	157,573	162,497	172,804	159,619	178,067	183,393	182,074	181,836
Government Deposits	85,304	67,507	87,040	99,582	114,635	116,650	118,073	117,503	118,405
	-(2.4)	-(20.9)	(28.9)	(14.4)	(15.1)	(6.0)	(6.8)	-(3.1)	(3.3)
In local currency	54,749	37,055	53,741	58,128	68,966	67,028	67,448	66,381	67,037
In foreign currency	30,555	30,452	33,299	41,454	45,669	49,622	50,625	51,122	51,368
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	29.4	29.5	26.1	26.3	23.3	24.1	24.7	24.7	24.5
Dollarization in Non-Government Deposits	28.3	27.6	24.5	24.2	20.8	21.5	22.1	22.0	21.8
Dollarization in Government Deposits	35.8	45.1	38.3	41.6	39.8	42.5	42.9	43.5	43.4

Source: Central bank of Egypt.

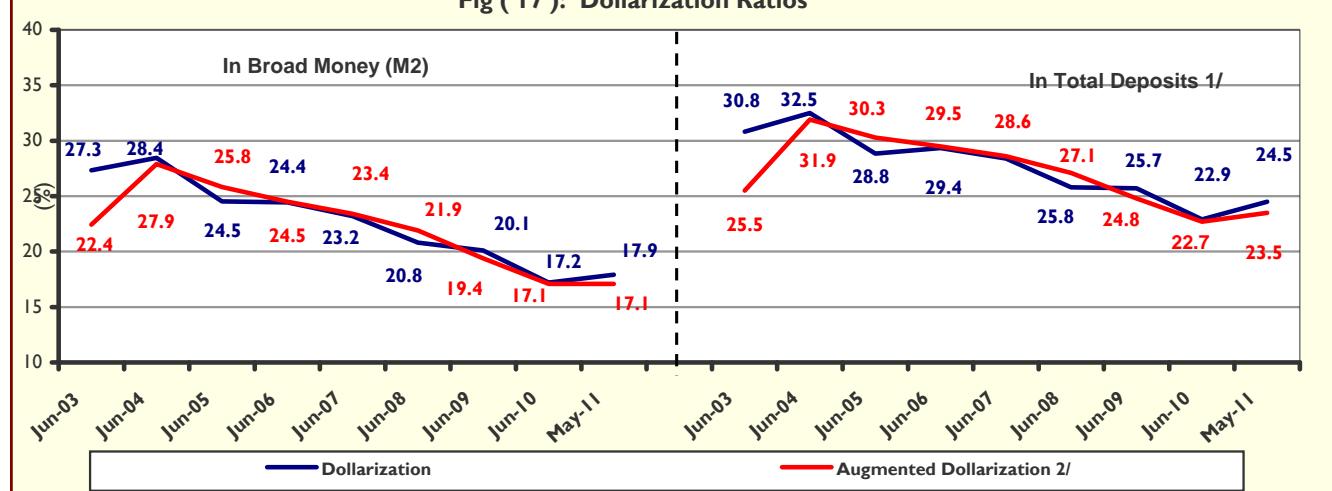
() Percent change over same period in previous year.

* 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)

	May-06	May-07	May-08	May-09	May-10	Feb-11	Mar-11	Apr-11	May-11
Total lending	320,415	356,174	397,891	431,158	457,365	469,496	469,961	473,045	470,933
	(4.1)	(11.2)	(11.7)	(8.4)	(6.1)	(7.4)	(6.5)	(4.4)	(3.0)
To Government ^{2/}	20,332	27,245	30,780	32,182	38,948	38,821	38,311	41,449	40,389
	-(0.6)	(34.0)	(13.0)	(4.6)	(21.0)	(19.0)	(16.2)	(7.7)	(3.7)
In local currency	10,371	11,387	10,095	12,140	14,813	18,956	18,753	18,617	18,327
In foreign currency	9,961	15,858	20,685	20,042	24,135	19,865	19,558	22,832	22,062
To Non-Government	300,083	328,929	367,111	398,976	418,417	430,675	431,650	431,596	430,544
	(4.5)	(9.6)	(11.6)	(8.7)	(4.9)	(6.5)	(5.7)	(4.1)	(2.9)
In local currency	225,232	240,266	255,191	282,609	291,998	295,812	299,115	301,633	304,727
In foreign currency	74,851	88,663	111,920	116,367	126,419	134,863	132,535	129,963	125,817
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	81.8	85.4	85.6	85.2	83.4	84.7	84.7	84.2	84.5
Non Government Loans/ Deposits ^{4/}	62.3	57.7	55.3	55.9	54.5	52.1	51.9	52.1	51.7
Government Loans / Deposits	23.8	40.4	35.4	32.3	34.0	33.3	32.4	35.3	34.1
Foreign currency denominated credit to total credit	26.5	29.3	33.3	31.6	32.9	33.0	32.4	32.3	31.4
Government foreign currency denominated credit to total government credit	49.0	58.2	67.2	62.3	62.0	51.2	51.1	55.1	54.6
Non - government foreign currency denominated credit to total non-government credit	24.9	27.0	30.5	29.2	30.2	31.3	30.7	30.1	29.2

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

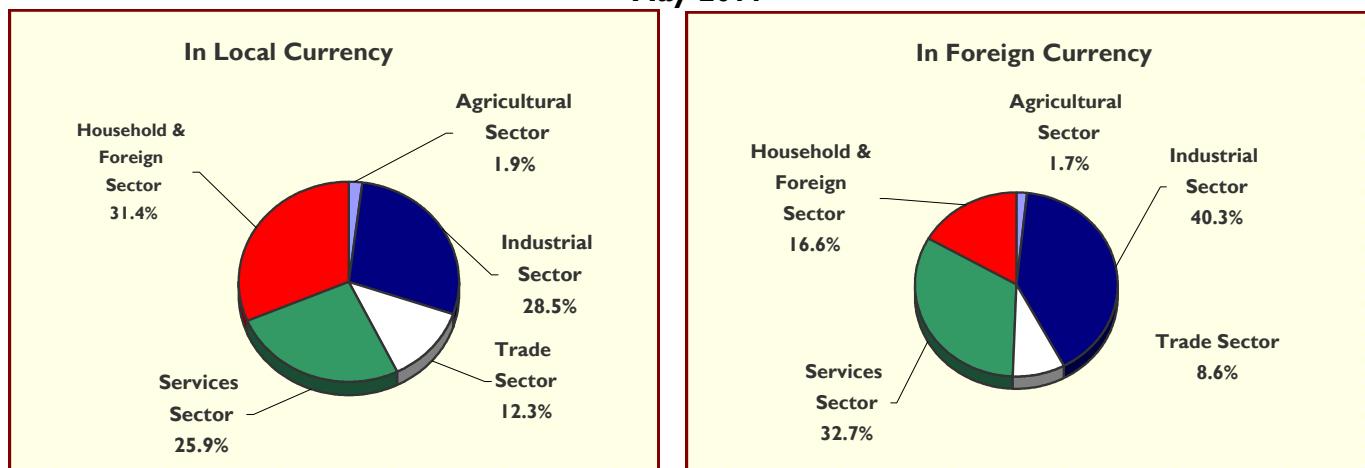
1/ Excludes credit provided by the Central Bank of Egypt.

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
May-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						
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	10.80	6.70	11.56	9.50	9.00
Jun-11	8.50	--	--	11.76	9.50	9.00

Source: Central Bank of Egypt.

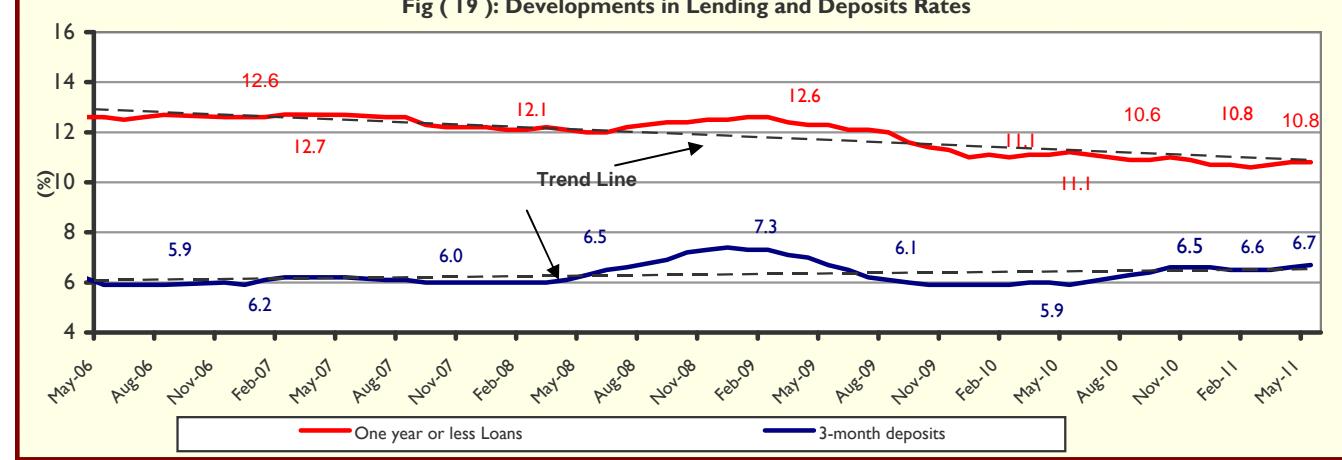
-- Data unavailable.

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.

Fig (19) : Developments in Lending and Deposits Rates



Source: Central Bank of Egypt.

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

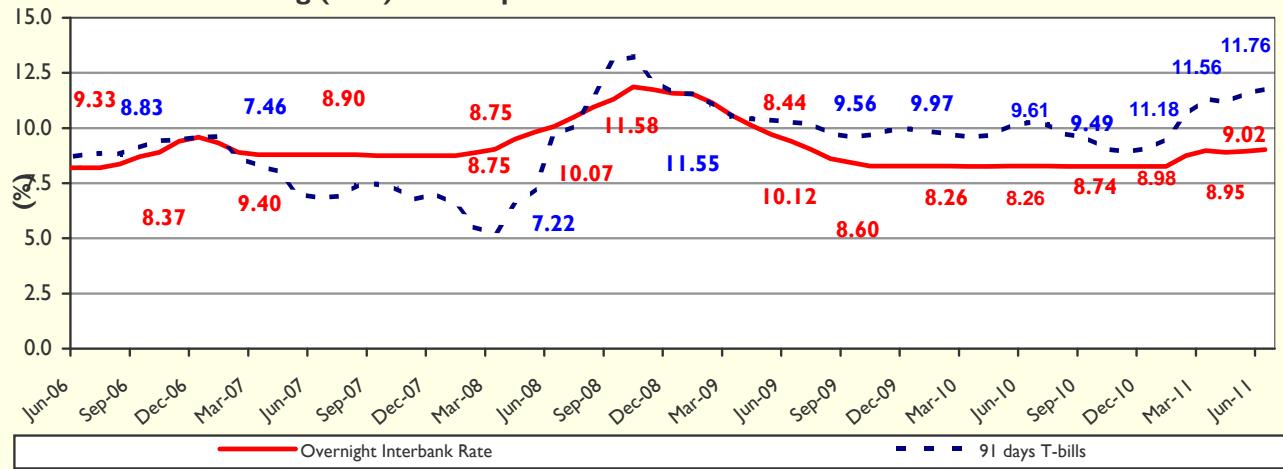
	Overnight	One Week	Month	More than One Month
Yearly Average				
2003	8.4	9.4	9.7	9.9
2004	8.2	9.8	10.7	10.3
2005	9.5	10.1	10.4	10.7
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
Monthly Average				
Jun-10	8.27	8.28	8.32	8.45
Jul-10	8.27	8.28	--	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
Jun-11	9.02	9.12	9.55	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 banks'.

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



Source: Central Bank of Egypt.