

## 9. BANKING AND FINANCE

This chapter is divided into four parts: Central Bank of Lebanon, Commercial Banks and Beirut Stock Exchange and Money exchange.

### Central Bank of Lebanon balance sheet

Total assets and liabilities were equal to 48,635 billion LBP in December 2007.

*Central Bank of Lebanon balance Sheet main aggregates in December 2007*

Liabilities	%	Assets	%
Currency in circulation outside BDL	4.5	Foreign assets	54.0
Deposits	58.2	Claims on the private sector	0.6
Liabilities	15.0	Loans	4.9
Valuation adjustment	6.3	Securities portfolio	27.4
Capital accounts	5.6	Fixed assets	0.9
Unclassified Liabilities	4.3	Unclassified assets	12.8
<b>Total liabilities (billion LBP)</b>	<b>48,635</b>	<b>Total assets (billion LBP)</b>	<b>48,635</b>

*Table made by CAS based on Central Bank of Lebanon (2007) data*

### Monetary situation

Monetary situation consists of money supply and its counterparts evolution.

*Evolution of money supply and counterparts in December 2007*

Money supply	Value in billion LBP
<b>Money and quasi-Money in LBP and foreign currencies (M3)</b>	<b>90,197</b>
Money in LBP (M1)	3,578
Money and quasi-Money in LBP (M2)	24,831
<b>Counterparts</b>	<b>Value in billion LBP</b>
Net foreign assets	36,394
Gold	11,517
Foreign currencies	27,877
Net claims on public sector	40,917
Valuation adjustment	(3,041)
Claims on the private sector	27,736
Other items (net)	(11,810)

*Table made by CAS based on Central Bank of Lebanon (2007) data*

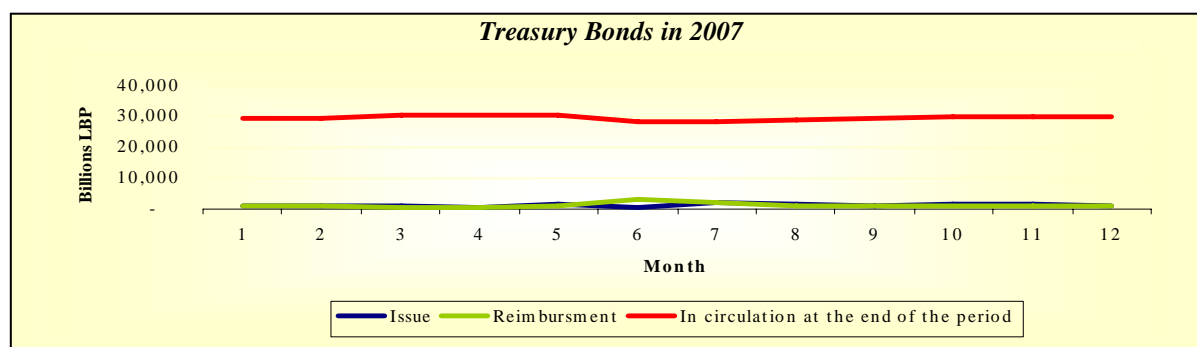
### Banks clearing

The clearings are in LBP, USD, Euros and in Sterling Pounds.

*Evolution of money supply and counterparts in December 2007*

Clearings	Value	Peak Month
<b>LBP clearings numbers in thousands</b>	3,406	October (8.9%)
<b>LBP clearings value in billion LBP</b>	12,675	November (9.3%)
<b>USD clearings number in thousands</b>	7,318	October (8.9%)
<b>USD clearings value in million USD</b>	29,213	November (9.7%)
<b>Euro clearings number in thousands</b>	70	All the year except for February and April (8.6%)
<b>Euro clearings value in million euros</b>	656	December (12.8%)
<b>Sterling clearings number in thousands</b>	2.3	All the year except for February (8.7%)
<b>Sterling clearings value in millions Sterling</b>	20	October (15.0%)

*Table made by CAS based on Central Bank of Lebanon (2007) data*



*Graph made by CAS based on Central Bank of Lebanon (2007) data*

## Commercial banks in 2006

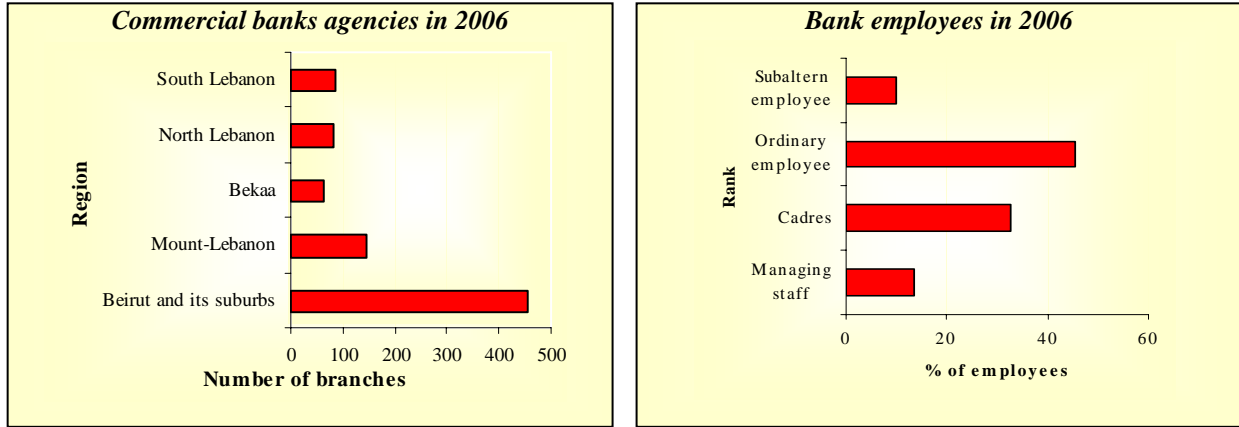
63 Active banks in Lebanon with 15,538 employees and employees' fees equal to 758.9 billion LBP

**Type**  
Investments banks: 9  
Commercial banks: 54

**Branches**  
Arab Banks branches: 10  
Foreign banks branches: 6  
Lebanese SAL: 53

**Groups**  
With Lebanese majority ownership: 31  
With Arab majority ownership: 10  
Non-Arab foreign majority ownership: 1

Drawing made by CAS based on Association of Banks of Lebanon (2007) data



Graphs made by CAS based on Association of Banks in Lebanon (2007) data

## Consolidated balance sheet of commercial banks

Total assets and liabilities were equal to 123.999 billion LBP in December 2007.

### Central Bank of Lebanon balance Sheet main aggregates in December 2007

Liabilities	%	Assets	%
Resident sectors deposits	71.1	Reserves	24.1
Foreign liabilities	16.6	Claims on public private sectors	47.7
Bonds	0.1	Foreign assets	25.2
Capital accounts	7.6	Fixed assets	2.7
Unclassified Liabilities	4.6	Unclassified assets	0.3
<b>Total liabilities (billion LBP)</b>	<b>123,999</b>	<b>Total assets (billion LBP)</b>	<b>123,999</b>

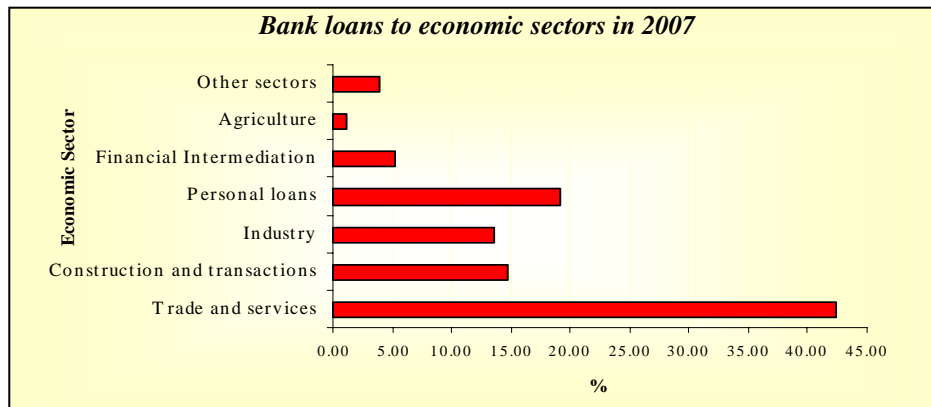
Table made by CAS based on Central Bank of Lebanon (2007) data

## Commercial banks activity

In December 2007, private sector deposits in commercial banks were equal to 101,436 billions LBP. Total deposits in LBP are 22.7% of the total and total deposits in foreign currencies 77.3%. Therefore, the dollarization rate of private sector deposits was equal to 77.3% in December 2007.

As for requests of information at Centrale des Risques at the Central Bank of Lebanon, they were 7,173 applications in December 2007 with a peak of 12,903 applications registered in May 2007.

Finally, there were 1,071 ATMS in December 2007 all over Lebanon; while Beirut and its suburbs registered the peak (51.3%). Points of sales were equal to 86,305 in December 2007 all over Lebanon.



As for bank loans to economic sectors in 2007, they were equal to 383,053 billion LBP which peak was registered for December (9.1%) and for Trade and Services sector (42.3%).

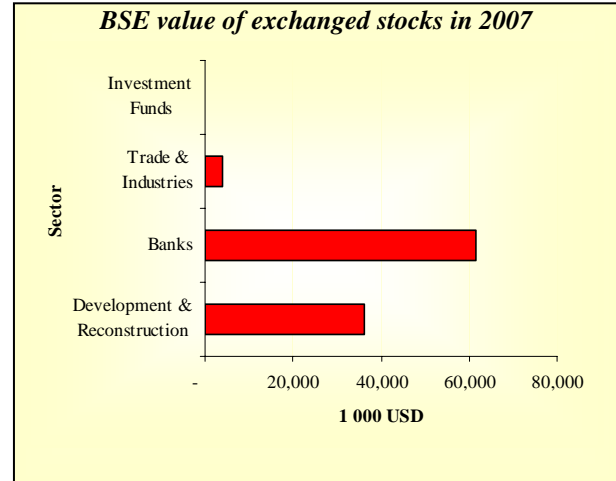
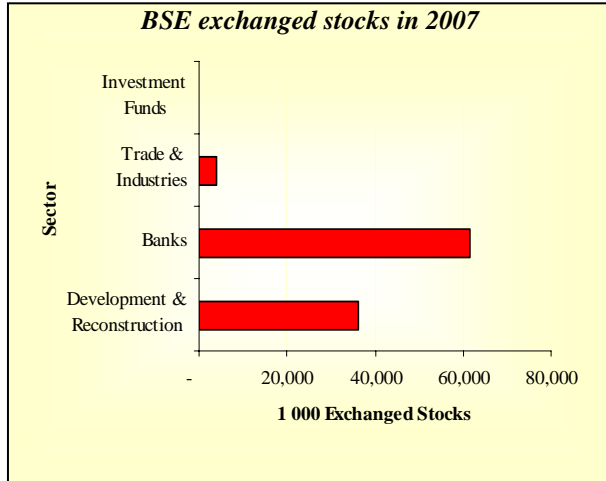
Graph made by CAS based on Central Bank of Lebanon (2007) data

## Beirut Stock Exchange (BSE)

114,238,000 shares were exchanged in 2007 on Beirut Stock Exchange. The peak was registered for banks (53.9%) and in October (47.2%).

Value of total exchanged shares was equal to 993,799,000 USD which peak was registered for banks (60.4%) and in September (21.4%).

Market capitalization was equal to 10,894,000,000 USD in December which peak was registered for banks (36.4%).



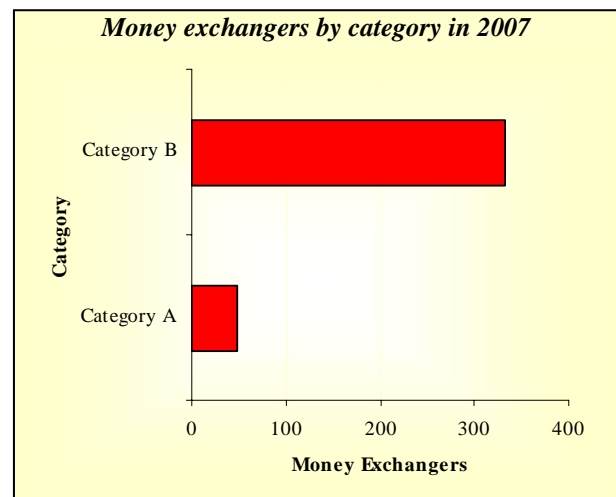
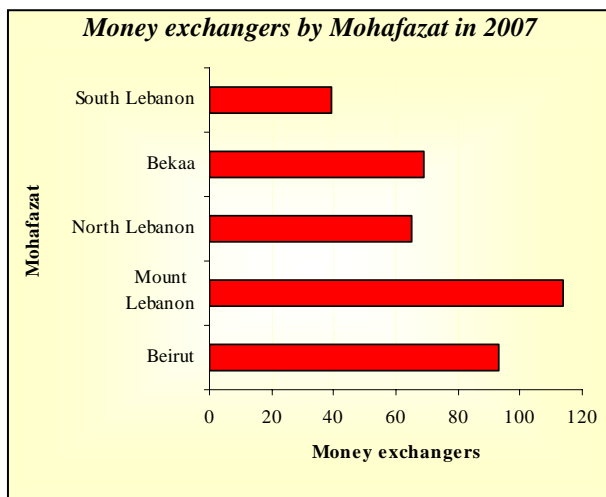
*Graphs made by CAS based on Beirut Stock Exchange (2007) data*

## Money exchange

There were 380 money exchangers divided into two categories specified by law number 347/87:

- Category A (12.6%): Buying and selling foreign currencies in exchange of any other foreign currency or the LBP even if it was a bank note or a coin; buying and selling metallic ingots, conversions, cheques and Travellers Cheques. The capital is equal to 250,000,000 LBP.
- Category B (87.4%): Buying and selling foreign currencies in exchange of any other foreign currency or the LBP even if it was a bank note or a coin; buying and selling metallic ingots, golden ingots below 1,000 conversions, cheques and Travellers Cheques within a cap defined by the Central Bank of Lebanon. The capital is equal to 100,000,000 LBP.

The peak of money exchangers was registered in Mount-Lebanon (30.0%).



*Graphs made by CAS based on Syndicate of Money Exchangers (2007) data*

### Data sources:

- Central Bank of Lebanon (2007).
- Association of Banks in Lebanon (2007).
- Beirut Stock Exchange (2007).
- Syndicate of Money Exchangers (2007).