



**Summary:**

*Strong economic growth, massive capital inflows, and unprecedented accumulation of international reserves characterized the year 2009. The Lebanese economy showed for the second consecutive year a remarkable ability to adjust to political disagreement and withstand external financial shocks and global economic recession. The fiscal primary balance reported a relatively large surplus, claims and deposits at banks grew markedly, and lending rates in LBP in addition to deposit dollarization retreated noticeably.*

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**I- REAL SECTOR****In December 2009,**

**The total value of checks cleared** in the domestic and foreign currencies climbed to USD 5,817 million, from USD 4,602 million in the former month and USD 4,015 million in December 2008. In the year 2009, the value of checks cleared, out of which 80.3 percent denominated in foreign currencies, increased by 7.4 percent over the year 2008.

**The total value of returned checks** in the domestic and foreign currencies rose to USD 102 million, against USD 76 million a month ago and USD 86 million twelve months earlier. The value of returned checks in 2009 was 20.9 percent above that of 2008.

**Collected real estate fees** improved to LBP 104.9 billion, compared to LBP 71.9 billion in the previous month and LBP 75.9 billion in December 2008. Collected fees ameliorated by 7.9 percent in 2009 relative to 2008.

**Construction permits** jumped to 2,929 thousand square meters, from 1,209 thousand square meters in November 2009, but came below the exceptional 5,265 thousand square meters reported twelve months ago in anticipation of potential rising fees in 2009. This latter contributed to a decrease in permits in 2009 by 10.6 percent when compared to the previous year.

**Cement deliveries** regressed to 319 thousand tons, from 388 thousand tons a month ago, but were above the 289 thousand tons reported in December 2008. Cement deliveries progressed, however, in 2009 by 16.1 percent with reference to 2008.

**The total number of passengers** arriving to and departing from Beirut International Airport attained 230,834 and 196,913 respectively to total 427,747 persons. Arrivals and departures soared in 2009 by 23.0 percent and 22.2 percent correspondingly in respect of the previous year.

**Agricultural exports** dropped to USD 11 million, against USD 16 million a month earlier (USD 12

million in December 2008). Agricultural exports in 2009 were below those of the preceding year by USD 12 million.

**Industrial exports** (excluding gold ingots) increased to USD 256 million, vs. USD 216 million in the previous month and USD 212 million in December 2008. In 2009, industrial exports, however, retreated by 11.7 percent in relation to the past year.

**Imports of industrial machinery** improved to USD 17.5 million, against USD 14.1 million a month earlier (USD 15.9 million in December 2008). Industrial machinery imports increased in 2009 by 6.0 percent vis-à-vis 2008.

**Real Sector Indicators**

	Dec-08	Nov-09	Dec-09
<b>Checks cleared (total)</b>			
Number (000)	965	929	1,148
Value (LBP billion)	6,053	6,937	8,769
<b>Checks cleared in LBP</b>			
Number (000)	273	256	315
Value (LBP billion)	1,253	1,281	1,599
<b>Checks cleared in FX</b>			
Number (000)	692	673	833
Value (USD million)	3,184	3,752	4,756
<b>Returned checks</b>			
Number (000)	19.0	16.5	22.6
Value (LBP billion)	129	115	154
<b>Construction permits (000 square meters)</b>			
	5,265	1,209	2,929
<b>Cement deliveries (000 tons)</b>			
	289	388	319
<b>Collected property taxes (LBP billion)</b>			
	75.9	71.9	104.9
<b>Passengers arrivals (000)</b>			
	238	195	231
<b>Passengers departures (000)</b>			
	178	183	197
<b>Agricultural exports (USD million)</b>			
	12	16	11
<b>Industrial exports (USD million)</b>			
	212	216	256
<b>Imports of industrial machinery (USD million)</b>			
	15.9	14.1	17.5

Source: BDL, OEA, BIA, CLR, ministry of Industry, Lebanese Customs.



## II- EXTERNAL SECTOR

### In December 2009,

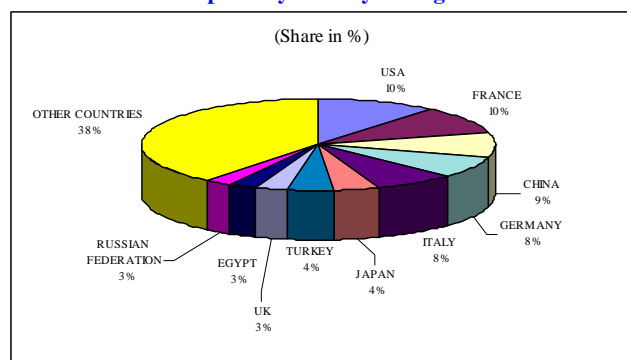
**Imports of goods** declined to USD 1,380 million, from USD 1,581 million in the previous month but still were above the USD 1,135 million reported twelve months back. Yet, imports increased a little by 0.7 percent in 2009 when compared to 2008 though increased in volume by 17.0 percent, reflecting the relative drop in the prices of imported goods.

On a cumulative basis, mineral products lead imported goods with a share of total imports close to 20.5 percent. Then came transport equipment followed by machinery and mechanical appliances, which accounted for 14.8 percent and 11.9 percent respectively. The USA topped the list of imports by country of origin with a 10.9 percent share of total imports. France came in next with a share of 9.7 percent then China with 8.9 percent stake.

**Exports of goods** expanded to USD 364 million, from USD 339 million one month back and USD 251 million twelve months earlier. Nevertheless, exports remained almost unchanged in 2009 (+0.2 percent over 2008) despite their decrease in volume by around 16.0 percent.

Pearls, precious and semi - precious stones were at the peak with a share of 31.5 percent of total exports, followed by machinery and mechanical appliances (14.6 percent) and base metals and articles of base metal (9.0 percent). Switzerland was on the top of the register of exports by country of destination with a 22.3 percent part of the total, followed by UAE (9.6 percent) and Iraq (7.8 percent).

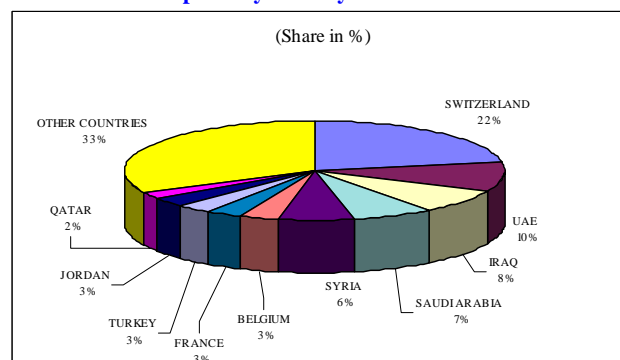
#### Imports by country of origin



Source: Lebanese Customs

**The trade deficit** narrowed to USD 1,016 million, from USD 1,242 million a month earlier (USD 884 million twelve months ago). The deficit slightly broadened, however, in 2009 by 0.8 percent with reference to the past year.

#### Exports by country of destination



Source: Lebanese Customs

#### External Sector Indicators

USD million	Dec-08	Nov-09	Dec-09
Imports	1,135	1,581	1,380
Exports	251	339	364
Trade deficit	-884	-1,242	-1,016
Balance of payments	714	280	1,610
Gross foreign currency reserves	17,062	24,811	25,660

Source: Lebanese Customs, BDL.

**The overall balance of payments** had for nine months in a row a surplus of USD 1,610 million, much above the USD 280 million surplus in November 2009. This contributed in turn to a cumulative positive balance of USD 7,899 million in 2009, compared to USD 3,462 million surplus in 2008. The USD 7,899 million positive balance represented an increase in net foreign assets of the central bank (USD +8,693 million) opposed to a decrease in net foreign assets of banks and financial institutions (USD -794 million).

**Gross foreign currency reserves** of the Central bank mounted to USD 25,660 million, against USD 24,811 million at the end of the preceding month and USD 17,062 million end of December 2008. The U.S. dollar average rate remained stable at LBP 1507.5, with the Central bank maintaining its foreign exchange intervention rates at LBP 1501 per one USD for bid and LBP 1514 per one USD for ask. During this month also, the Central bank intervened buying U.S. dollars in the market.



### III-FINANCIAL SECTOR

#### 1. Commercial Banks

**Total consolidated assets of commercial banks operating in Lebanon** expanded to LBP 173,740 billion (around USD 115.3 billion) at the end of December 2009, thus increasing by 1.5 percent in one month and by 22.3 percent in 2009, compared to a 14.6 percent growth in 2008.

The 22.3 percent upsurge in total assets in 2009 was largely correlated with a 23.1 percent growth in total deposits at commercial banks, including resident and non-resident private sector deposits and public sector deposits, which accounted for 84.0 percent of total assets with an equivalent value of LBP 145,957 billion (around USD 96.8 billion) at the end of the period.

#### Commercial Banks Balance Sheet -Main items

End of period-LBP billion	Dec-08	Nov-09	Dec-09
Total Assets	142,090	171,207	173,740
Total deposits	118,584	143,214	145,957
Resident private sector	99,908	117,796	119,383
Non-resident private sector	17,345	24,003	24,984
Public sector deposits	1,331	1,415	1,590
Capital accounts	10,705	11,800	11,977
Total claims on the private sector	37,748	43,437	42,774
Resident private sector	31,750	36,579	36,570
Non-resident private sector	5,997	6,857	6,204
Total claims on public sector	38,314	43,418	43,812
Bills & Bonds in LBP	22,607	25,583	26,271
Bonds in FC	15,608	17,726	17,435
Claims on non resident banks	17,170	20,189	22,643
Other foreign assets	5,667	7,210	6,850
Deposits at the central bank	38,790	51,915	53,228

Source: BDL.

The breakdown of total deposits shows that private sector deposits denominated in LBP soared by around 43.8 percent, whereas those denominated in foreign currencies increased by 14.1 percent, resulting in a lower deposit dollarization rate of 64.5 percent at the end of December 2009, down from 69.6 percent at the end of December 2008. The decomposition indicates also a surge in non-resident private sector deposits (+44.0 percent), followed by a jump in resident private sector deposits (+19.5 percent), and public sector deposits (+19.5 percent) in 2009. As such,

resident private sector deposits constituted 81.8 percent of total deposits at end 2009 (17.1 percent for non-resident private sector and 1.1 percent for public sector deposits).

Total capital increased in December 2009 to LBP 11,977 billion (USD 7,945 million) and accounted for 6.9 percent of total assets. Total capital augmented by 11.9 percent in 2009.

On the uses side of the consolidated balance sheet, total claims on the resident and non-resident private sector grew by 13.3 percent in 2009 to read LBP 42,774 billion at the end of the period. The dollarization rate of these loans stayed high at 84.0 percent, though declined slightly and gradually over the year, and the ratio of total loans to total deposits reached 29.6 percent.

Total claims on the public sector rose by 14.3 percent in 2009 to reach LBP 43,812 billion at the end of the period. This resulted from an increase of 16.2 percent in treasury bills denominated in LBP and 11.7 percent in Treasury bonds in foreign currencies (Eurobonds). At the end of December 2009, commercial banks held USD 11,566 million of these Eurobonds (nearly 64.2 percent of the total outstanding portfolio) and LBP 26,271 billion of Lebanese treasury bills (around 58.9 percent of the total portfolio in circulation).

Deposits with the Central Bank expanded by 37.2 percent in 2009 to amount to LBP 53,228 billion at the end of the period, whereas, claims on non resident banks climbed by 31.9 percent to read LBP 22,643 billion (USD 15.0 billion) and to represent 24.3 percent of private sector deposits in foreign currencies at the end of December 2009.

#### 2. Investment Banks

**Total consolidated assets of investment banks operating in Lebanon** (including medium and long term credit banks) went up to LBP 7,735 billion (around USD 5.1 billion) at the end of December 2009, thus growing by 0.7 percent in one month and by 23.3 percent in 2009, compared to a 24.4 percent increase in 2008 .

The 23.3 percent growth in total assets is largely explained by 39.4 percent increase in private sector



deposits (resident & non resident), representing around 63.3 percent of the total balance sheet, partly offset by a relatively smaller increase in capital accounts (7.5 percent) and in the remaining sources of funds (0.7 percent).

Claims on private sector rose by 18.3 percent, but claims on public sector retreated by 16.8 percent in 2009 to constitute together 41.1 percent of total assets. "Cash and banks", the largest asset item, soared by 59.4 percent in the mentioned year to account for 53.4 percent of total assets.

### 3. Financial Markets

**The total number of shares traded on the Beirut Stock Exchange** fell to 3,175 thousand shares with a traded value of USD 49.4 million in December 2009, against 4,513 thousand shares with a traded value of USD 106.4 million in the previous month (3,339 thousand shares with a traded value of USD 41.2 million in December 2008). The number of listed shares and their value plummeted by 51.1 percent and 44.4 percent respectively in 2009 compared to 2008.

Unlike shares, no transactions were effected on listed bonds throughout December 2009, during which the traded value by economic sectors was as such: 50.0 percent for Banking, 48.9 percent for Development and Reconstruction, and 1.1 percent for the Industrial sector.

#### Capital Markets

	Dec-08	Nov-09	Dec-09
<b>BSE</b>			
Traded shares (ooo)	3,339	4,513	3,175
Traded value (USD million)	41.2	106.4	49.4
Market capitalization (USD million)	9,609	12,554	12,843
Outstanding treasury bills (LBP billion)	37,644	42,894	43,758
Outstanding sovereign Eurobonds (USD million)	17,499	17,474	17,700
Outstanding private sector (banks) securities (USD million)	898	832	821

Source: BDL, BSE

The market capitalization of listed shares increased to USD 12,843 million at the end of December 2009, compared to USD 12,554 million at the end of the previous month and USD 9,609 million at the end of

December 2008. Banking had a 66.7 percent weight whereas Development and Construction 30.7 percent.

**The face value of the outstanding treasury bills portfolio** denominated in the domestic currency increased to LBP 43,758 billion at the end of November 2009, against LBP 42,894 billion a month earlier. **The value of the outstanding sovereign bonds portfolio** denominated in foreign currencies (**Eurobonds**) amounted to USD 17,700 million at the end of the stated month.

**The outstanding value of bank-issued certificates of deposits, Eurobonds and subordinated debt** slightly decreased to USD 821 million at the end of December 2009, but **the outstanding certificates of deposits issued by BDL** in the domestic currency rose to LBP 21,456 billion, while those denominated in foreign currencies were steady at USD 5.5 billion (o/w USD 2 billion Euro-CD's).

### IV- MONETARY DEVELOPMENTS

**The stock of money and quasi money (M3)** grew to LBP 123,732 billion at the end of December 2009, of which 58.4 percent was denominated in foreign currencies. M3 increased, as such, by 1.3 percent in one month and by 19.5 percent in 2009, compared to a 14.8 percent growth in 2008.

#### Money Supply & Counterparts

LBP billion	Dec-08	Nov-09	Dec-09
M3	103,506	122,166	123,732
Net foreign assets	42,169	55,983	57,121
Net claims on public sector	42,845	47,693	47,492
Valuation Adjustment	-3,602	-7,896	-6,761
Claims on private sector	33,482	38,351	38,447
Other items-net	-11,389	-11,965	-12,568
CPI (2004=100)	120.81	127.41	125.89

Source: BDL CRI.

The LBP 20,226 billion increase in money supply M3 in 2009 originated from the increase in each of net foreign assets (+LBP 14,952 billion), claims on the private sector (+LBP 4,964 billion), and net claims on the public sector (+LBP 4,648 billion), partly counterbalanced by a drop in valuation adjustment (-LBP 3,159 billion) and net other items (-LBP 1,179 billion).

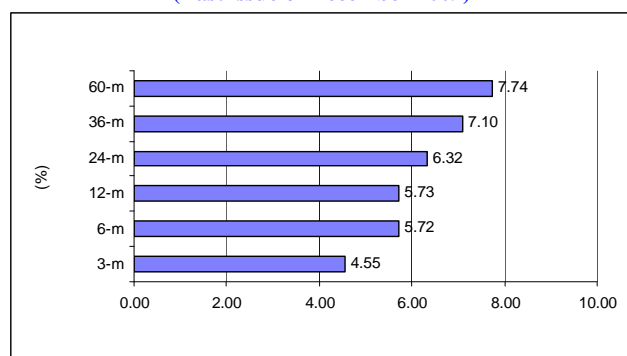


**The Consumer Price Index (CPI) for Beirut and Suburbs**, published by the Consultation and Research Institute, decreased by 1.19 percent in December 2009 to register a 4.2 percent increase from December 2008.

**The CPI for Lebanon**, published by the Central Administration for Statistics (CAS), rose by 0.2 percent in December 2009, resulting in a 3.4 percent increase from December 2008.

**The interest rates on LBP monetary instruments** were unchanged at the end of December 2009 on 45 and 60-day-certificates of deposits issued by BDL at 3.77 percent and 4.03 percent respectively, but the yields on Treasury bills were further cut to read at the end of the period the following: 4.55 percent for three-month bills, 5.72 percent for six-month bills, 5.73 percent for one-year bills, 6.32 percent for two-year bills, 7.10 percent for three-year bills and 7.74 percent for five-year bills.

**Yield on Lebanese treasury bills denominated in LBP  
(Last issue of December 2009)**

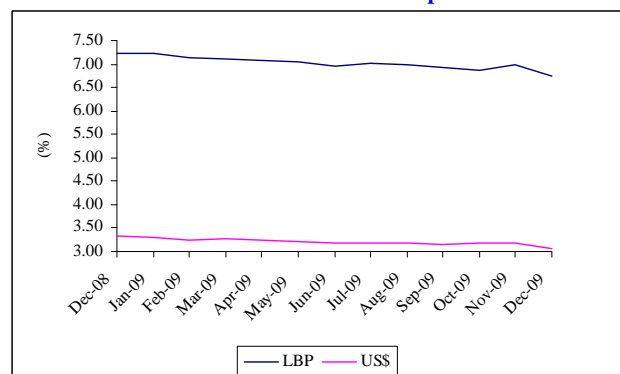


Source: BDL

**The average interest rate on new or renewed LBP denominated deposits at commercial banks** slightly decreased in December 2009 by 6 basis points to 6.75 percent, whereas **the average interest rate on new or renewed USD denominated deposits** retreated by only 2 basis points to 3.05 percent. The average 3-month USD LIBOR was almost flat at 0.25 percent (0.27 percent in the previous month).

**The average interest rate at commercial banks** decreased to 9.04 percent **on new or renewed LBP denominated loans** (9.13 percent in the previous month) but increased a little to 7.28 percent **on new or renewed USD denominated loans** (7.25 percent in November 2009).

**Interest rates on new or renewed deposits at banks**



## V- PUBLIC FINANCES

**Government revenues**, made up of budget revenues and treasury receipts, amounted to LBP 1071 billion in December 2009 to total LBP 12,705 billion in 2009 (LBP 10,553 billion in 2008). The collected LBP 12,705 billion comprised LBP 12,036 billion budget revenues and LBP 669 billion treasury receipts.

**Government expenditures**, composed of budget and treasury spending, amounted to LBP 1,626 billion in December 2009, to add up to LBP 17,167 billion in 2009 (LBP 14,957 billion in 2008). Expenditures in 2009 encompassed LBP 6,087 billion debt service and LBP 11,080 billion other general expenditures, o/w LBP 2,259 billion related to EDL.

### Fiscal Situation

	LBP billion	Dec-08	Nov-09	Dec-09
Government revenues		1,005	914	1,071
Tax revenues		591	581	694
Non-tax revenues		316	240	333
Treasury receipts		98	93	44
Government expenditures		1,505	1,184	1,626
Debt service		427	423	664
Others		1,078	761	962
Overall balance		-500	-270	-555
Primary balance		-73	153	109

Source: Ministry of Finance.

**Total Deficit** remained almost unchanged at LBP 4,462 billion in 2009, when compared to a deficit of LBP 4,404 billion in 2008. The primary balance had, however, in 2009 a surplus of LBP 1,625 billion, much above the LBP 900 billion surplus in the previous year 2008.



**Gross public debt** increased to LBP 77,024 billion (the equivalent of USD 51.1 billion) at the end of December 2009, against LBP 76,057 billion at the end of the previous month and LBP 70,888 billion at the end of December 2008. Gross public debt grew therefore in 2009 by 8.7 percent in comparison with an increase of 11.9 percent in 2008.

**Net public debt**, which deducts public sector deposits at commercial banks and the central bank from gross public debt, grew by 6.3 percent in 2009 (a 6.4 percent growth in 2008) to read LBP 66,502 billion at the end of the period.

**Public Debt**

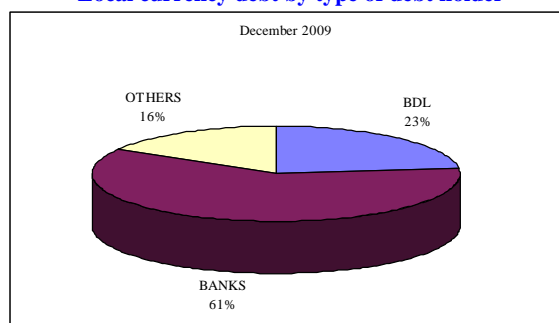
LBP billion	Dec-08	Nov-09	Dec-09
Public Debt (Gross)	70,888	76,057	77,024
Debt in LBP	39,007	44,235	44,976
Debt in FC	31,881	31,822	32,048
Public Debt (Net)	62,562	66,334	66,502
Public sector deposits	8,326	9,723	10,522
Commercial Banks	1,331	1,415	1,590
BDL	6,995	8,308	8,932

Source: BDL.

The shares of the local currency debt and foreign currency debt of the total gross were around 58.4 percent and 41.6 percent respectively at the end of December 2009. The distribution of local currency debt by type of holder was as follows: 60.7 percent for banks (60.3 percent end of November 2009), 23.0 percent for the Central bank (23.5 percent in the previous month) and 16.3 percent for the non-banking sector (16.2 percent one month earlier). The breakdown of the foreign currency debt was as such: Eurobonds (84.7 percent), Multilateral (7.1 percent), Paris II loans (2.0 percent), Bilateral (4.7 percent), and others (1.5 percent).

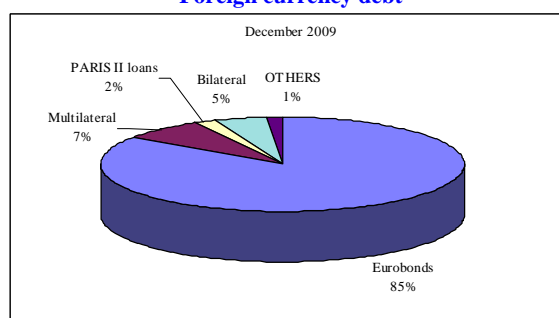
The average maturity of the Government debt securities denominated in the domestic currency is estimated at 582 days as at end December 2009, with a weighted interest of 8.53 percent, while the average maturity of the Government debt instruments denominated in foreign currencies is roughly 4.71 years, with a weighted interest of 7.35 percent.

**Local currency debt by type of debt holder**



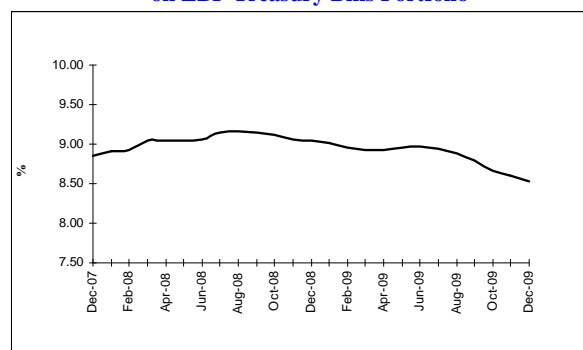
Source: BDL.

**Foreign currency debt**

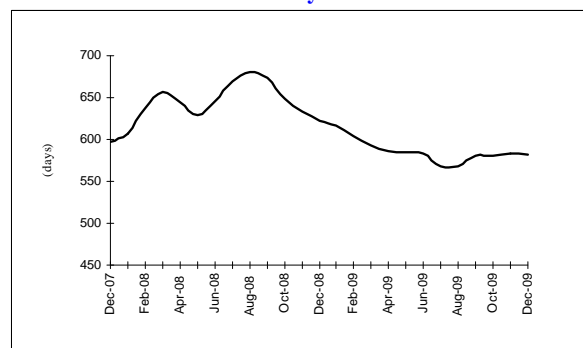


Source: BDL.

**Weighted Average Interest Rate on LBP Treasury Bills Portfolio**



**Weighted Average Life of LBP Treasury Bills Portfolio**



## GENERAL INDICATORS OF ECONOMIC ACTIVITIES

	Jan-Dec 2007	Jan-Dec 2008	Jan-Dec 2009	Dec-08	Nov-09	Dec-09
<b>Imports of Industrial Equipment (000's US\$)</b>	162,617	187,927	199,160	15,863	14,067	17,479
<b>Building Permits (000's m2)</b>	9,038	16,068	14,361	5,265	1,209	2,929
<b>Cement Delivery (000s' tons)</b>	3,945	4,219	4,897	289	388	319
<b>Checks Cleared in LBP (billion LBP)</b>	12,676	14,093	16,765	1,253	1,281	1,599
<b>Checks Cleared in FC (million US\$)</b>	29,892	43,150	45,279	3,184	3,752	4,756
<b>Shipped Goods (tons)-Beirut Port</b>	891,965	840,646	668,984	57,425	50,725	52,480
<b>Unloaded Goods (tons)-Beirut Port</b>	4,425,579	4,905,554	5,652,667	433,908	445,273	499,845
<b>Passengers Arrivals (000's)-BIA</b>	1,677	2,026	2,492	238	195	231
<b>Passengers Departures (000's)-BIA</b>	1,649	2,014	2,461	178	183	197
<b>Total exports of goods (million USD)</b>	2,816	3,478	3,484	251	339	364
<b>Total imports of goods (million USD)</b>	11,815	16,137	16,242	1,135	1,581	1,380
<b>Balance of Trade (million USD)</b>	-8,999	-12,659	-12,758	-884	-1,242	-1,016
<b>Changes of Net Foreign Assets in the banking system (million USD)</b>	2,037	3,462	7,899	714	280	1,610
<b>Gross Foreign Currency Reserves (End of period-million USD)</b>	9,778	-	-	17,062	24,811	25,660
<b>Consumer Price Index (End of period)</b>	113.59	-	-	120.81	127.41	125.89

Sources: BDL ,Lebanese Customs, Consultation & Research Institute, Order of engineers, Beirut International Airport, Port of Beirut, Ministry of Industry.





**TOTAL IMPORTS & EXPORTS BY PRODUCT**  
(Million US Dollars)

Goods	Imports			Exports		
	Jan - Dec 2007	Jan - Dec 2008	Jan -Dec 2009	Jan - Dec 2007	Jan - Dec 2008	Jan -Dec 2009
1- Live animals, animal products	499	584	754	12	16	15
2- Vegetable products	559	702	629	105	131	120
3- Fats & edible fats & oils	120	151	132	17	19	19
4- Prepared foodstuffs	756	851	957	238	281	284
5- Mineral products	2,694	4,276	3,326	90	135	89
6- Products of the chemical	1,101	1,287	1,369	234	435	231
7- Plastics & articles thereof	479	567	544	118	150	125
8- Raw hides & skins, leather, furskins	46	58	66	12	11	9
9- Wood & articles of wood	177	222	222	23	35	28
10- Paper & paperboard & articles thereof	329	369	345	174	204	229
11- Textiles & textile articles	515	644	695	103	119	107
12- Footwear, headgear, prepared feathers	80	100	119	19	20	17
13- Articles of stone, plaster, cement	209	276	311	58	65	55
14- Pearls, precious or semi-precious stones	483	852	801	488	574	1099
15- Base metals & articles of base metal	963	1,307	1,041	494	530	314
16- Machinery & mechanical appliances	1,425	1,688	1,932	460	536	509
17-Transport equipment	993	1,715	2,409	31	59	100
18- Optical instruments & apparatus	191	231	259	22	22	24
19- Arms & ammunition	8	15	21	1	1	0
20- Miscellaneous manufactured articles	183	230	291	91	116	101
21- Works of art	6	10	21	28	19	10
<b>Total</b>	<b>11,815</b>	<b>16,137</b>	<b>16,242</b>	<b>2,816</b>	<b>3,478</b>	<b>3,484</b>

Source: Lebanese Customs.

**IMPORTS BY ORIGIN**  
(Million US Dollars)

	Jan-Dec	Share	Jan-Dec	Share
	2008	%	2009	%
USA	1,850	11.5	1,764	10.9
FRANCE	1,335	8.3	1,571	9.7
CHINA	1,391	8.6	1,440	8.9
GERMANY	1,027	6.4	1,237	7.6
ITALY	1,109	6.9	1,225	7.5
JAPAN	620	3.8	671	4.1
TURKEY	699	4.3	653	4.0
UK	457	2.8	488	3.0
EGYPT	458	2.8	421	2.6
RUSSIAN FEDERATION	504	3.1	416	2.6
OTHER COUNTRIES	6,687	41.4	6,356	39.1
<b>TOTAL IMPORTS</b>	<b>16,137</b>	<b>100.0</b>	<b>16,242</b>	<b>100.0</b>

Source: Lebanese Customs.

**EXPORTS BY DESTINATION**  
(Million US Dollars)

	Jan-Dec	Share	Jan-Dec	Share
	2008	%	2009	%
SWITZERLAND	329	9.5	777	22.3
UAE	346	9.9	333	9.6
IRAQ	269	7.7	271	7.8
SAUDI ARABIA	209	6.0	243	7.0
SYRIA	224	6.4	225	6.5
BELGIUM	82	2.4	114	3.3
FRANCE	84	2.4	107	3.1
TURKEY	207	6.0	105	3.0
JORDAN	119	3.4	105	3.0
QATAR	85	2.4	80	2.3
OTHER COUNTRIES	1,524	43.8	1,124	32.3
<b>TOTAL EXPORTS</b>	<b>3,478</b>	<b>100.0</b>	<b>3,484</b>	<b>100.0</b>

Source: Lebanese Customs.



**THE CONSOLIDATED BALANCE SHEET OF COMMERCIAL BANKS OPERATING IN LEBANON**  
(End of Period - Billion LBP)

	2007	2008		2009	
	Dec	Dec	Oct	Nov	Dec
<b>ASSETS</b>					
Reserves	29,851	39,113	51,479	52,287	53,575
-Cash	262	324	339	372	347
-Deposits at the Central Bank	29,589	38,790	51,140	51,915	53,228
Claims on the Private Sector	26,762	31,750	35,591	36,579	36,570
-Claims denominated in Lebanese Pound	4,190	5,068	6,420	6,668	6,838
-Claims denominated in Foreign Currencies	22,572	26,683	29,171	29,911	29,733
Claims on the Public Sector	32,423	38,314	42,457	43,418	43,812
o/w -Treasury Bills in Lebanese Pound	15,664	22,607	24,671	25,583	26,271
-Treasury Bills in Foreign Currencies	16,696	15,608	17,683	17,726	17,435
Foreign Assets	31,220	28,834	33,977	34,256	35,698
-Claims on Non-Resident Private Sector	4,029	5,997	6,758	6,857	6,204
-Claims on Non-Resident Banks	21,939	17,170	20,450	20,189	22,643
-Other Foreign Assets	5,252	5,667	6,769	7,210	6,850
Fixed Assets	3,322	3,695	4,238	4,247	3,783
Unclassified Assets	421	383	449	421	303
<b>TOTAL ASSETS</b>	<b>123,999</b>	<b>142,090</b>	<b>168,190</b>	<b>171,207</b>	<b>173,740</b>
<b>LIABILITIES</b>					
Liabilities to the Private Sector	86,981	99,908	115,884	117,796	119,383
-Demand Deposits in Lebanese Pound	1,602	2,057	2,398	2,448	2,410
-Other Deposits in Lebanese Pound	20,680	32,252	42,737	43,880	45,328
-Deposits in Foreign Currencies	64,699	65,599	70,749	71,468	71,645
Liabilities to the Public Sector	1,163	1,331	1,449	1,415	1,590
Deposits of Non-Residents	14,454	17,345	23,473	24,003	24,984
-Denominated in Lebanese Pound	705	1,367	3,096	3,259	3,572
-Denominated in Foreign Currencies	13,750	15,978	20,377	20,744	21,412
Liabilities to Non-Resident Banks	6,108	6,490	6,996	7,344	6,935
Bonds	91	93	115	111	143
Capital Base	9,439	10,705	11,643	11,800	11,977
-Core Capital	8,889	10,177	10,845	11,004	11,294
-Supplementary Capital	550	529	798	795	683
Unclassified Liabilities	5,764	6,218	8,630	8,738	8,728
<b>TOTAL LIABILITIES</b>	<b>123,999</b>	<b>142,090</b>	<b>168,190</b>	<b>171,207</b>	<b>173,740</b>

Source: BDL.



**MONEY SUPPLY AND COUNTERPARTS**  
(End of Period - Billion LBP)

	2007	2008	2009		
	Dec	Dec	Oct	Nov	Dec
<b>Money Supply</b>					
Currency in circulation	1,929	2,175	2,272	2,351	2,383
+ Demand Deposits in LBP	1,649	2,095	2,442	2,492	2,457
= M1	<b>3,578</b>	<b>4,269</b>	<b>4,714</b>	<b>4,842</b>	<b>4,840</b>
+ Other Deposits in LBP	21,253	33,055	44,065	45,194	46,650
= M2	<b>24,831</b>	<b>37,325</b>	<b>48,779</b>	<b>50,036</b>	<b>51,489</b>
+ Deposits in Foreign Currencies	65,279	66,099	71,369	72,118	72,229
+ Bonds	87	82	9	12	13
= M3	<b>90,197</b>	<b>103,506</b>	<b>120,157</b>	<b>122,166</b>	<b>123,732</b>
+ Treasury Bills Held by the Public	5,613	5,906	7,046	7,175	7,353
= M4	<b>95,810</b>	<b>109,412</b>	<b>127,203</b>	<b>129,341</b>	<b>131,085</b>
<b>Counterparts of the Money Supply</b>					
Net Foreign Assets	<b>36,394</b>	<b>42,169</b>	<b>53,818</b>	<b>55,983</b>	<b>57,121</b>
o/w Gold	11,517	12,108	14,535	16,263	15,169
Net Claims on the Public Sector	<b>40,917</b>	<b>42,845</b>	<b>47,270</b>	<b>47,693</b>	<b>47,492</b>
Valuation Adjustment	<b>-3,041</b>	<b>-3,602</b>	<b>-6,150</b>	<b>-7,896</b>	<b>-6,761</b>
Claims on the Private Sector	<b>27,736</b>	<b>33,482</b>	<b>37,361</b>	<b>38,351</b>	<b>38,447</b>
Claims in LBP	4,474	5,356	6,742	6,992	7,163
Claims in FC	23,262	28,127	30,619	31,359	31,284
Other Items (Net)	<b>-11,810</b>	<b>-11,389</b>	<b>-12,142</b>	<b>-11,965</b>	<b>-12,568</b>
<b>TOTAL</b>	<b>90,197</b>	<b>103,506</b>	<b>120,157</b>	<b>122,166</b>	<b>123,732</b>

Source: BDL.



**OUTSTANDING PUBLIC DEBT BY TYPE OF HOLDER**  
(End of Period - Billion LBP)  
(Actual Value\*)

Year And Month	Total Debt	Local Currency Debt				Foreign Currency Debt					
		Central				Total	IDI**	FG+	Paris II		Total
		Bank	Banks	Others <sup>(1)</sup>	Others <sup>(2)</sup>						
2007	Dec	63,350	9,052	16,847	5,474	31,373	2,255	1,211	907	27,604	31,977
2008	Dec	70,888	8,781	24,320	5,906	39,007	2,325	1,518	748	27,290	31,881
2009	Jan	70,892	9,615	23,693	5,961	39,269	2,297	1,448	678	27,200	31,623
	Feb	71,210	9,560	23,975	6,049	39,584	2,293	1,426	611	27,296	31,626
	Mar	72,300	10,044	23,768	6,157	39,969	2,311	1,454	643	27,923	32,331
	Apr	72,065	10,068	23,522	6,209	39,799	2,322	1,450	641	27,853	32,266
	May	72,029	10,467	22,920	6,280	39,667	2,365	1,484	676	27,837	32,362
	Jun	71,398	10,530	22,255	6,376	39,161	2,401	1,490	681	27,665	32,237
	Jul	72,275	10,470	22,912	6,746	40,128	2,380	1,500	680	27,587	32,147
	Aug	73,196	10,472	23,669	6,809	40,950	2,385	1,515	624	27,722	32,246
	Sep	74,104	10,407	24,568	6,999	41,974	2,373	1,539	641	27,577	32,130
	Oct	75,192	10,423	25,822	7,046	43,291	2,377	1,540	648	27,336	31,901
	Nov	76,057	10,365	26,695	7,175	44,235	2,379	1,548	657	27,238	31,822
	Dec	77,024	10,334	27,289	7,353	44,976	2,300	1,505	627	27,616	32,048

Source :BDL.

\* The figures are equal to the principal paid plus the interests due.

\*\* IDI : International Development Institutions.

+ FG : Foreign Governments.

(1) Include: public TB's, public entities TB's and financial institutions TB's.

(2) Include: Eurobonds holders (banks, non banks, residents and non residents), foreign private sector loans and special TB's in FC (expropriation bonds).

**TREASURY BILLS PORTFOLIO IN LBP**  
(Face value, Billion LBP)

Year And Month		In Circulation End of period	Issue	Reimbursement	Weighted	Weighted
					Average	Average
					Life	Interest
					(days)	(%)
2007	Dec	30,253	1,236	1,068	597	8.86
2008	Dec	37,644	1,057	883	622	9.04
2009	Jan	37,967	1,634	1,311	616	9.01
	Feb	38,334	1,313	946	604	8.96
	Mar	38,708	1,392	1,018	593	8.92
	Apr	38,545	1,093	1,256	586	8.92
	May	38,344	1,015	1,216	585	8.95
	Jun	37,810	789	1,323	584	8.97
	Jul	38,847	1,467	430	568	8.94
	Aug	39,675	1,779	951	568	8.88
	Sep	40,679	2,289	1,285	580	8.79
	Oct	42,020	2,648	1,307	581	8.66
	Nov	42,894	1,496	622	583	8.61
	Dec	43,758	2,067	1,203	582	8.53

Source:BDL.



## AVERAGE INTEREST RATES

Year And Month	Average Lending Rate on Funds in		Average Deposit Rate on Funds in		Inter Bank Rate *	3m Libor \$	Interest rates on TBs (last issue)						
	LBP	US\$	LBP	US\$			3-m	6-m	12-m	24-m	36-m	60-m	
<b>2007</b>	Dec	10.10	8.02	7.40	4.69	3.63	4.98	5.15	6.99	7.19	8.33	9.11	-
<b>2008</b>	Dec	9.95	7.47	7.22	3.33	4.32	1.83	5.04	6.86	7.05	8.10	8.81	-
<b>2009</b>	Jan	10.07	7.35	7.22	3.31	3.52	1.21	5.06	6.81	7.00	7.98	8.77	-
	Feb	10.03	7.28	7.13	3.25	3.50	1.24	5.06	6.78	6.90	7.92	8.73	-
	Mar	10.10	7.32	7.10	3.26	4.13	1.27	5.01	6.73	6.78	7.81	8.65	-
	Apr	9.83	7.21	7.08	3.24	3.85	1.11	4.96	6.69	6.70	7.62	8.58	-
	May	9.79	7.28	7.06	3.22	3.52	0.82	4.90	6.57	6.61	7.56	8.50	-
	Jun	9.76	7.24	6.96	3.18	3.50	0.62	4.88	6.40	6.45	7.42	8.35	-
	Jul	9.43	7.24	7.02	3.19	3.63	0.52	4.88	6.22	6.23	7.17	8.04	8.81
	Aug	9.27	7.05	7.00	3.18	3.31	0.42	4.86	6.14	6.06	7.04	7.71	8.35
	Sep	9.22	7.24	6.94	3.16	3.25	0.30	4.81	5.98	5.96	6.86	7.50	8.12
	Oct	9.15	7.28	6.86	3.18	3.25	0.28	4.69	5.81	5.81	6.63	7.29	7.85
	Nov	9.13	7.25	6.81	3.07	3.54	0.27	4.59	5.66	5.65	6.44	7.09	7.71
	Dec	9.04	7.28	6.75	3.05	3.02	0.25	4.50	5.56	5.42	6.22	6.98	7.60

Sources: BDL, Société Financière du Liban s.a.l.

\* On Funds in LBP, weighted by daily volume.

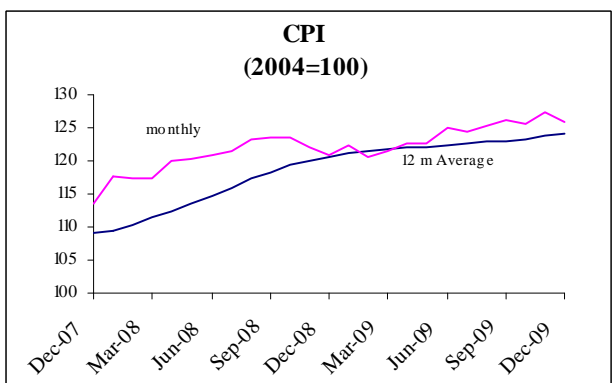
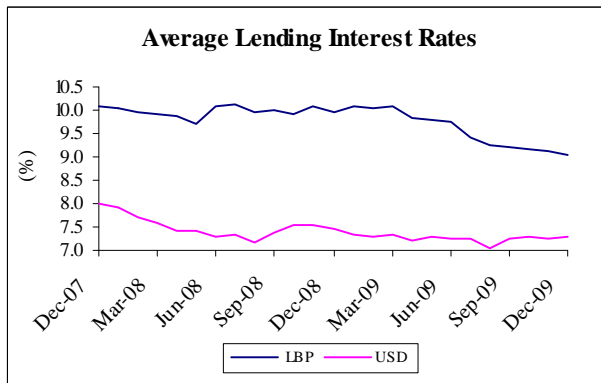
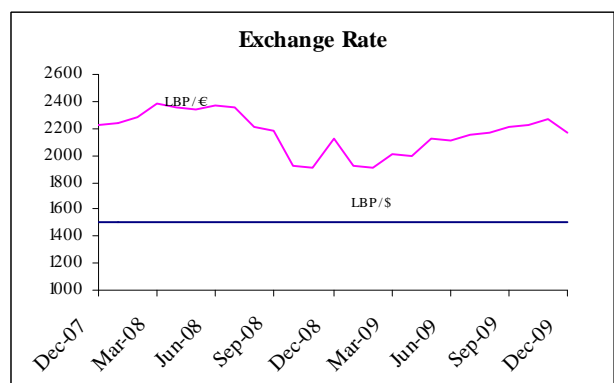
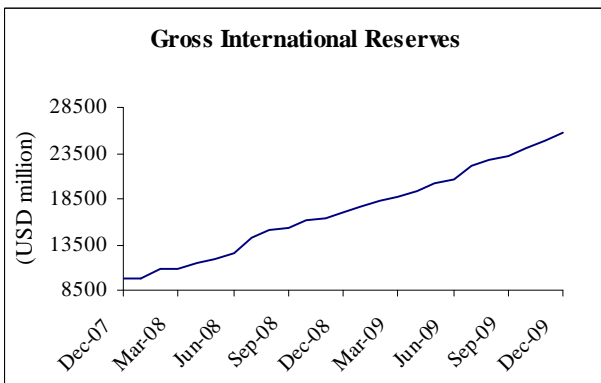
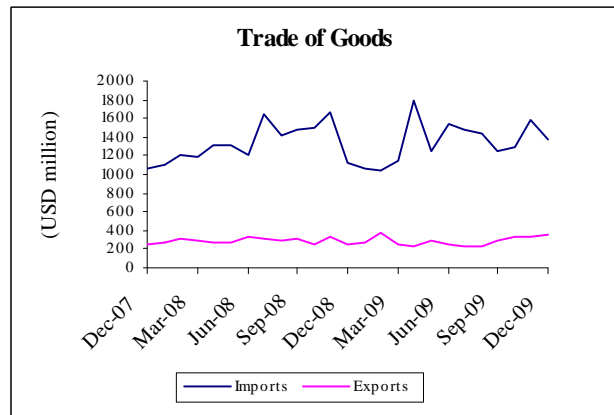
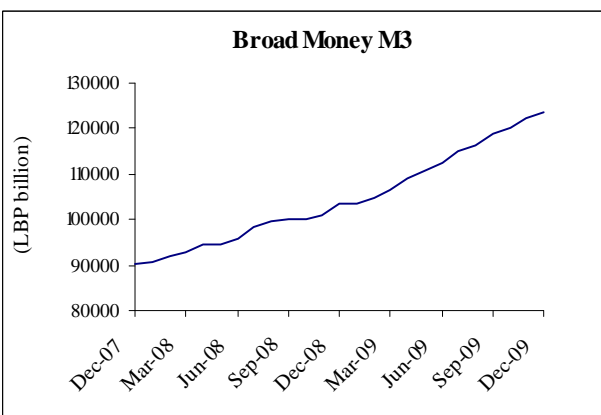
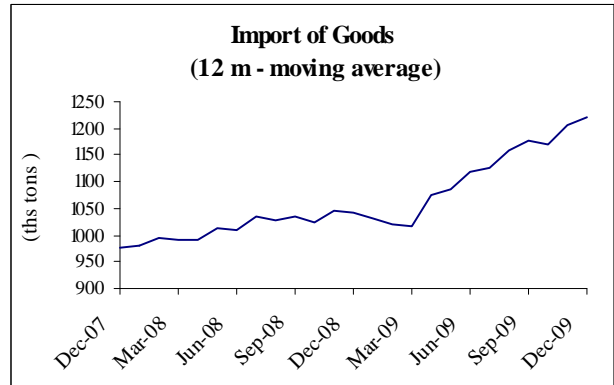
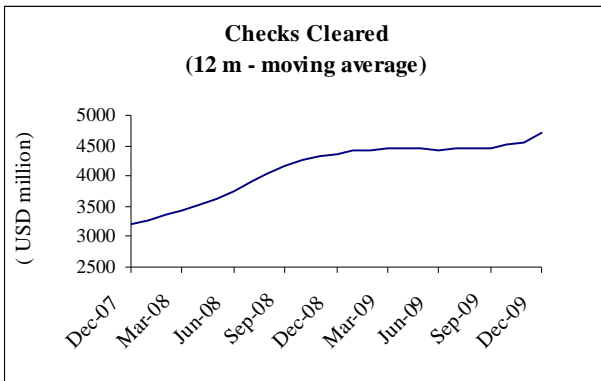
END OF PERIOD EXCHANGE RATES  
(LBP per other currencies)

Year and Month	US Dollar	Swiss Franc	British Pound	Japanese Yen	Euro	
<b>2007</b>	Dec	1,507.50	1,338.25	3,003.75	13.38	2,218.25
<b>2008</b>	Dec	1,507.50	1,425.50	2,175.25	16.70	2,121.00
<b>2009</b>	Jan	1,507.50	1,300.15	2,184.50	16.79	1,929.00
	Feb	1,507.50	1,288.50	2,157.25	15.45	1,910.00
	Mar	1,507.50	1,325.25	2,164.00	15.23	2,002.75
	Apr	1,507.50	1,321.75	2,231.00	15.29	1,995.00
	May	1,507.50	1,412.20	2,435.25	15.83	2,130.75
	Jun	1,507.50	1,387.50	2,480.50	15.65	2,115.00
	Jul	1,507.50	1,410.75	2,630.25	15.93	2,149.00
	Aug	1,507.50	1,422.75	2,454.25	16.21	2,161.00
	Sep	1,507.50	1,455.75	2,412.75	16.82	2,208.50
	Oct	1,507.50	1,470.00	2,476.00	16.74	2,219.00
	Nov	1,507.50	1,501.50	2,480.50	17.46	2,264.25
	Dec	1,507.50	1,453.75	2,422.50	16.31	2,161.00

Source: BDL.



Indicative Charts



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