

PART VI – FINANCIAL SERVICES

15. MONEY AND BANKING

Money and banking deals with the Central Bank of Lebanon and the commercial banks statistics

Central Bank of Lebanon

The Central Bank of Lebanon part deals with the balance sheet of the bank of Lebanon, the consolidated balance sheet of commercial banks, the monetary situation, the banks clearings, the treasury bills in circulation, the exchange rate, the private sector deposits in commercial banks, the financing of foreign trade, the geographic distribution of ATMs, the payment cards and the bank loans to economic sectors.

Central Bank of Lebanon balance sheet

Assets and liabilities of the Central Bank of Lebanon are equal to 81,027 billion LBP in December 2009.

Table 15.1 – Central Bank of Lebanon balance sheet. December 2009

Assets	%	Liabilities	%
Foreign assets	66.5	Currency in circulation outside BDL	3.4
Claims on the private sector	0.4	Deposits	64.1
Loans to banks	2.2	Liabilities to the private sector	0.04
Securities portfolio	19.2	Valuation adjustment	8.3
		Securities other than shares	3.7
Fixed assets	0.5	Foreign liabilities	0.7
Unclassified assets	10.9	Capital accounts	4.1
		Unclassified Liabilities	1.4
Total assets. Billion LBP	81,027	Total liabilities. Billion LBP	81,027

Table made by CAS based on Central Bank of Lebanon data (2009)

Commercial banks balance sheet

Assets and liabilities of commercial banks are equal to 173,740 billion LBP in December 2009, thus 2.1 times the Central Bank of Lebanon assets and liabilities.

Table 15.2 – Commercial banks consolidated balance sheet. December 2009

Assets	%	Liabilities	%
Reserves	30.8	Resident private sector deposits	68.7
Claims on the private sector	21.0	Public sector deposits	0.9
Claims on the public sector	25.2	Foreign liabilities	18.4
		Bonds	0.1
Foreign assets	20.5	Capital accounts	6.9
Fixed assets	2.2		
Unclassified assets	0.2	Unclassified Liabilities	5.0
Total assets. Billion LBP	173,740	Total liabilities. Billion LBP	173,740

Table made by CAS based on Central Bank of Lebanon data (2009)

Monetary situation

Monetary situation consists of money and its counterparts evolution.

Table 15.3 – Monetary situation. December 2009

Money supply	Billion LBP
Money and quasi-Money in LBP and foreign currencies (M3)	123,732
Counterparts	Billion LBP
Net foreign assets	57,122
Net claims on public sector	40,731
Claims on the private sector	38,447
Other items (net)	(12,568)

Table made by CAS based on Central Bank of Lebanon data (2009)

Banks clearing

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

Table 15.4 – Bank clearings. Value and % in 2009

Clearings	Value	Peak Month. %	Peak region. %
LBP clearings. Thousands	3,383	December (9.3)	Beirut (77.2)
LBP clearings. Billion LBP	16,763	December (9.5)	Beirut (84.6)
USD clearings. Thousands	8,742	December (9.4)	
USD clearings. Million USD	44,039	December (10.5)	
Euro clearings. Thousands	99	July- August, October, December (9.5)	
Euro clearings. Million Euros	1,180	December (11.3)	
Sterling clearings. Thousands	3	March-August, October, December (9.2)	
Sterling clearings. Million Sterling	57	June (13.5)	

Table made by CAS based on Central Bank of Lebanon data (2009)

Treasury bills in circulation

Treasury bonds in 2009 in billion LBP:

- Issues peak month: October (2,648).
- Reimbursement peak month: June (1,323).
- In circulation at the end of period peak month: December (43,758).

Table 15.5 – Treasury bills. End of period in 2009

Type	By pay-day	Peak month. Billion LBP
3 months – Issue		March (306)
3 months – Reimbursement		June (305)
3 months – In circulation at the end of period		March (696)
6 months – Issue		October (349)
6 months – Reimbursement		May (587)
6 months – In circulation at the end of period		December (1,531)
12 months – Issue		October (441)
12 months – Reimbursement		September (166)
12 months – In circulation at the end of period		December (2,141)
24 months – Issue		October (301)
24 months – Reimbursement		February (284)
24 months – In circulation at the end of period		December (2,989)
Over 3 years – Issue		September (1,509)
Over 3 years – Reimbursement		October (1,174)
Over 3 years – In circulation at the end of period		December (36,944)
By subscriber		
Banque du Liban		August (9,976)
Banks		December (26,733)
Financial institutions		December (128)
Public administrations		December (5,998)
Public		December (1,138)
Total		December (43,758)

Table made by CAS based on Central Bank of Lebanon data (2009)

Exchange rate

This part displays the foreign bills medium exchange rate in LBP.

Table 15.6 – Medium exchange rate. LBP in 2009

By pay-day	
Currency and metal	Peak month. LBP
Euro	November (2,248.8)
Sterling Pound	November (2,502.9)
Canadian Dollar	October (1,430.5)
Japanese Yen	November (16.9)
Swiss Franc	November (1,488.6)
Saudi Rial	March-November (402.0)
Egyptian Pound	November (276.1)
Emirates Dirham	May-June (410.5)
Special Drawing Rights	November (2,410.1)
Gold	December (1712,407)
Silver	November (26,804)

Table made by CAS based on Central Bank of Lebanon data (2009)

Private sector deposits in commercial banks

This part details the private sector deposits in commercial banks.

Table 15.7 – Private sector deposits in commercial banks. Billion LBP in December 2009

Deposits	Billion LBP	%
Residents' deposits	119,383	82.7
Non residents' deposits	24,984	17.3
Total	144,367	100.0
Total deposits in LBP	51,311	35.5
Total deposits in foreign currencies	93,056	64.5
Total	144,367	100.0

Table made by CAS based on Central Bank of Lebanon data (2009)

Other peaks in 2009:

- Dollarization rate peak month: January (68.6%).
- Requests for information at Centrale des Risques peak month: October (18,540 units).

Financing foreign trade

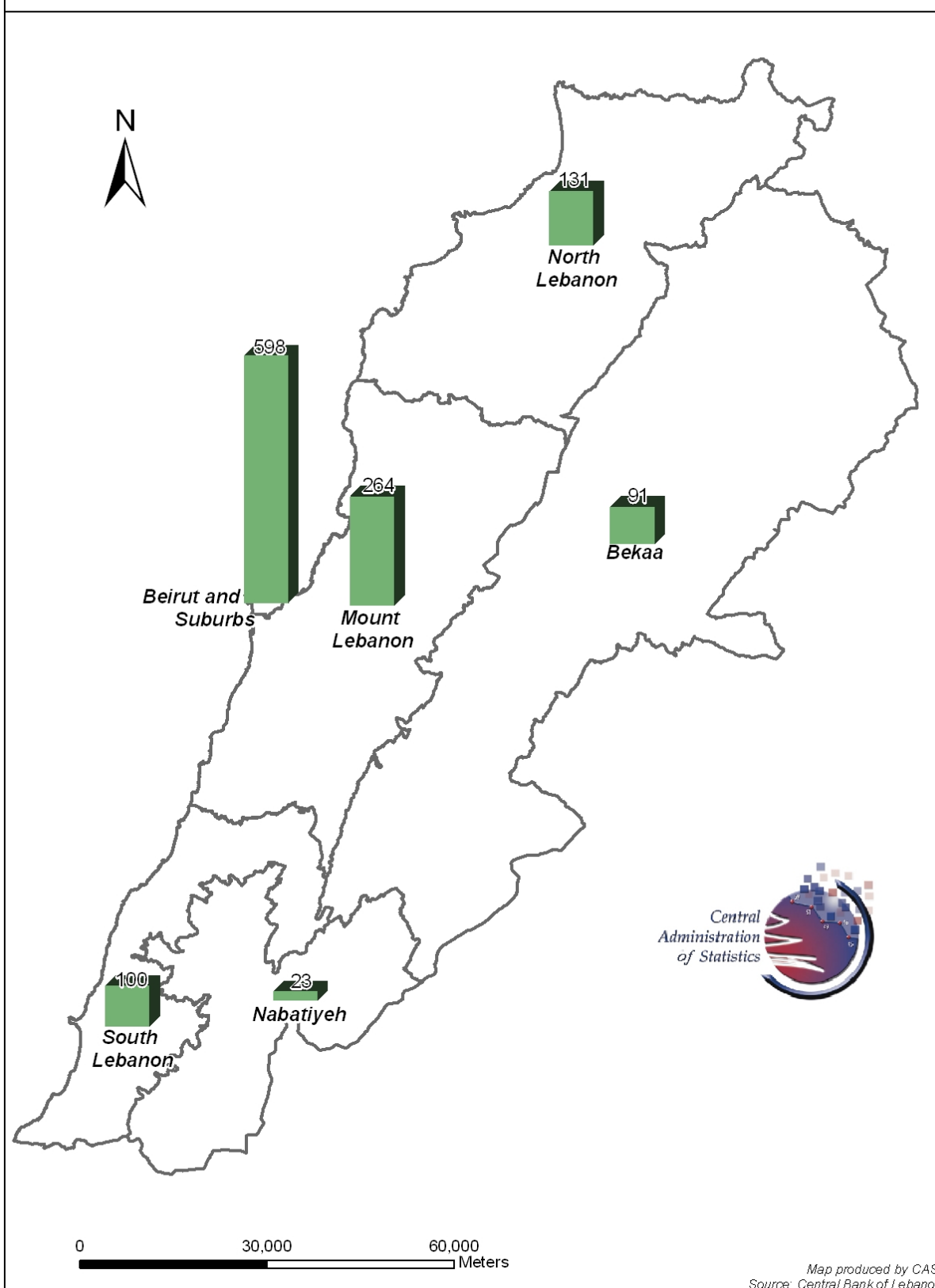
This part displays documentary L/Cs and bills for collection.

Table 15.8 – Financing foreign trade. Billion LBP in 2009

Type	December 2009. Billion LBP	Peak month. Billion LBP
Documentary L/Cs		
<i>Opened credits</i>		
Imports	534	July (630)
Exports	480	January (584)
<i>Used credits</i>		
Imports	528	Septemeber (655)
Exports	510	July (580)
<i>Outstanding credits at the end of period</i>		
Imports	1,322	November (1,342)
Exports	1,827	January (2,455)
Bills for collection		
<i>Inward bills</i>		
Imports	225	August (346)
<i>Outward bills</i>		
Exports	565	April (662)
<i>Outstanding bills at the end of period</i>		
Imports	235	May (239)
Exports	420	January (625)

Table made by CAS based on Central Bank of Lebanon data (2009)

Distribution of ATMs per Mohafazat in 2009



ATMs in Lebanon:

- Number: 1,207 ATMs.
- Peak Mohafazat: Beirut and Suburbs (49.5%).

Payment cards points of sale in Lebanon:

- Number: 87,914 points of sale.
- Peak type: Number of contracts signed with merchants (51.7%).

Payment cards. LBP payments & drawings inside Lebanon by residents:

- Share of LBP payments out of total payments in LBP & USD: 12.0%.
 - Share of LBP payments out of total payments in LBP & USD: Peak month: June (12.9%).
- Share of LBP withdraws out of total drawings in LBP & USD: 69.4%.
 - Share of LBP withdraws out of total drawings in LBP & USD: peak month: November (69.7%).

Outstanding payment cards:

- Number: 1,630,036 cards.
- Peak month: August (1,648,437 cards).
- Peak type: Resident cardholders (97.1%).

Payment Cards. Purchases and Cash Withdrawals:

- POS Purchases inside Lebanon by Residents: 143,593,863 USD.
 - Peak month: September (97,317,738 USD).
- POS Purchases inside Lebanon by Non-Residents: 2,404,274 USD.
 - Peak month: September (1,689,527 USD).
- POS Purchases & ATM Cash Withdraw- Outside Lebanon by Residents: 65,851,935 USD.
 - Peak month: September (67,775,623USD).
- ATM Cash Withdrawals inside Lebanon by Residents: 65,851,935 USD.
 - Peak month: September (450,149,158 USD).
- ATM Cash Withdrawals inside Lebanon by Non-Residents: 6,300,223USD.
 - Peak month: September (6,622,958 USD).

Bank loans to economic sectors

Bank loans are given to all economic sectors. Trade and services (39.7%) are the peak sector in 2009.

Table 15.9 – Bank loans to economic sectors

Activity	Billion LBP	%	Peak month. %	December 2004.	December 2009.	Change. %
				Billion LBP	Billion LBP	
Trade and services	211,732	39.7	December (8.6)	11,867	18,178	53.2
Construction & transactions	86,209	16.2	September (9.1)	4,620	7,295	57.9
Industry	60,278	11.3	November (9.4)	3,837	421	(89.0)
Personal loans	109,491	20.5	December (9.7)	4,330	10,577	144.3
Financial Intermediation	42,113	7.9	September (9.6)	933	3878	315.6
Agriculture	5,069	1.0	November (8.7)	292	421	44.2
Other sectors	18,351	3.4	January (9.1)	983	1,606	63.4
Total	533,243	100.0	November (9.0)	26,862	42,376	57.8

Table made by CAS based on Central Bank of Lebanon data (2009)

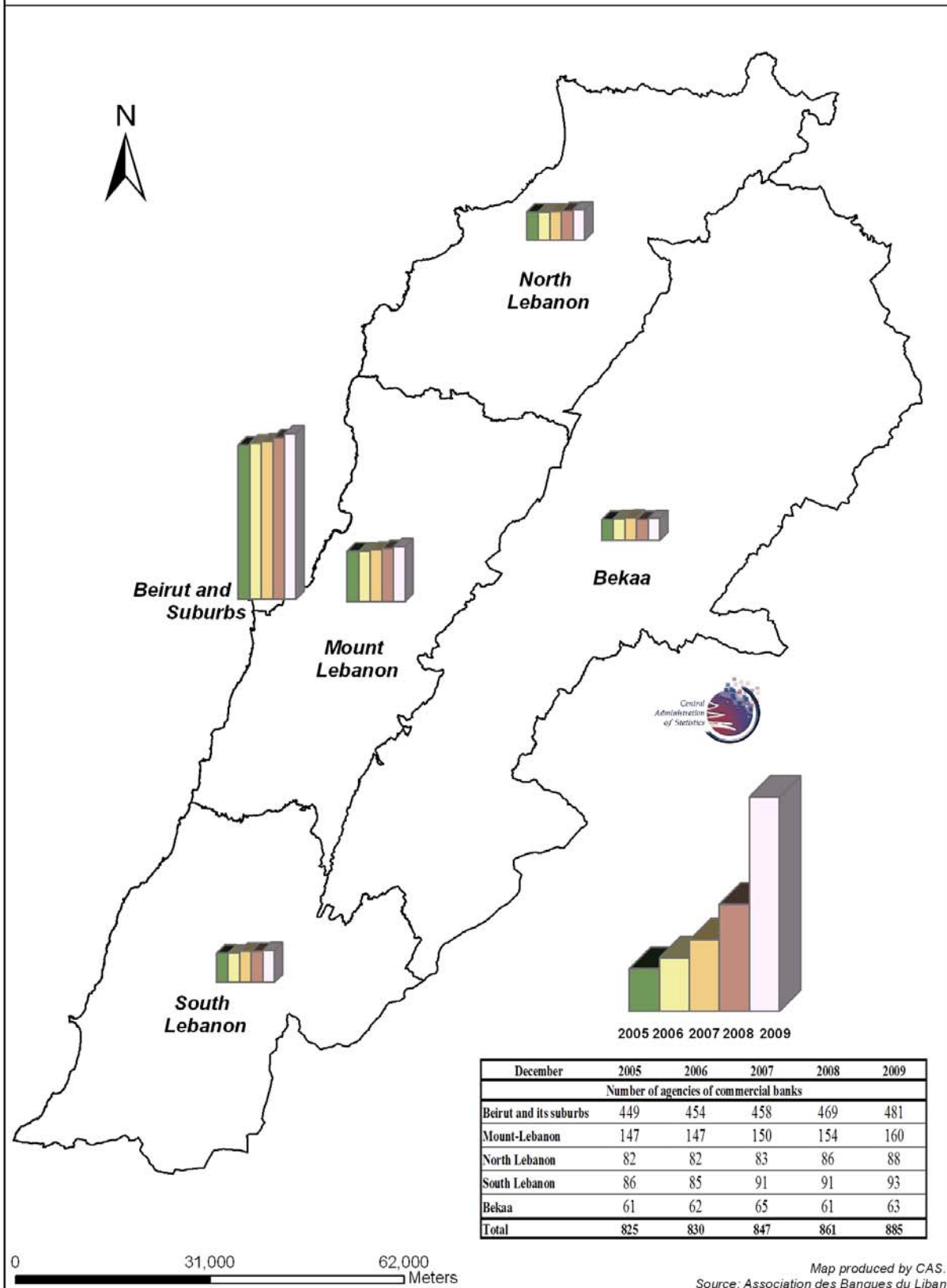
Commercial banks in Lebanon

The commercial banks section studies their distribution, expenditures and revenues, consolidated accounts of profit and loss, distribution of deposits, bank credits, and credits beneficiary. It also deals with geographic distribution of bank agencies, employees' salaries and allowances and average salary of a bank employee.

Commercial banks main features:

- Number in 2009: 65 banks.
 - Commercial banks: 81.5%.
 - Investment banks: 18.5%.
- Bank agencies in 2009: 885 agencies.
 - Peak region: Beirut and suburbs: 54.4% of agencies.
 - Agencies number: December 2005: 825 agencies.
 - Agencies number: December 2009: 885 agencies.
 - Change (2005-2009): 7.3%.
- Beneficiaries by credit range:
 - End of period 2008: 223,492 beneficiaries.
 - End of period 2009: 281,513 beneficiaries.
 - Change (2008-2009): 26.0%
- Expenditures, products, and net profits of banks:
 - Expenditures:
 - Year 2004: 5,928 billion LBP.
 - Year 2009: 9,548 billion LBP.
 - Change (2004-2009): 61.6%.
 - Products:
 - Year 2004: 6,624 billion LBP.
 - Year 2009: 11,352 billion LBP.
 - Change (2004-2009): 71.4%.
 - Net profits:
 - Year 2004: 696 billion LBP.
 - Year 2009: 1,804 billion LBP.
 - Change (2004-2009): 159.2%.
- Credits by sector:
 - End of period 2005: 27,145 billion LBP.
 - End of period 2009: 47,584 billion LBP.
 - Change (2005-2009): 75.3%.
- Employees:
 - Year 2005: 15,993 employees.
 - Year 2009: 19,794 employees.
 - Change (2005-2009): 23.8%
- Employees wages and allowances:
 - Year 2005: 719 billion LBP.
 - Year 2009: 1,104 billion LBP.
 - Change (2005-2009): 53.5%.

Distribution of Commercial Banks Branches between 2005 - 2009



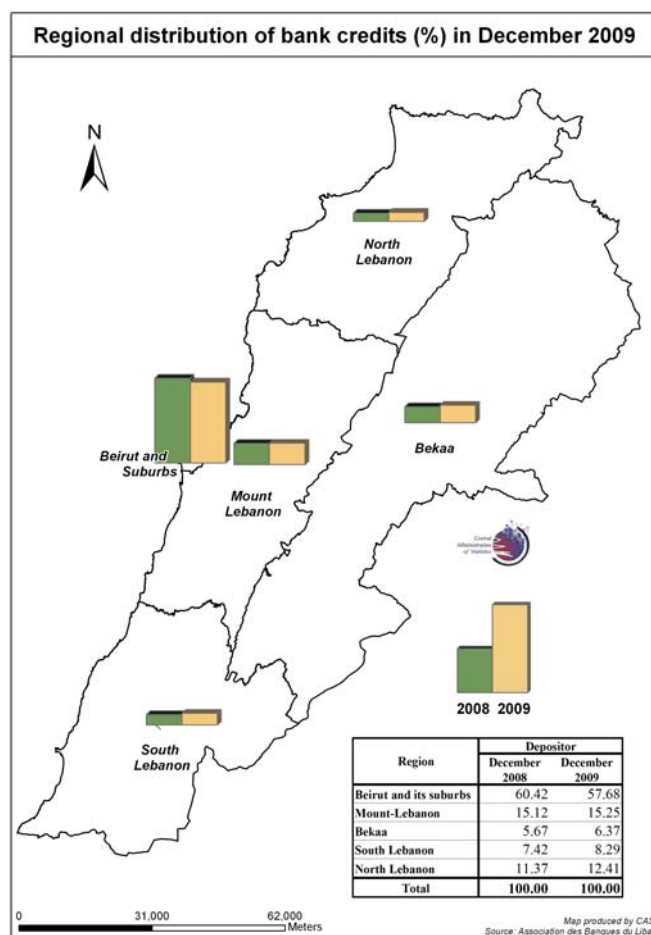
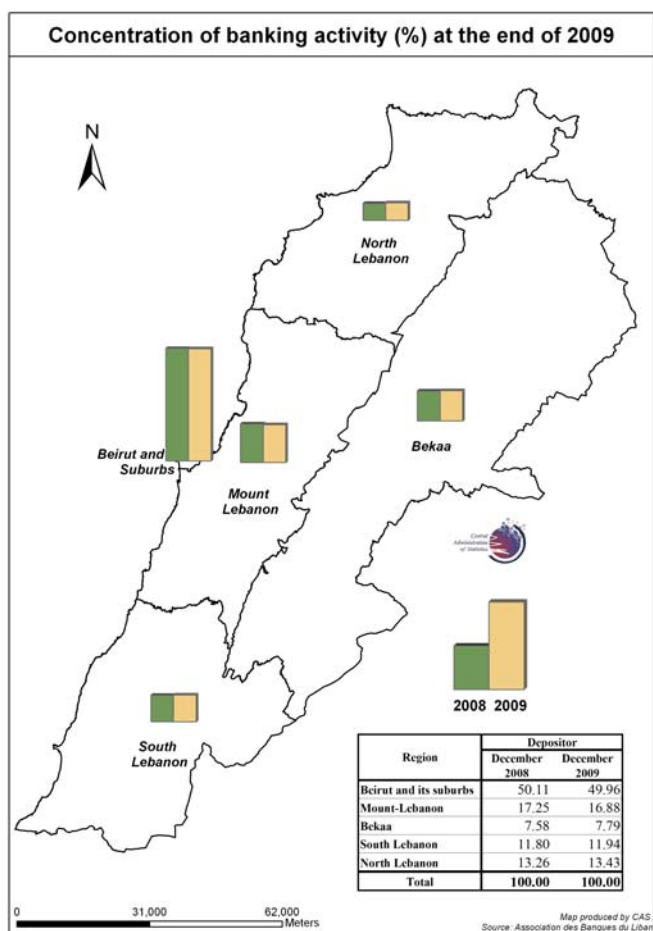
Banks regional activities

Banks regional activity deals with concentration and credits. The peak region is Beirut and its suburbs.

Table 15.10 – Bank regional activities (2008-2009)

Beirut and suburbs	December 2008. %	December 2009. %	Change. %
<i>Concentration</i>			
Region	67.6	69.0	1.9
Depositors	50.1	50.0	(0.3)
<i>Credits</i>			
Region	82.4	81.1	(1.5)
Depositors	60.4	57.7	(4.5)

Table made by CAS based on Association des Banques du Liban data (2009)



Beneficiaries by credit range

The credit range [5,000,000-25,000,000] LBP showed the highest increase (33.6%) of beneficiaries for the period 2008 – 2009.

Table 15.11 – Beneficiaries by credit range. Number (2008-2009)

Range. LBP	Number		Change. %
	2008	2009	
< 5000,000	7,119	8,573	20.4%
5000,000 - 25,000,000	121,654	162,515	33.6%
25,000,000 - 100,000,000	69,543	79,625	14.5%
100,000,000 - 500,000,000	18,234	23,164	27.0%
500,000,000 - 1,000,000,000	2,569	2,891	12.5%
1,000,000,000 - 5,000,000,000	3,110	3,387	8.9%
5,000,000,000 - 10,000,000,000	601	652	8.5%
> 10,000,000,000	662	706	6.6%
Total	223,492	281,513	26.0%

Table made by CAS based on Association des Banques du Liban data (2009)

Banks expenditures and revenues

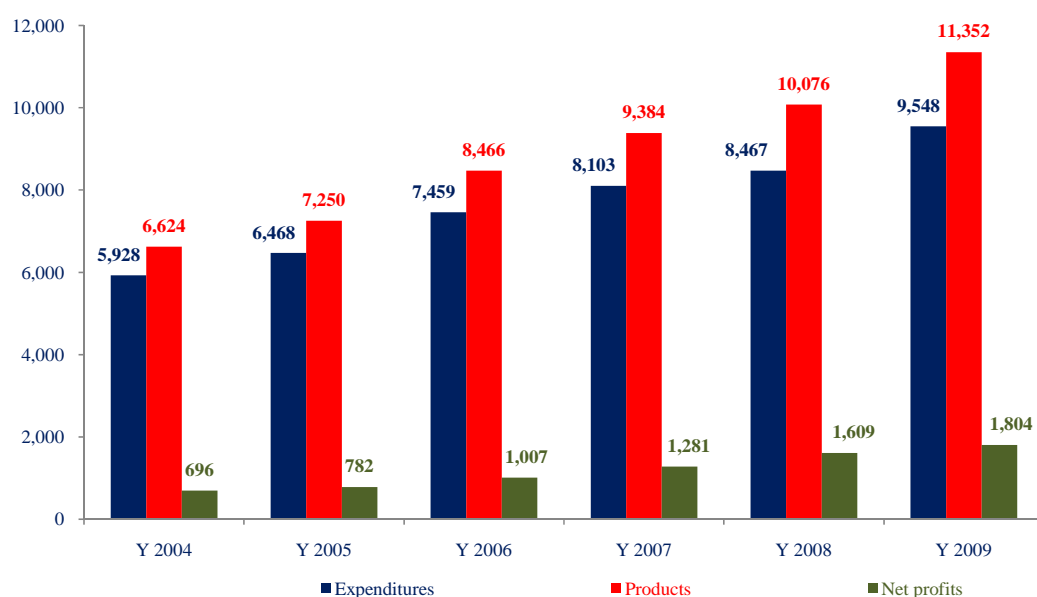
The difference between banks expenditures and revenues gives the net profit which shows an increase of 159.2% between 2004 and 2009.

Table 15.12 – Bank expenditures and revenues. Billion LBP (2008-2009)

Category	Billion LBP						Change (2004-2009). %
	2004	2005	2006	2007	2008	2009	
Expenditures	5,928	6,468	7,459	8,103	8,467	9,548	61.1%
Products	6,624	7,250	8,466	9,384	10,076	11,352	71.4%
Net profits	696	782	1,007	1,281	1,609	1,804	159.2%

Table made by CAS based on Association des Banques du Liban data (2009)

Graph 15.1 – Expenditures and revenues of banks. Billion LBP (2004-2009)



Graph made by CAS based on Association des Banques au Liban data (2009)

**Table 15.13 – Banks expenditures and revenues.
Period (2008-2009)**

Year	Billion LBP		Change.
	2004	2009	%
Expenditures	5,928	9,548	61.1%
Paid interests	4,202	6,873	63.6%
Net provisions	155	82	-47.1%
Staff expenses	722	1,205	66.9%
General operating expenses	728	1,062	45.9%
Income tax	121	326	169.4%
Products	6,624	11,352	71.4%
Received interests	5,889	9,918	68.4%
Net commissions received and other banking investment revenues	758	1,428	88.4%
Other revenues	-23	6	-126.1%
Net profits	696	1,804	159.2%

Table made by CAS based on Association des Banques du Liban data (2009)

Credits by sector

Table 15.14 – Credits by sector. Period (2008-2009)

Economic sector	Billion LBP		Change. %
	2005	2009	
Agriculture	344	421	22.4
Industry	4,027	5,629	39.8
Construction	4,206	7,295	73.4
Trade and services	11,537	18,178	57.6
Financial intermediation	1,131	3,878	242.9
Others	1,172	1,606	37.0
Individuals	4,728	10,577	123.7
Total	27,145	47,584	75.3

Table made by CAS based on Association des Banques du Liban data (2009)

Bank human resources

Total employees of banks were 15,993 in 2005. They increased of 23.8% to reach 19,794 employees in 2009. The increases peaks for the period (2005-2009) are registered for the following categories according to:

- Sex: females (27.6%).
- Age: less than 25 years (85.1%).
- Status: Single (39.2%).
- Rank: Clerks (28.9%).
- Educational level: University degree (48.3%).
- Bank category: Investment banks (75.9%).

Increase / Decrease peaks for the period 2004-2009:

- Expenditures: income tax increase: 169.4%.
- Products: Other revenues decrease: (126.1%).
- Net profits increase: 159.2%.

Credits by sector are given to agriculture, industry, construction, trade and services, financial intermediation, others, and individuals. Total credits in 2009 reached 47,584 billion LBP in 2009.

The sector which benefited the most of credits is trade and services (38.2%).

Financial intermediation registered the highest increase for the period 2005-2009: 242.9%.

Table 15.15 – Banks human resources (2008-2009)

	2005	2009	Change. %
Employees	15,993	19,794	23.8
According to sex			
Male	9,013	10,885	20.8
Female	6,980	8,909	27.6
According to age			
Less than 25 years	1,133	2,097	85.1
[25-40[years	7,661	9,278	21.1
[40-60[years	6,730	7,726	14.8
60 years and more	469	693	47.8
Status			
Single	5,586	7,775	39.2
Married	10,407	12,019	15.5
Number of children	16,535	18,791	13.6
Ranks			
Managers and supervisors	2,266	2,810	24.0
Division chef	4,762	5,898	23.9
Clerks	7,638	9,842	28.9
Subordinated staff	1,327	1,244	(6.3)
According to the educational level			
Less than Bac.	2,810	2,666	(5.1)
Bac. 2nd part or equivalent	4,263	3,902	(8.5)
University degree	8,920	13,226	48.3
According to bank's category			
Lebanese commercial banks Sal	14,639	18,598	27.0
Foreign commercial banks	1,097	744	(32.2)
Investment banks	257	452	75.9

Table made by CAS based on Association des Banques du Liban data (2009)

Bank employees' wages and allowances

Total banks employees' wages and allowances were 719 billion LBP in 2005. They increased of 53.5% to reach 1,104 billion LBP in 2009.

The increases peaks for the period (2005-2009) are registered for the following categories according to:

- Salaries: family benefits (52.5%).
- Allowances of end of service: NSSF (59.5%).
- NSSF: other benefits (77.9%).

Table 15.16 – Banks employees’ wages and allowances. Billion LBP (2005-2009)

	Billion LBP		Change. %
	2005	2009	
Salaries			
Family benefits	437.2	666.9	52.5
NSSF	14.7	19.3	31.3
Surplus	10.2	10.7	4.9
Allowances of end of service			
NSSF	39.0	62.2	59.5
Provisions	61.9	85.8	38.6
Health allowances	19.3	24.8	28.5
NSSF			
Surplus	18.5	23.5	27.0
Other benefits	118.3	210.4	77.9
Total	719	1,104	53.5

Table made by CAS based on Association des Banques du Liban data (2009)