

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 94,381 billion LBP in December 2010.

Table 15.1 – Central Bank of Lebanon balance sheet. December 2010

Assets	%	Liabilities	%
Foreign assets	66.5	Currency in circulation outside BDL	3.3
Claims on the private sector	0.4	Deposits	63.1
Loans to banks	1.2	Public sector accounts	9.9
Claims on public sector	0.2	Valuation adjustment	11.8
Securities portfolio	18.7	Securities other than shares	3.2
Fixed assets	0.4	Foreign liabilities	0.4
Unclassified assets	12.6	Capital accounts	4.5
		Unclassified Liabilities	1.1
Total assets. Billion LBP	94,381	Total liabilities. Billion LBP	94,381

Table made by CAS based on Central Bank of Lebanon data (2010)

Commercial banks balance sheet

Assets and liabilities of commercial banks are equal to 194,355 billion LBP in December 2010, thus 2.1 times the Central Bank of Lebanon assets and liabilities.

Table 15.2 – Commercial banks consolidated balance sheet. December 2010

Assets	%	Liabilities	%
Reserves	31.5	Resident private sector deposits	68.8
Claims on the private sector	23.5	Public sector deposits	1.1
Claims on the public sector	22.7	Foreign liabilities	17.8
Foreign assets	20.0	Bonds	0.2
Fixed assets	2.2	Capital accounts	7.2
Unclassified assets	0.2	Unclassified Liabilities	4.9
Total assets. Billion LBP	194,355	Total liabilities. Billion LBP	194,355

Table made by CAS based on Central Bank of Lebanon data (2010)

Monetary situation

Monetary situation consists of money and its counterparts evolution.

Table 15.3 – Monetary situation. December 2010

Money supply	Billion LBP
Money and quasi-Money in LBP and foreign currencies (M3)	138,910
Counterparts	Billion LBP
Net foreign assets	66,536
Net claims on public sector	37,708
Claims on the private sector	47,829
Other items (net)	(13,163)

Table made by CAS based on Central Bank of Lebanon data (2010)

Banks clearing

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

Table 15.4 – Bank clearings. Value and % in 2010

Clearings	Value	Peak Month. %	Peak region. %
LBP clearings. Thousands	3,512	December (9.2)	Beirut (84.1)
LBP clearings. Billion LBP	20,374	December (9.5)	Beirut (90.2)
USD clearings. Thousands	9,286	July (9.1)	
USD clearings. Million USD	52,558	March (9.8)	
Euro clearings. Thousands	103	All year months except for January, April, August, and November (9.0)	
Euro clearings. Million Euros	1,268	March (10.3)	
Sterling clearings. Thousands	3	May and October (9.5)	
Sterling clearings. Million Sterling	73	June (11.9)	

Table made by CAS based on Central Bank of Lebanon data (2010)

Treasury bills in circulation

Treasury bonds in 2010 in billion LBP:

- Issues peak month: December (3,821).
- Reimbursement peak month: December (2,028).
- In circulation at the end of period peak month: December (47,237).

Table 15.5 – Treasury bills. End of period in 2010

By pay-day	
Type	Peak month. Billion LBP
3 months – Issue	August (171)
3 months – Reimbursement	November (171)
3 months – In circulation at the end of period	September (349)
6 months – Issue	November (711)
6 months – Reimbursement	April (350)
6 months – In circulation at the end of period	December (2,141)
12 months – Issue	December (680)
12 months – Reimbursement	October (441)
12 months – In circulation at the end of period	January (2,170)
24 months – Issue	September (369)
24 months – Reimbursement	September (305)
24 months – In circulation at the end of period	October (3,460)
Over 3 years – Issue	December (2,487)
Over 3 years – Reimbursement	December (1,618)
Over 3 years – In circulation at the end of period	December (39,592)
By subscriber	
Banque du Liban	December (12,762)
Banks	February (27,775)
Financial institutions	March and April (135)
Public administrations	October (1,191)
Public	December (1,519)
Total	December (47,237)

Table made by CAS based on Central Bank of Lebanon data (2010)

Exchange rate

This part displays the foreign bills medium exchange rate in LBP. USD is always equal to LBP 1507.50.

Table 15.6 – Medium exchange rate. LBP in 2010

<i>By pay-day</i>	
Currency and metal	Peak month. LBP
Euro	January (2,152.35)
Sterling Pound	January (2,440.16)
Swiss Franc	October (1,557.90)
Japanese Yen	October (18.43)
Canadian Dollar	April (1,501.64)
Saudi Rial	February, March, October, and November (401.98)
Egyptian Pound	January (276.76)
Emirates Dirham	March and November (410.45)
Special Drawing Rights	October (2,365.44)
Gold	December (2,098,863)
Silver	December (44,130)

Table made by CAS based on Central Bank of Lebanon data (2010)

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 2010

Deposits	Billion LBP	%
Residents' deposits	133,743	82.8
Non residents' deposits	27,866	17.2
Total	161,610	100.0
Total deposits in LBP	59,410	36.8
Total deposits in foreign currencies	102,199	63.2
Total	161,610	100.0

Table made by CAS based on Central Bank of Lebanon data (2010)

Other peaks in 2010:

- Dollarization rate peak month: February (67.9%).
- Requests for information at Centrale des Risques peak month: March (19,654 units).

Financing foreign trade

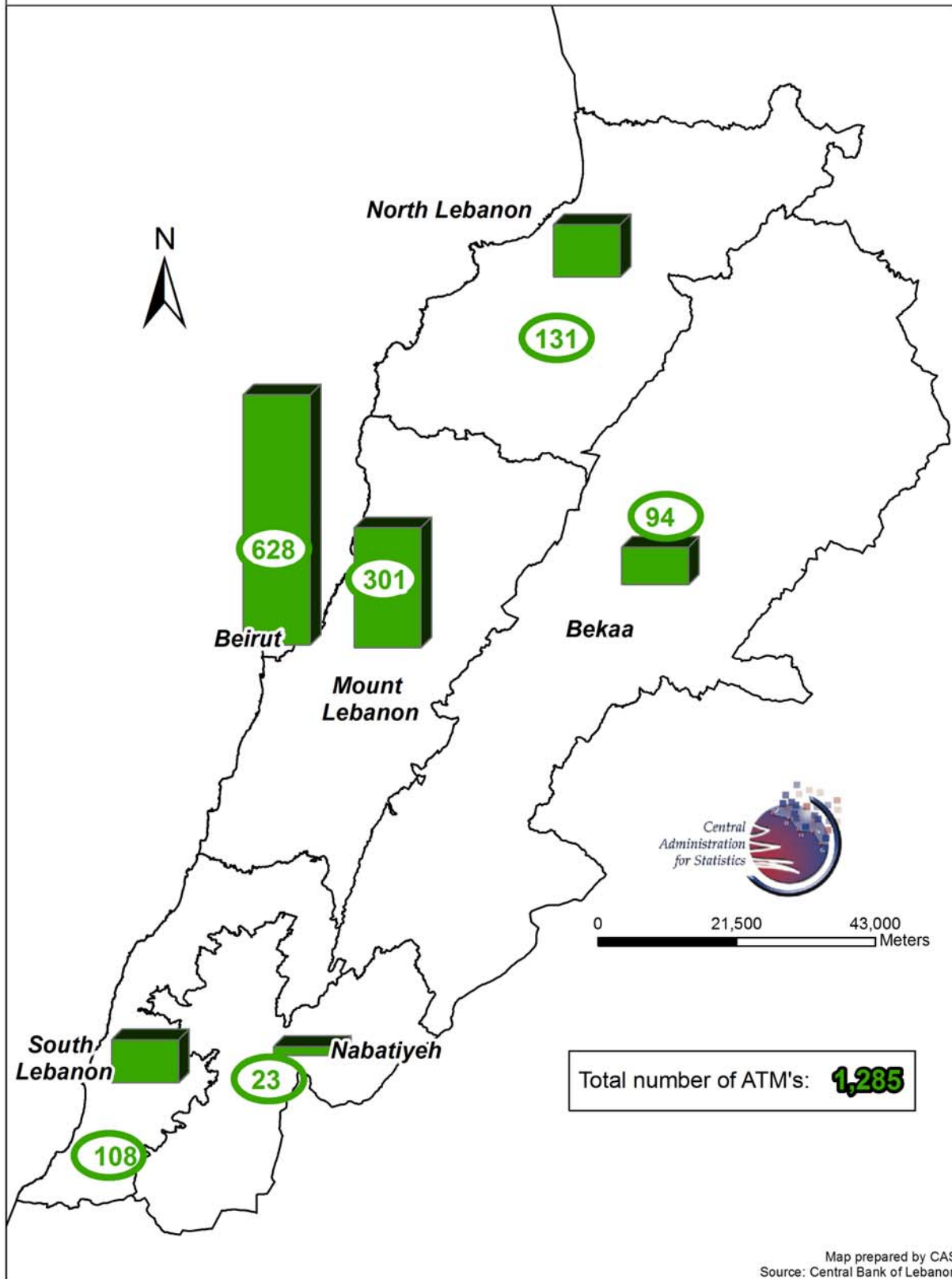
This part displays documentary L/Cs and bills for collection.

Table 15.8 – Financing foreign trade. Billion LBP in 2010

Type	December 2010. Billion LBP	Peak month. Billion LBP
Documentary L/Cs		
<i>Opened credits</i>		
Imports	635.7	April (755.5)
Exports	500.4	January (576.0)
<i>Used credits</i>		
Imports	582.4	June (744.1)
Exports	705.7	December (705.7)
<i>Outstanding credits at the end of period</i>		
Imports	1412.3	April (1615.6)
Exports	1698.1	September (2263.9)
Bills for collection		
<i>Inward bills</i>		
Imports	260.9	August (387.1)
<i>Outward bills</i>		
Exports	620.1	July (661.5)
<i>Outstanding bills at the end of period</i>		
Imports	231.6	November (252.8)
Exports	588.4	December (588.4)

Table made by CAS based on Central Bank of Lebanon data (2010)

Number of ATM's in 2010



ATMs in Lebanon:

- Number: 1,285 ATMs.
- Peak Mohafazat: Beirut and Suburbs (48.9%).

Payment cards points of sale in Lebanon:

- Number: 91,016 points of sale.
- Peak type: Number of contracts signed with merchants (53.4%).

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

- Share of LBP payments out of total payments in LBP & USD in December: 12.3%.
 - Share of LBP payments out of total payments in LBP & USD: Peak month: November (12.6%).
- Share of LBP withdraws out of total drawings in LBP & USD in December: 69.8%.
 - Share of LBP withdraws out of total drawings in LBP & USD: peak month: December (69.8%).

Outstanding payment cards in December

- Number: 1,676,372 cards.
- Peak month: November (1,677,404 cards).
- Peak type: Resident cardholders (97.2%).

Payment Cards. Purchases and Cash Withdrawals:

- POS Purchases inside Lebanon by Residents in December: USD 161,026,314.
 - Peak month: December (USD 161,026,314).
- POS Purchases inside Lebanon by Non-Residents in December: USD 2,526,791.
 - Peak month: December (USD 2,526,791).
- POS Purchases & ATM Cash Withdraw- Outside Lebanon by Residents in December: USD 79,616,387.
 - Peak month: September (USD 84,777,517).
- ATM Cash Withdrawals inside Lebanon by Residents in December: USD 538,087,014.
 - Peak month: December (USD 538,087,014).
- ATM Cash Withdrawals inside Lebanon by Non-Residents: USD 6,958,817.
 - Peak month: July (USD 9,069,521).

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	December 2004. Billion LBP	December 2010. Billion LBP	Change. %
Trade and services	11,867	21,046	77.3
Construction & transactions	4,620	9,494	105.5
Industry	3,837	6,564	71.1
Personal loans	4,330	13,723	216.9
Financial Intermediation	933	4927	428.1
Agriculture	292	554	89.7
Other sectors	983	2,036	107.1
Total	26,862	58,344	117.2

Table made by CAS based on Central Bank of Lebanon data (2010)

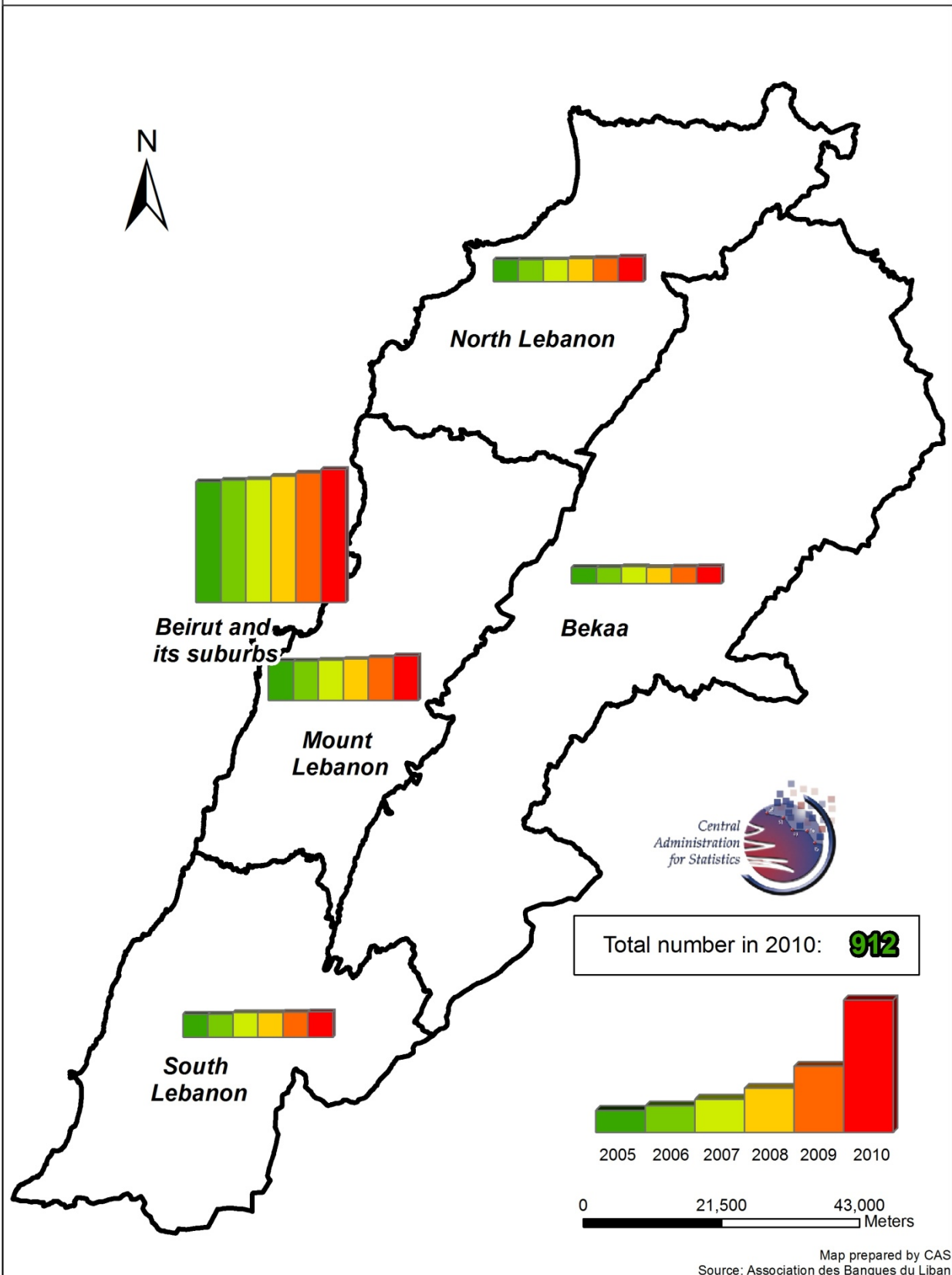
Commercial banks in Lebanon

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 characteristics:

- Number in 2010: 67 banks.
 - Commercial banks: 80.6%.
 - Investment banks: 19.4%.
- Bank agencies in 2010: 912 agencies.
 - Peak region: Beirut and suburbs: 54.3% of agencies.
 - Agencies number: December 2005: 825 agencies.
 - Agencies number: December 2010: 912 agencies.
 - Change (2005-2010): 10.5%.
- Beneficiaries by credit range:
 - End of period 201: 223,492 beneficiaries.
 - End of period 2010: 356,532 beneficiaries.
 - Change (2008-2010): 59.5%
- Expenditures, products, and net profits of banks:
 - Expenditures:
 - Year 2004: 5,928 billion LBP.
 - Year 2010: 10,414 billion LBP.
 - Change (2004-2010): 75.7%.
 - Products:
 - Year 2004: 6,624 billion LBP.
 - Year 2010: 12,888 billion LBP.
 - Change (2004-2010): 94.6%.
 - Net profits:
 - Year 2004: 696 billion LBP.
 - Year 2010: 2,474 billion LBP.
 - Change (2004-2010): 255.5%.
- Credits by sector:
 - End of period 2005: 27,145 billion LBP.
 - End of period 2010: 58,344 billion LBP.
 - Change (2005-2010): 114.9%.
- Employees:
 - Year 2005: 15,993 employees.
 - Year 2010: 21,337 employees.
 - Change (2005-2010): 33.4%
- Employees wages and allowances:
 - Year 2005: 719 billion LBP.
 - Year 2010: 1,210 billion LBP.
 - Change (2005-2010): 68.2%.

Commercial Banks Branches 2005 - 2010



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 (2008-2010)

Beirut and suburbs	December 2008. %	December 2010. %	Change. %
<i>Concentration</i>			
Region	67.6	69.3	2.5
Depositors	50.1	49.5	(1.2)
<i>Credits</i>			
Region	82.4	80.6	(2.2)
Depositors	60.4	56.4	(6.6)

Table made by CAS based on Association des Banques du Liban data (2010)

Beneficiaries by credit range

The credit less than LBP 5,000,000 showed the highest increase (108.9%) of beneficiaries for the period 2008 – 2010.

Table 15.11 – Beneficiaries by credit range. Number (2008-2010)

Range. LBP	Number		Change. %
	2008	2010	
< 5000,000	7,119	14,869	108.9%
5000,000 - 25,000,000	121,654	211,484	73.8%
25,000,000 - 100,000,000	69,543	87,899	26.4%
100,000,000 - 500,000,000	18,234	32,914	80.5%
500,000,000 - 1,000,000,000	2,569	3,797	47.8%
1,000,000,000 - 5,000,000,000	3,110	3,939	26.7%
5,000,000,000 - 10,000,000,000	601	797	32.6%
> 10,000,000,000	662	833	25.8%
Total	223,492	356,532	59.5%

Table made by CAS based on Association des Banques du Liban data (2010)

Banks expenditures and revenues

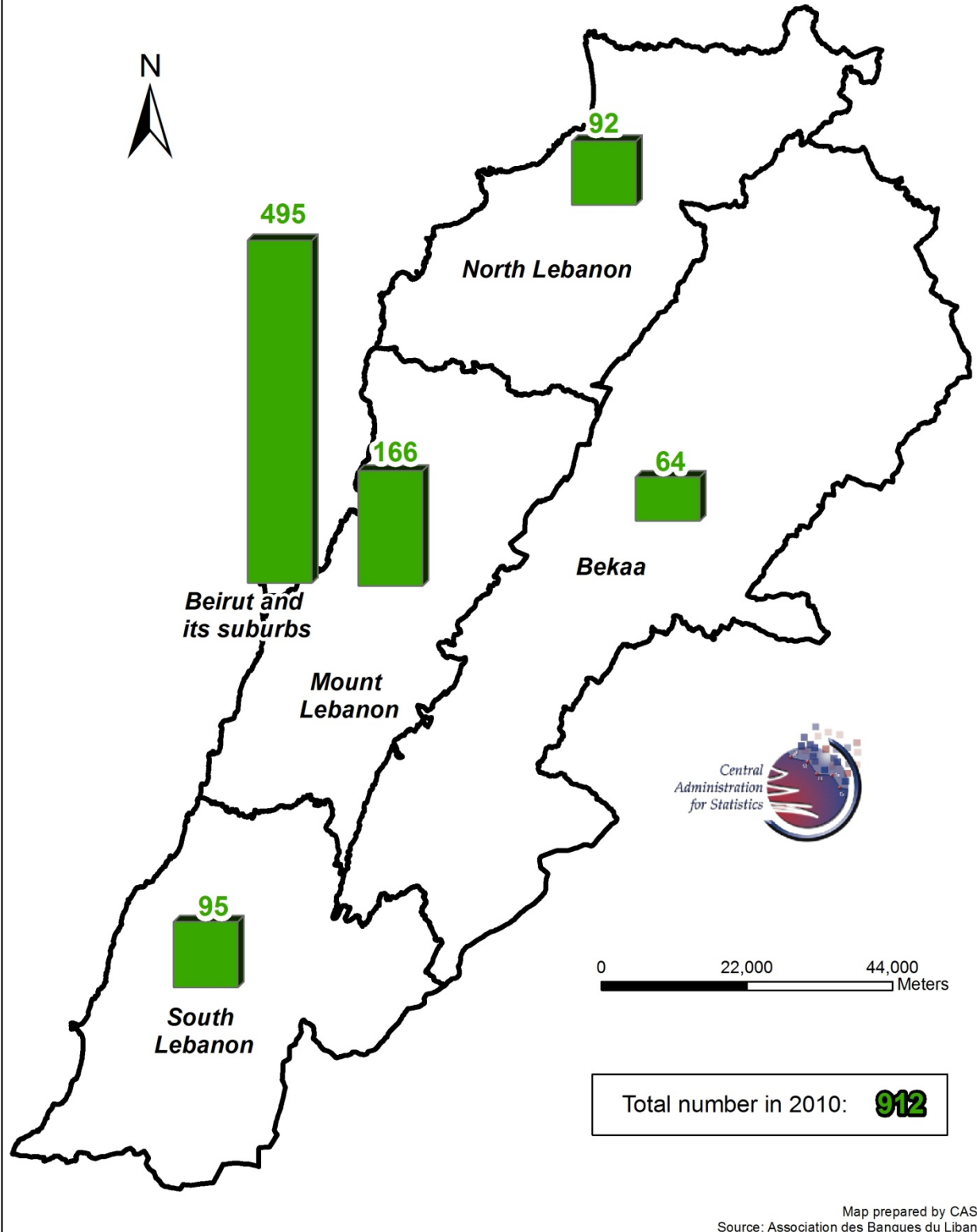
The difference between banks expenditures and revenues gives the net profit which shows an increase of 159.2% between 2004 and 2009.

Table 15.12 – Bank expenditures and revenues. Billion LBP (2008-2010)

Billion LBP								
Category	2004	2005	2006	2007	2008	2009	2010	Change (2004-2010). %
Expenditures	5,928	6,468	7,459	8,103	8,467	9,548	10,414	75.7
Products	6,624	7,250	8,466	9,384	10,076	11,352	12,888	94.6
Net profits	696	782	1,007	1,281	1,609	1,804	2,474	255.5

Table made by CAS based on Association des Banques du Liban data (2010)

Commercial Banks Branches in 2010



**Table 15.13 – Banks expenditures and revenues.
Period (2008-2010)**

Year	Billion LBP		Change. %
	2004	2010	
Expenditures	5,928	10,414	75.7
Paid interests	4,202	7,295	73.6
Net provisions	155	70	(54.8)
Staff expenses	722	1,383	91.6
General operating expenses	728	1,213	66.6
Income tax	121	453	274.4
Products	6,624	12,888	94.6
Received interests	5,889	10,970	86.3
Net commissions received and other banking investment revenues	758	1,890	149.3
Other revenues	-23	28	(221.7)
Net profits	696	2,474	255.5

Table made by CAS based on Association des Banques du Liban data (2010)

Increase / Decrease peaks for the period 2004-2010:

- Expenditures: income tax increase: 274.4%.
- Products: Other revenues decrease: (221.7%).
- Net profits increase: 255.5%.

Credits by sector

Table 15.14 – Credits by sector. Period (2005-2010)

Economic sector	Billion LBP		Change. %
	2005	2010	
Agriculture	344	554	61.0
Industry	4,027	6,564	63.0
Construction	4,206	9,494	125.7
Trade and services	11,537	21,046	82.4
Financial intermediation	1,131	4,927	335.6
Others	1,172	2,036	73.7
Individuals	4,728	13,723	190.2
Total	27,145	58,344	114.9

Table made by CAS based on Association des Banques du Liban data (2010)

Credits by sector are given to agriculture, industry, construction, trade and services, financial intermediation, others, and individuals. Total credits in 2010 reached 58,344 billion LBP.

The sector which benefited the most of credits is trade and services (36.1%).

Financial intermediation registered the highest increase for the period 2005-2010: 335.6%.

Bank human resources

Total employees of banks were 15,993 in 2005. They increased of 33.4% to reach 21,337 employees in 2010. The increases peaks for the period (2005-2010) are registered for the following categories according to:

- Sex: females (37.9%).
- Age: less than 25 years (112.7%).
- Status: Single (54.1%).
- Educational level: University degree (66.6%).
- Bank category: Lebanese commercial banks Sal (35.4%).

Table 15.15 – Banks human resources (2005-2010)

	2005	2010	Change. %
Employees	15,993	21,337	33.4
According to sex			
Male	9,013	11,715	30.0
Female	6,980	9,622	37.9
According to age			
Less than 25 years	1,133	2,410	112.7
[25-40[years	7,661	10,156	32.6
[40-60[years	6,730	7,998	18.8
60 years and more	469	773	64.8
Status			
Single	5,586	8,610	54.1
Married	10,407	12,727	22.3
Number of children	16,535	19,121	15.6
According to the educational level			
Less than Bac.	2,810	2,588	(7.9)
Bac. 2nd part or equivalent	4,263	3,888	(8.8)
University degree	8,920	14,861	66.6
According to bank's category			
Lebanese commercial banks Sal	14,639	19,823	35.4
Foreign commercial banks	1,097	771	(29.7)
Investment banks	257	743	189.1

Table made by CAS based on Association des Banques du Liban data (2010)

Bank employees' wages and allowances

Total banks employees' wages and allowances were 719 billion LBP in 2005. They increased of 68.2% to reach 1,210 billion LBP in 2010.

The increases peaks for the period (2005-2010) are registered for the following categories according to:

- Salaries: family benefits (70.2%).
- Allowances of end of service: NSSF (80.8%).
- NSSF: other benefits (95.2%).

Table 15.16 – Banks employees’ wages and allowances. Billion LBP (2005-2010)

	Billion LBP		Change. %
	2005	2010	
Salaries			
Family benefits	437.2	744.2	70.2
NSSF	14.7	20.9	42.2
Surplus	10.2	11.0	7.8
Allowances of end of service			
NSSF	39.0	70.5	80.8
Provisions	61.9	80.2	29.6
Health allowances	19.3	26.7	38.3
NSSF			
Surplus	18.5	25.2	36.2
Other benefits	118.3	230.9	95.2
Total	719	1,210	68.2

Table made by CAS based on Association des Banques du Liban data (2010)