

Section 6

MONETARY SECTOR

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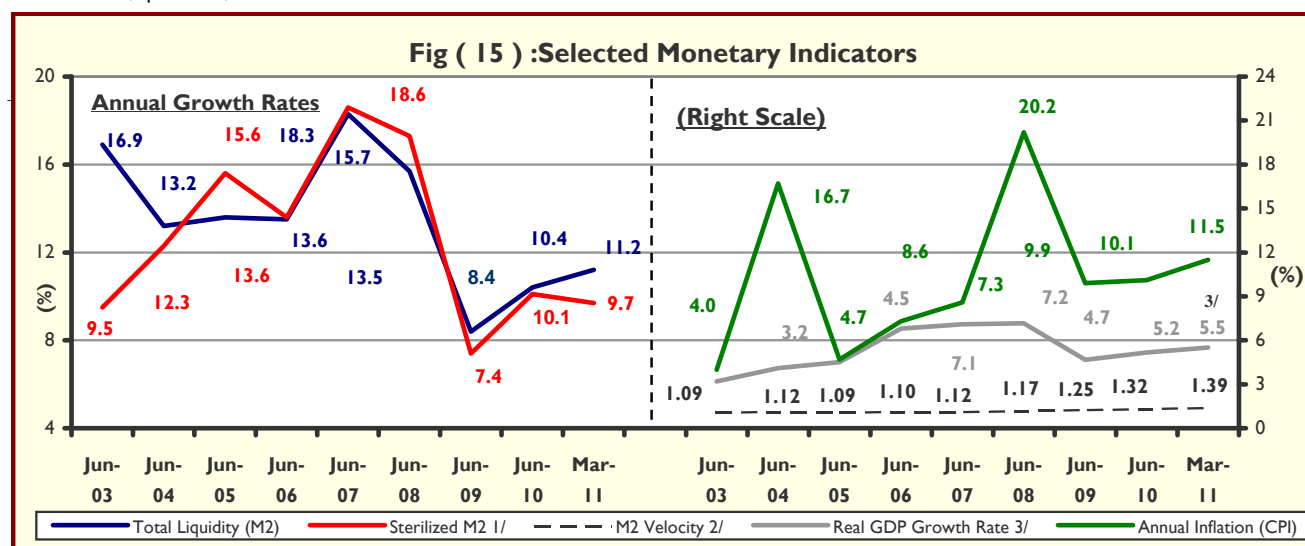
**Table (24) : Developments in Main Monetary Aggregates
(March 2011)**

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-3.1	-12.8	-3.7	12.5
CBE NFA	-9.4	-15.5	-6.9	8.3
CBE NIR	-9.1	-13.3	-5.7	8.9
Banks NFA 2/	9.8	-7.9	2.1	21.5
Net Foreign Assets (US dollar terms)	-3.7	-15.9	-11.0	8.7
CBE NFA	-10.0	-18.5	-13.9	4.6
CBE NIR	-9.7	-16.4	-12.8	5.2
Banks NFA 2/	9.1	-11.2	-5.6	17.5
Net Domestic Assets	2.0	8.0	18.0	10.9
Net Claims on Government and GASC	4.3	14.9	30.6	16.3
Claims on Public Companies	1.1	3.7	-8.3	-4.4
Claims on Private Sector	0.3	2.4	6.2	7.6
Total Liquidity (M2)	0.6	1.5	11.2	11.4
Money (M1)	0.6	7.8	19.3	15.9
Quasi Money	0.6	-0.4	8.9	10.1

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 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-December 2010/2011.

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

(LE Millions)

	Mar-06	Mar-07	Mar-08	Mar-09	Mar-10	Dec-10	Jan-11	Feb-11	Mar-11 [*]
Net Foreign Assets 1/	131,591	199,039	253,506	246,338	276,379	305,252	286,196	274,549	266,036
	(78.7)	(51.3)	(27.4)	-(2.8)	(12.2)	(19.3)	(9.6)	(1.4)	-(3.7)
Central bank (Net)	60,860	82,617	114,566	177,300	179,809	198,207	193,507	184,740	167,446
Foreign Assets	126,997	147,426	181,601	178,733	188,132	206,313	201,551	192,784	175,498
Foreign Liabilities	66,137	64,809	67,035	1,433	8,323	8,106	8,044	8,044	8,052
Banks (Net)	70,731	116,422	138,940	69,038	96,570	107,045	92,689	89,809	98,590
Foreign Assets	88,928	135,853	173,015	99,013	124,031	148,104	132,870	132,332	136,404
Foreign Liabilities	18,197	19,431	34,075	29,975	27,461	41,059	40,181	42,523	37,814
Net Domestic Assets of which:	403,072	411,413	503,047	562,265	611,797	668,710	683,516	707,998	722,055
	-(0.6)	(2.1)	(22.3)	(11.8)	(8.8)	(9.5)	(12.7)	(17.0)	(18.0)
Net Claims on Government, and GASC 1/	170,914	181,584	206,808	269,438	320,885	364,674	368,796	401,928	419,010
National Currency	223,251	233,842	255,681	328,790	384,979	434,886	449,599	485,646	504,738
Foreign Currency	-52,337	-52,258	-48,873	-59,352	-64,094	-70,212	-80,803	-83,718	-85,728
Claims on Public Business Sector	34,678	23,640	27,050	30,859	36,708	32,478	32,840	33,296	33,668
National Currency	28,247	18,033	19,518	21,902	27,830	24,030	24,322	24,516	24,991
Foreign Currency	6,431	5,607	7,532	8,957	8,878	8,448	8,518	8,780	8,677
Claims on Private Sector 2/	284,752	317,302	361,476	389,882	393,290	407,905	413,103	416,371	417,777
National Currency	218,538	236,680	259,404	283,005	290,674	298,490	301,213	304,294	306,645
Foreign Currency	66,214	80,622	102,072	106,877	102,616	109,415	111,890	112,077	111,132
Other Items (net) 1/ 3/	-87,272	-111,113	-92,287	-127,914	-139,086	-136,347	-131,223	-143,597	-148,400
Total Liquidity (M2)	534,663	610,452	756,553	808,603	888,176	973,962	969,712	982,547	988,091
	(11.6)	(14.2)	(23.9)	(6.9)	(9.8)	(12.4)	(11.8)	(12.2)	(11.2)
Money (M1) 4/	103,321	123,592	158,134	173,228	201,868	223,456	229,528	239,401	240,814
	(20.1)	(19.6)	(27.9)	(9.5)	(16.5)	(13.4)	(16.4)	(19.9)	(19.3)
Currency in Circulation	70,257	83,332	98,596	112,986	128,433	143,633	145,857	161,818	163,489
Demand Deposits in Local Currency	33,064	40,260	59,538	60,242	73,435	79,823	83,671	77,583	77,325
Quasi Money	431,342	486,860	598,419	635,375	686,308	750,506	740,184	743,146	747,277
	(9.7)	(12.9)	(22.9)	(6.2)	(8.0)	(12.1)	(10.4)	(9.9)	(8.9)
Local Currency Time and Savings Deposits	303,352	340,622	426,952	465,758	528,844	592,451	579,119	568,572	567,409
Foreign Currency Demand Deposits	21,048	22,689	35,021	30,340	33,857	34,072	38,134	45,829	46,257
Foreign Currency Time and Savings Deposits	106,942	123,549	136,446	139,277	123,607	123,983	122,931	128,745	133,611

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)
(March 2011)

	Mar-06	Mar-07	Mar-08	Mar-09	Mar-10	Dec-10	Jan-11	Feb-11	Mar-11*
Net Foreign Assets (In Million US\$)^{4/}	22,960	34,967	46,417	43,812	50,480	53,471	49,367	46,693	44,951
Central bank NFA	10,619	14,514	20,977	31,533	32,842	34,720	33,379	31,419	28,292
Net International Reserves	34,499	46,353	58,691	44,067	52,000	54,891	50,754	48,062	46,311
Central Bank (Gross)	22,537	26,350	33,705	32,177	34,508	36,005	35,007	33,321	30,106
Banks (net)	12,341	20,453	25,440	12,279	17,638	18,751	15,988	15,274	16,658
Foreign assets	15,516	23,867	31,679	17,610	22,654	25,943	22,919	22,506	23,047
Foreign Liabilities	3,175	3,414	6,239	5,331	5,016	7,192	6,931	7,232	6,389
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	10.3%	11.7%	5.3%	-7.5%	2.7%	2.5%	0.4%	-0.9%	-1.8%
Net Domestic Assets	-2.0%	-2.8%	8.9%	12.9%	4.2%	3.7%	5.3%	8.0%	9.5%
Money (M1)	2.8%	2.6%	4.1%	0.3%	2.3%	1.0%	1.7%	2.8%	2.9%
Quasi Money	5.5%	6.4%	10.1%	5.1%	4.6%	5.1%	4.0%	4.3%	4.8%
Dollarization (% of Total Liquidity) ^{6/}	23.9	24.0	22.7	21.0	17.7	16.2	16.6	17.8	18.2
M2 Multiplier ^{7/}	4.77	4.83	4.74	4.65	4.53	4.46	4.20	3.98	4.21
M2 Velocity ^{8/}	1.16	1.22	1.18	1.29	1.36	1.41	1.42	1.40	1.39
M2 (annual percentage change)	11.6	14.2	23.9	6.9	9.8	12.4	11.8	12.2	11.2
Credit to private sector (annual percentage change) ^{9/}	8.2	11.4	13.9	7.9	0.9	6.7	7.4	7.6	6.2
Exchange Rate ^{10/}	5.73	5.69	5.46	5.62	5.48	5.71	5.80	5.88	5.92

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.

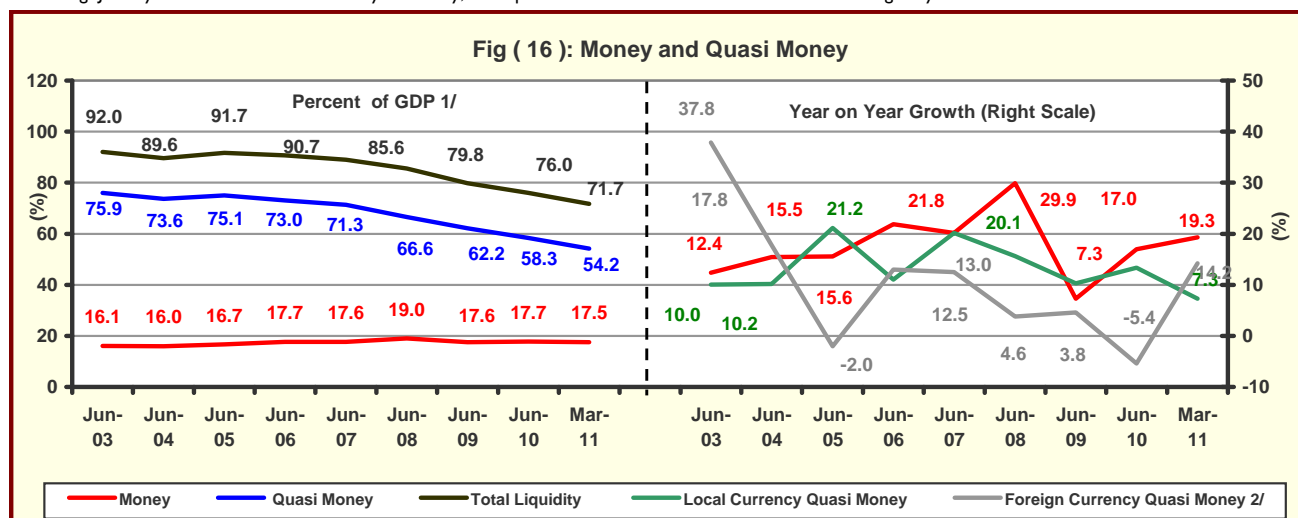
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity . It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

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.



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)

	Mar-06	Mar-07	Mar-08	Mar-09	Mar-10	Dec-10	Jan-11	Feb-11	Mar-11 [*]
Reserve Money	112,160	126,474	159,767	174,016	196,106	218,393	230,862	246,961	234,900
	--	--	(26.3)	(8.9)	(12.7)	(13.1)	(20.1)	(32.0)	(19.8)
Currency in Circulation	74,458	88,195	104,350	120,552	136,438	153,209	154,156	177,017	175,647
	(15.1)	(18.4)	(18.3)	(15.5)	(13.2)	(14.3)	(15.0)	(30.6)	(28.7)
Banks LE Deposits with CBE	37,702	38,279	55,417	53,464	59,668	65,184	76,706	69,944	59,253
	--	--	--	-(3.5)	(11.6)	(10.4)	(31.9)	(35.8)	-(0.7)
Counter Assets:									
Net Foreign Assets ^{2/}	60,860	82,617	114,566	177,300	179,809	198,207	193,507	184,740	167,446
	(121.3)	(35.7)	(38.7)	(54.8)	(1.4)	(11.9)	(9.6)	(3.7)	-(6.9)
Net Domestic Assets ^{2/}	51,300	43,857	45,201	-3,284	16,297	20,186	37,355	62,221	67,454
	--	-(19.0)	(3.1)	-(107.3)	(596.3)	(26.7)	(137.8)	(591.9)	(313.9)
Net Claims on Government ^{3/}	117,966	113,437	119,554	88,056	85,140	100,252	104,468	106,555	108,831
	(0.1)	-(3.8)	(5.4)	-(26.3)	-(3.3)	-(3.6)	(5.7)	(11.2)	(27.8)
Claims	181,481	187,580	192,508	162,880	160,335	176,459	183,667	187,983	189,582
	-(18.2)	(3.4)	(2.6)	-(15.4)	-(1.6)	-(0.3)	(7.3)	(10.5)	(18.2)
Securities	168,405	164,761	165,438	122,473	124,559	130,597	130,597	130,597	130,597
Credit Facilities	13,076	22,819	27,070	40,407	35,776	45,862	53,070	57,386	58,985
Deposits ^{4/}	63,515	74,143	72,954	74,824	75,195	76,207	79,199	81,428	80,751
	-(38.9)	(16.7)	-(1.6)	(2.6)	(0.5)	(4.4)	(9.5)	(9.4)	(7.4)
Net Claims on Banks	5,057	59,651	75,017	-2,022	23,841	39,848	17,936	2,169	-1,287
Net Balancing Items ^{5/}	-124,765	-129,231	-149,370	-89,318	-92,684	-119,914	-85,049	-46,503	-40,090
Memorandum Items									
Reserve Money Velocity ^{6/, 7/}	5.51	5.89	5.61	5.99	6.15	6.31	5.97	5.58	5.87

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)

	Mar-06	Mar-07	Mar-08	Mar-09	Mar-10	Dec-10	Jan-11	Feb-11 [#]	Mar-11 [*]
Total Deposits	555,000	597,063	752,840	799,227	875,158	952,133	944,700	943,706	949,232
	(9.4)	(7.6)	(26.1)	(6.2)	(9.5)	(10.8)	(10.1)	(9.4)	(8.5)
In local currency	396,059	419,857	546,120	586,936	673,121	743,551	733,513	716,017	715,214
In foreign currency	158,941	177,206	206,720	212,291	202,037	208,582	211,187	227,689	234,018
Non Government Deposits ^{2/}	468,248	531,530	663,539	700,098	764,570	836,636	830,359	827,056	831,145
	(11.6)	(13.5)	(24.8)	(5.5)	(9.2)	(12.3)	(11.3)	(9.9)	(8.7)
In local currency	338,073	384,025	490,187	528,669	604,931	675,283	666,004	648,989	647,752
In foreign currency	130,175	147,505	173,352	171,429	159,639	161,353	164,355	178,067	183,393
Government Deposits	86,752	65,533	89,301	99,129	110,588	115,497	114,341	116,650	118,087
	-(1.0)	-(24.5)	(36.3)	(11.0)	(11.6)	(1.0)	(2.5)	(6.0)	(6.8)
In local currency	57,986	35,832	55,933	58,267	68,190	68,268	67,509	67,028	67,462
In foreign currency	28,766	29,701	33,368	40,862	42,398	47,229	46,832	49,622	50,625
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	28.6	29.7	27.5	26.6	23.1	21.9	22.4	24.1	24.7
Dollarization in Non-Government Deposits	27.8	27.8	26.1	24.5	20.9	19.3	19.8	21.5	22.1
Dollarization in Government Deposits	33.2	45.3	37.4	41.2	38.3	40.9	41.0	42.5	42.9

Source: Central bank of Egypt.

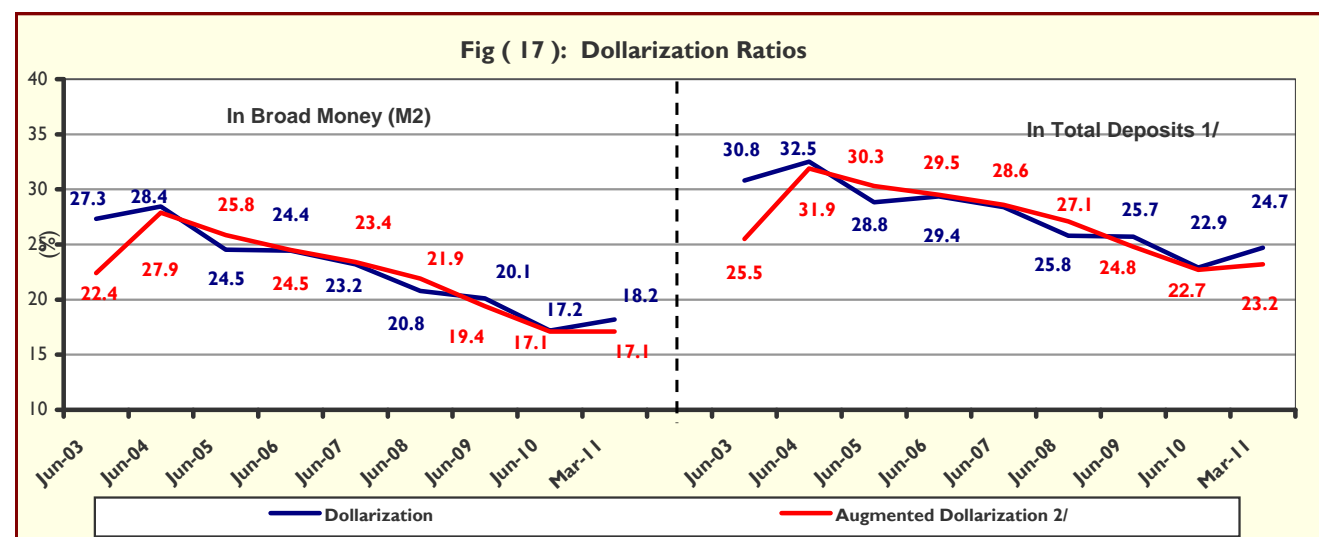
() Percent change over same period in previous year.

* 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)

	Mar-06	Mar-07	Mar-08	Mar-09	Mar-10	Dec-10	Jan-11	Feb-11	Mar-11 *
Total lending	315,156	342,526	394,494	430,622	441,370	458,081	465,109	469,496	469,961
	(5.5)	(8.7)	(15.2)	(9.2)	(2.5)	(5.9)	(6.8)	(7.4)	(6.5)
To Government ^{2/}	21,068	25,330	30,673	31,839	32,973	38,172	38,782	38,821	38,311
	(24.0)	(20.2)	(21.1)	(3.8)	(3.6)	(11.6)	(17.6)	(19.0)	(16.2)
In local currency	10,839	11,474	10,522	8,645	14,011	19,457	19,175	18,956	18,753
In foreign currency	10,229	13,856	20,151	23,194	18,962	18,715	19,607	19,865	19,558
To Non-Government	294,088	317,196	363,821	398,783	408,397	419,909	426,327	430,675	431,650
	(4.4)	(7.9)	(14.7)	(9.6)	(2.4)	(5.4)	(6.0)	(6.5)	(5.7)
In local currency	223,068	231,975	251,390	281,266	286,917	288,094	292,360	295,812	299,115
In foreign currency	71,020	85,221	112,431	117,517	121,480	131,815	133,967	134,863	132,535
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	82.4	85.8	85.4	85.5	84.3	84.6	84.6	84.7	84.7
Non Government Loans/ Deposits ^{4/}	62.8	59.7	54.8	57.0	53.4	50.2	51.3	52.1	51.9
Government Loans / Deposits	24.3	38.7	34.3	32.1	29.8	33.1	33.9	33.3	32.4
Foreign currency denominated credit to total credit	25.8	28.9	33.6	32.7	31.8	32.9	33.0	33.0	32.4
Government foreign currency denominated credit to total government credit	48.6	54.7	65.7	72.8	57.5	49.0	50.6	51.2	51.1
Non - government foreign currency denominated credit to total non-government credit	24.1	26.9	30.9	29.5	29.7	31.4	31.4	31.3	30.7

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

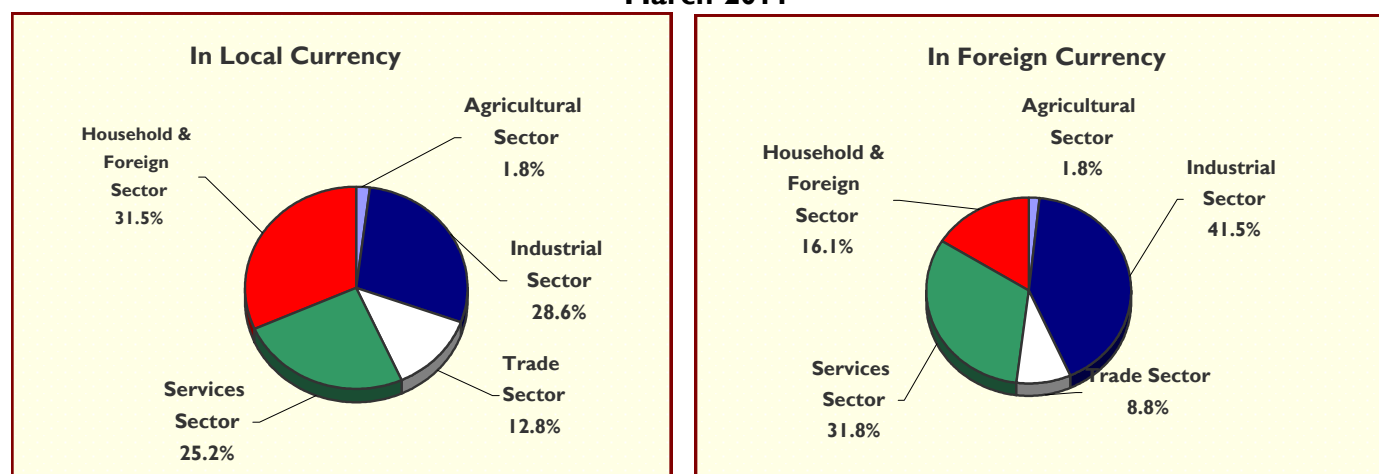
1/ Excludes credit provided by the Central Bank of Egypt.

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
March-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						
Apr-10	8.50	11.10	6.00	9.66	9.50	9.00
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	--	--	11.18	9.50	9.00

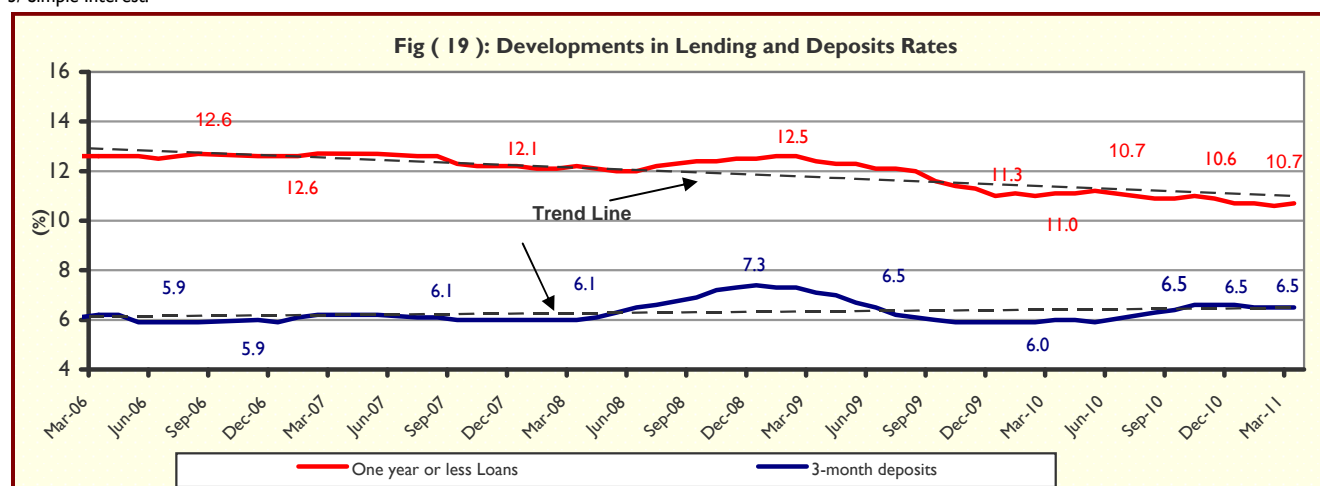
Source: Central Bank of Egypt.

-- 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.

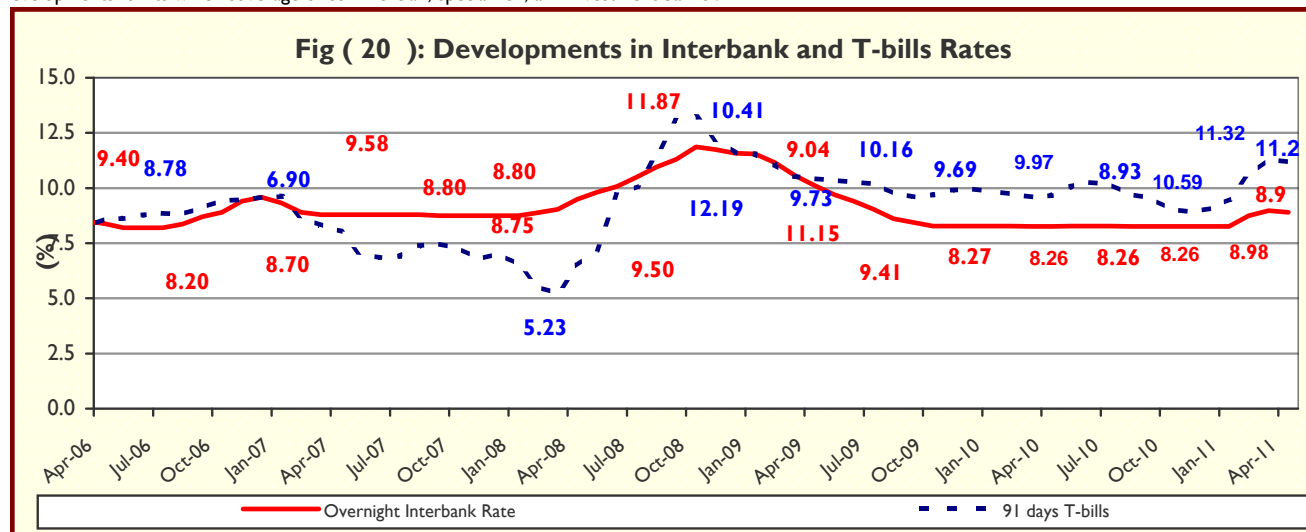
Table (30) : Average Interbank Rates ^{1/}

	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				
Apr-10	8.27	8.27	8.31	8.51
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	--	--

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.