



Summary:

In 2015, most indicators of economic activity underperformed in respect of the preceding year, evidencing slowing economic growth. The negative balance of trade shrank considerably with declining oil prices but still the overall balance of payments reported a larger deficit than those witnessed during the few previous years, suggesting a sharp deceleration in net financial inflows. Gross official reserves regressed a little and deposit and loan growth rates at banks were favorable under the prevailing operating environment and interest rates were almost stable. The fiscal situation deteriorated and the public debt expanded faster than the year before.

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I- REAL SECTOR**In December 2015,**

The total value of checks cleared in the domestic and foreign currencies rose to USD 5,974 million from USD 5,494 million in the previous month (USD 6,291 million in December 2014). Yet, cleared checks o/w 73.1 percent denominated in FC dropped in the year 2015 by 6.6 percent when compared to the year 2014.

The total value of returned checks in the domestic and foreign currencies stood almost unchanged at USD 121 million (USD 120 million one month back) but decreased from USD 165 million in December 2014. Returned checks diminished in 2015 by 4.7 percent with reference to the past year.

Collected real estate fees increased to LBP 99.1 billion against LBP 71.4 billion in the preceding month (LBP 103.3 billion twelve months back). Yet, collected fees fell in the year 2015 by 9.4 percent with regard to the year 2014.

Construction permits expanded to 1,079 thousand square meters compared to 981 thousand square meters in the previous month and 986 thousand square meters in December 2014. In 2015, construction permits shrank, however, by 8.9 percent in respect of the preceding year.

Cement deliveries contracted to 448 thousand tons from 482 in the previous month (445 thousand tons in December 2014). Cement deliveries plummeted, by 8.6 percent in 2015 in comparison with 2014.

The total number of passengers arriving to and departing from Beirut International Airport progressed to 313,336 and 297,602 respectively to total 610,938 persons. In 2015, arrivals and departures surpassed by 9.1 percent and 10.6 percent consecutively those recorded in the previous year.

Agricultural exports advanced to USD 28 million (USD 15 million one month back) but still were in the year 2015 below those reported a year before by USD 17 million (-7.3 percent).

In September 2015,

Industrial exports (excluding gold ingots) slightly increased to USD 243 million from USD 233 million in the previous month (USD 269 million in September 2014). Yet, industrial exports decreased in the first three quarters 2015 by 5.8 percent with regard to the first three quarters of the past year.

Imports of Industrial Equipments went back to USD 13,8 million from USD 21.3 million one month earlier and USD 19.2 million in September 2014. In the first nine months of 2015, industrial equipments imports declined by 10.9 percent in comparison with the identical 2014 phase.

Real Sector Indicators

| | Dec-14 | Nov-15 | Dec-15 |
|---|--------|--------|--------|
| Checks cleared (total) | | | |
| Number (000) | 1,131 | 1,023 | 1,094 |
| Value (USD million) | 6,291 | 5,494 | 5,974 |
| Checks cleared in LBP | | | |
| Number (000) | 365 | 338 | 367 |
| Value (LBP billion) | 2,410 | 2,272 | 2,576 |
| Checks cleared in FX | | | |
| Number (000) | 766 | 685 | 727 |
| Value (USD million) | 4,692 | 3,987 | 4,265 |
| Returned checks | | | |
| Number (000) | 23.3 | 19.0 | 20.0 |
| Value (USD million) | 165 | 120 | 121 |
| Construction permits (000 square meters) | | | |
| Cement deliveries (000 tons) | 445 | 482 | 448 |
| Collected property taxes (LBP billion) | | | |
| Passengers arrivals (000) | 103.3 | 71.4 | 99.1 |
| Passengers departures (000) | 300 | 229 | 313 |
| Passengers departures (000) | 272 | 269 | 298 |
| Agricultural exports (USD million) | 23 | 15 | 28 |
| Industrial exports (USD million) | 260 | n.a. | n.a. |
| Imports of industrial machinery (USD million) | 20.7 | n.a. | n.a. |

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



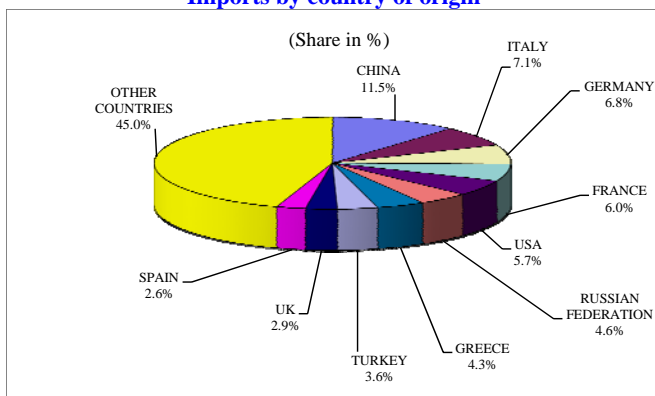
II- EXTERNAL SECTOR

In December 2015,

Imports of goods improved to USD 1,841 million from USD 1,539 million in the previous month and USD 1,649 million in December 2014. Yet, imports plunged in the year 2015 by 11.8 percent with reference to the previous year.

In 2015, mineral products lead imported goods with a 19.0 percent share of total imports. They were followed by machinery and mechanical appliances and products of the chemical which accounted for 11.0 percent and 10.8 percent respectively. China topped the list of imports by country of origin with a 11.5 percent share of total. Italy came next with a share of 7.1 percent followed by Germany (6.8 percent) and France (6.0 percent).

Imports by country of origin

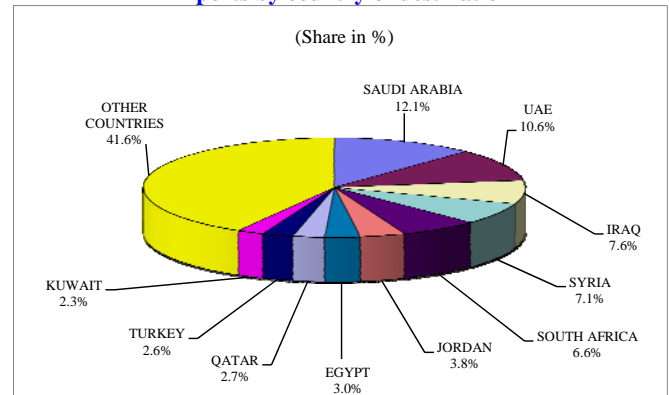


Source: Lebanese Customs

Exports of goods increased to USD 236 million compared to USD 222 million one month back (USD 268 million in December 2014). In 2015, exports diminished, however, by 10.9 percent in respect of the preceding year.

On a cumulative basis, prepared foodstuffs were on top of the list with a share of 16.4 percent of total exports, followed by pearls, precious and semi - precious stones (14.7 percent), and machinery and mechanical appliances (14.0 percent). Saudi Arabia outperformed all others in terms of exports by country of destination with 12.1 percent share of the total, trailed by UAE (10.6 percent) followed by Iraq (7.6 percent) and Syria (7.1 percent).

Exports by country of destination



Source: Lebanese Customs

The trade deficit broadened to USD 1,605 million from USD 1,317 million a month earlier and USD 1,381 million in December 2014. It narrowed, however, in the year 2015 by 12.0 percent vis-à-vis the year 2014.

External Sector Indicators

| USD million | Dec-14 | Nov-15 | Dec-15 |
|---------------------------------|--------|--------|--------|
| Imports | 1,649 | 1,539 | 1,841 |
| Exports | 268 | 222 | 236 |
| Trade deficit | -1,381 | -1,317 | -1,605 |
| Balance of payments | -116 | -816 | -372 |
| Gross foreign currency reserves | 32,403 | 31,768 | 30,638 |

Source: Lebanese Customs, BDL.

The overall balance of payments reported a deficit of USD 372 million following a large deficit of USD 816 million in the previous month (USD 116 million deficit in December 2014). Thus, a USD 3,354 million negative balance accumulated in the year 2015 and represented a decrease in net foreign assets of banks and financial institutions (USD -2,881 million) and in net foreign assets of the central bank (USD -473 million).

Gross foreign currency reserves of the Central bank retreated to USD 30,638 million compared to USD 31,768 million at the end of the previous month and USD 32,403 million end December 2014. The U.S. dollar average rate remained stable at LBP 1,507.5 with the Central bank maintaining its foreign exchange intervention rates at LBP 1,501 per one USD for bid and LBP 1,514 per one USD for ask.



III-FINANCIAL SECTOR

1. Commercial Banks

Total consolidated assets of commercial banks operating in Lebanon amounted to LBP 280,379 billion (USD 186.0 billion) at the end of December 2015, thus increasing by 5.9 percent from end December 2014 (6.6 percent growth in 2014).

Total deposits at commercial banks, including resident and non-resident private sector deposits and public sector deposits grew by 5.0 percent in the year 2015 and constituted 83.3 percent of total assets with an equivalent value of LBP 233,589 billion (around USD 154.95 billion) at the end of the period.

Commercial Banks Balance Sheet -Main items

| End of period-LBP billion | Dec-14 | Nov-15 | Dec-15 |
|------------------------------------|---------|---------|---------|
| Total Assets | 264,863 | 276,142 | 280,379 |
| Total deposits | 222,563 | 230,745 | 233,589 |
| Resident private sector | 172,041 | 179,153 | 180,489 |
| Non-resident private sector | 45,680 | 46,679 | 48,026 |
| Public sector deposits | 4,842 | 4,912 | 5,074 |
| Capital accounts | 23,719 | 24,581 | 25,131 |
| Total claims on the private sector | 76,730 | 80,226 | 81,744 |
| Resident private sector | 68,391 | 71,535 | 72,427 |
| Non-resident private sector | 8,339 | 8,692 | 9,316 |
| Total claims on public sector | 56,308 | 57,195 | 56,984 |
| Bills & Bonds in LBP | 31,564 | 30,687 | 30,243 |
| Bonds in FC | 24,588 | 26,369 | 26,600 |
| Claims on non resident banks | 18,342 | 15,960 | 17,422 |
| Other foreign assets | 9,789 | 9,117 | 9,132 |
| Deposits at the central bank | 95,707 | 105,004 | 106,329 |

Source: BDL.

The breakdown of total deposits shows that private sector deposits denominated in LBP increased by 7.5 percent from end December 2014, while those denominated in foreign currencies rose by 3.6 percent, thus deposit dollarization rate decreased to 64.9 percent at the end of December 2015 from 65.7 percent at end December 2014. The itemization of total deposits reveals also a growth in non-resident private sector deposits (+5.1 percent), in resident private sector deposits (+4.9 percent), and in public sector deposits (+4.8 percent) in 2015.

Subsequently, resident private sector deposits accounted for 77.3 percent of total deposits at end December 2015 (20.5 percent for non-resident private sector and 2.2 percent for public sector deposits).

Total capital accounts amounted to LBP 25,131 billion (USD 16,671 million) at the end of December 2015 and represented around 9.0 percent of total assets. Capital accounts increased by 6.0 percent when compared to end December 2014 (10.8 percent growth in 2014).

Total claims on the resident and non-resident private sector expanded by 6.5 percent in the year 2015, reaching LBP 81,744 billion at the end of December 2015. The dollarization rate of these loans was 74.8 percent at the end of the stated month, and the ratio of total loans to total deposits attained 35.8 percent.

Total claims on the public sector were equivalent to LBP 56,984 billion at the end of December 2015, thus increasing by 1.2 percent from end December 2014. Commercial banks held at the end of the stated month LBP 30,243 billion of Lebanese treasury bills (46.8 percent of the total portfolio in circulation) and USD 17,645 million of Eurobonds (nearly 70.8 percent of the total outstanding portfolio).

Deposits at the Central Bank climbed in the year 2015 by 11.1 percent to total LBP 106,329 billion at the end of December 2015, but claims on non-resident banks recoiled by 5.0 percent to LBP 17,422 billion (USD 11.6 billion) to represent 11.7 percent of private sector deposits in foreign currencies.

2. Investment Banks

Total consolidated assets of investment banks operating in Lebanon (including medium and long term credit banks) amounted to LBP 6,865 billion (around USD 4.6 billion) at the end of December 2015, thus increasing by 10.7 percent from end December 2014 (3.2 percent growth in 2014).

In 2015, capital accounts expanded by 8.7 percent and private sector deposits (resident & non-resident) by 6.8 percent. Cash and banks rose by 21.4 percent and claims on private sector by 0.7 percent while claims on the public sector retreated by 4.8 percent.



3. Financial Markets

The total number of shares traded on the Beirut Stock Exchange retreated to 4,158 thousand shares with a traded value of USD 32.1 million in December 2015 compared to 5,994 thousand shares with a traded value of USD 58.0 million in the previous month and 10,833 thousand shares with a value of USD 69.5 million in December 2014.

During December 2015, the traded value by economic sectors was as such: 72.2 percent for Banking, 27.5 percent for Development and Reconstruction and 0.3 percent for Industrial.

Capital Markets

| | Dec-14 | Nov-15 | Dec-15 |
|--|--------|--------|--------|
| BSE | | | |
| Traded shares (ooo) | 10,833 | 5,994 | 4,158 |
| Traded value (USD million) | 69.5 | 58.0 | 32.1 |
| Market capitalization (USD million) | 11,222 | 11,190 | 11,220 |
| Outstanding treasury bills (LBP billion) | 60,644 | 64,165 | 64,112 |
| Outstanding sovereign Eurobonds (USD million) | 22,836 | 24,744 | 24,627 |
| Outstanding private sector (banks) securities (USD million) | 879 | 850 | 850 |

Source: BDL, BSE

The market capitalization of listed shares increased to USD 11,220 million at the end of December 2015, compared to USD 11,190 million at the end of the previous month (USD 11,222 million at the end of December 2014). Banking had a 80.6 percent weight, whereas Development and Construction 16.3 percent.

The face value of the outstanding treasury bills portfolio denominated in the domestic currency and the value of the outstanding sovereign bonds portfolio denominated in foreign currencies (Eurobonds) amounted to LBP 64,112 billion and USD 24,627 million respectively at the end of December 2015.

The outstanding value of bank-issued certificates of deposits, Euro-CDs, and subordinated debt stood almost unchanged at USD 850 million at the end of December 2015. The outstanding value of the certificates of deposits issued by BDL in the domestic currency slightly increased to LBP 34,697 billion and the value of those issued in foreign currencies decreased to USD 9.1 billion.

IV- MONETARY DEVELOPMENTS

The stock of money and quasi money (M3) attained LBP 186,360 billion at the end of December 2015, of which 57.8 percent denominated in foreign currencies, thus grew by 5.1 percent in 2015 (5.9 percent rise in the previous year).

Money Supply & Counterparts

| LBP billion | Dec-14 | Nov-15 | Dec-15 |
|-----------------------------|---------|---------|---------|
| M3 | 177,397 | 184,596 | 186,360 |
| Net foreign assets | 53,661 | 46,868 | 46,608 |
| Net claims on public sector | 63,226 | 69,512 | 70,688 |
| Valuation Adjustment | -8,146 | -5,889 | -6,401 |
| Claims on private sector | 71,217 | 74,679 | 75,695 |
| Other items-net | -2,561 | -574 | -229 |
| CPI (2004=100) | 146.44 | 150.90 | 148.49 |

Source: BDL, CRI.

The LBP 8,964 billion expansion in M3 in the year 2015 resulted from an increase in each of net claims on public sector (+LBP 7,462 billion), claims on the private sector (+LBP 4,478 billion), net other items (+LBP 2,332 billion) and valuation adjustment (+LBP 1,745 billion) against a drop in net foreign assets (-LBP 7,053 billion).

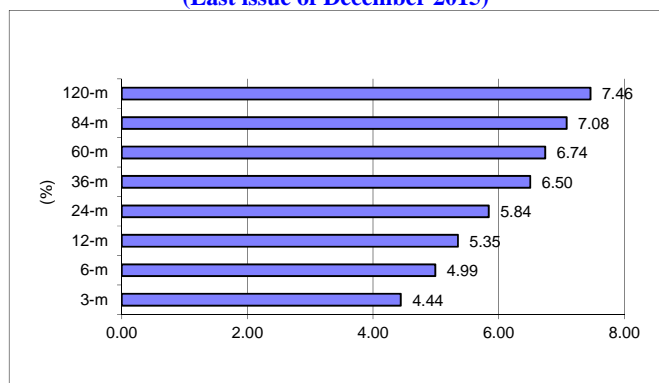
The Consumer Price Index (CPI) for Beirut and Suburbs, published by the Consultation and Research Institute, decreased by 1.6 percent in December 2015 compared to the previous month but increased by 1.4 percent from December 2014.

The Consumer Price Index (CPI) for Lebanon, published by the Central Administration of Statistics, slightly decreased by 0.7 percent in one month and by 3.4 percent from December 2014.

The interest rates on LBP monetary instruments were stable at the end of December 2015 on 45 and 60-day certificates of deposits issued by BDL reading 3.57 percent and 3.85 percent respectively. The yields on the issued Lebanese Treasury bills also remained steady and read at the end of the stated month: 4.44 percent for three-month bills, 4.99 percent for six-month bills, 5.35 percent for one-year bills, 5.84 percent for two-year bills, 6.50 percent for three-year bills, 6.74 percent for five-year bills and 7.46 percent for ten-year bills.



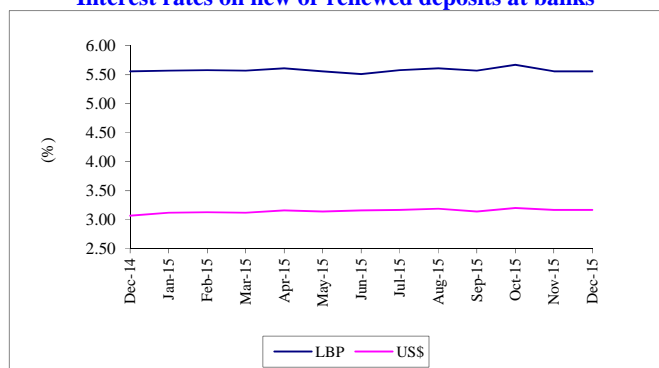
**Yield on Lebanese treasury bills denominated in LBP
(Last issue of December 2015)**



Source: BDL

In December 2015, the average interest rate on new or renewed LBP and USD deposits at commercial banks stood almost unchanged at 5.56 percent and 3.17 percent respectively. The average 3-month USD LIBOR increased to 0.54 percent.

Interest rates on new or renewed deposits at banks



In December 2015, the average interest rate on new or renewed loans at commercial banks denominated in LBP increased to 7.45 percent (6.93 percent one month earlier) while the average interest rate on new or renewed loans denominated in USD retreated to 7.06 percent (7.15 percent a month ago).

V- PUBLIC FINANCES

Government revenues, including budget revenues and treasury receipts attained LBP 942 billion in September 2015 to sum LBP 10,897 billion in the first three quarters 2015 (LBP 11,924 billion in the first three

quarters 2014). The LBP 10,897 billion revenues comprised LBP 10,283 billion budget revenues and LBP 614 billion treasury receipts.

Government expenditures, consisting of budget and treasury spending, amounted to LBP 1,876 billion in September 2015 to total LBP 14,829 billion in the first nine months of 2015 (LBP 15,273 billion in the first nine months of 2014). The LBP 14,829 billion expenditures included LBP 4,945 billion debt service and LBP 9,884 billion other general expenditures o/w LBP 1,339 billion to EDL and LBP 976 billion related to budget expenditures for previous years.

Fiscal Situation

| LBP billion | Sep-14 | Aug-15 | Sep-15 |
|-------------------------|--------|--------|--------|
| Government revenues | 1,007 | 1,098 | 942 |
| Tax revenues | 671 | 644 | 565 |
| Non-tax revenues | 270 | 406 | 245 |
| Treasury receipts | 67 | 48 | 132 |
| Government expenditures | 1,858 | 1,296 | 1,876 |
| Debt service | 723 | 378 | 751 |
| Others | 1,135 | 918 | 1,125 |
| Overall balance | -851 | -198 | -934 |
| Primary balance | -128 | 181 | -183 |

Source: Ministry of Finance.

Total Deficit increased as such to LBP 3,931 billion in the first nine months of 2015 (LBP 3,349 billion deficit in the first nine months of 2014), and the primary balance surplus amounted to LBP 1,013 billion compared to an LBP 1,306 billion surplus respectively.

Gross public debt amounted to LBP 105,994 billion (the equivalent of USD 70.3 billion) at the end of December 2015, thus increasing by 5.6 percent when compared to end December 2014 (4.9 percent growth in 2014).

Net public debt, which subtracts public sector deposits at commercial banks and the central bank from gross public debt, amounted to LBP 92,767 billion at the end of December 2015, thus rising by 7.4 percent from end December 2014.



Public Debt

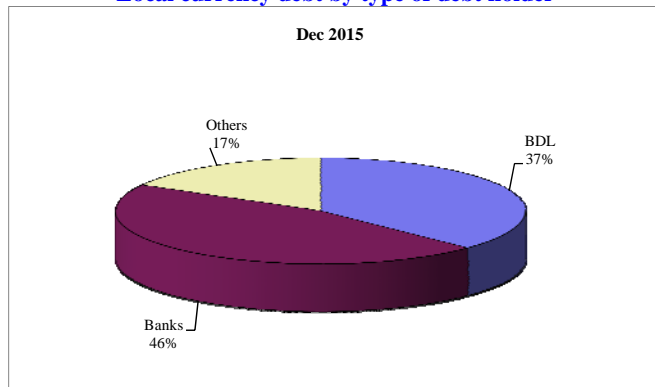
| LBP billion | Dec-14 | Nov-15 | Dec-15 |
|------------------------|--------|---------|---------|
| Public Debt (Gross) | 95,710 | 106,181 | 105,994 |
| Debt in LBP | 61,752 | 65,299 | 65,195 |
| Debt in FC | 38,604 | 40,882 | 40,799 |
| Public Debt (Net) | 81,745 | 91,873 | 92,767 |
| Public sector deposits | 13,965 | 14,308 | 13,227 |
| Commercial Banks | 4,842 | 4,912 | 5,074 |
| BDL | 9,123 | 9,396 | 8,153 |

Source: BDL.

The shares of the local currency debt and foreign currency debt of the total gross were around 61.5 percent and 38.5 percent respectively at the end of December 2015. The distribution of local currency debt by type of holder was as follows: 45.8 percent for banks (46.6 percent end of November 2015), 37.3 percent for the Central bank (36.6 percent in the previous month) and 16.9 percent for the non-banking sector (16.8 percent one month earlier). The breakdown of the foreign currency debt was as such: Eurobonds (92.1 percent), Multilateral (3.7 percent), Bilateral (3.8 percent), Paris II loans (0.2 percent) and others (0.2 percent).

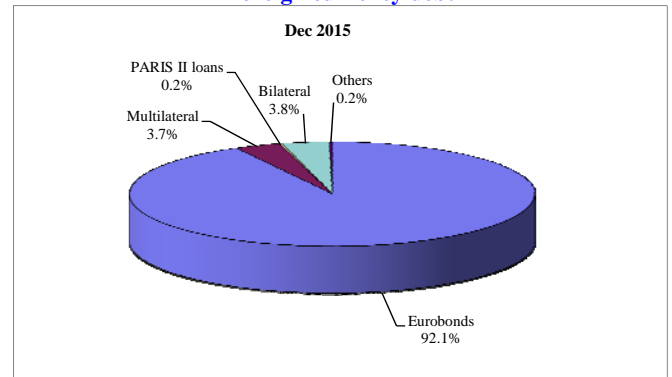
The average maturity of the Government debt securities denominated in the domestic currency was estimated at 1,222 days (3.35 years) as at end December 2015 with a weighted interest of 6.94 percent, while the average maturity of the Government debt instruments denominated in foreign currencies was around 6.09 years with a weighted interest of 6.44 percent.

Local currency debt by type of debt holder



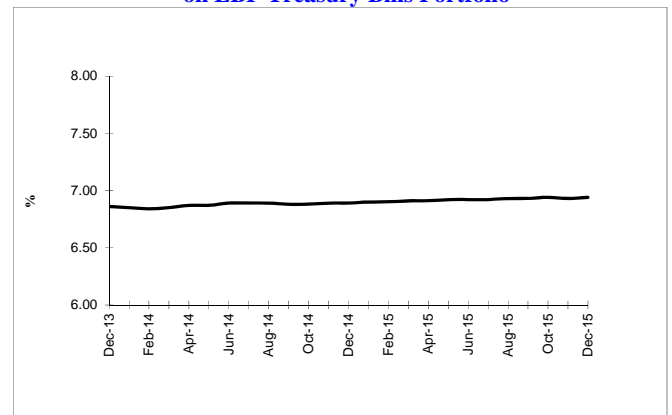
Source: BDL.

Foreign currency debt

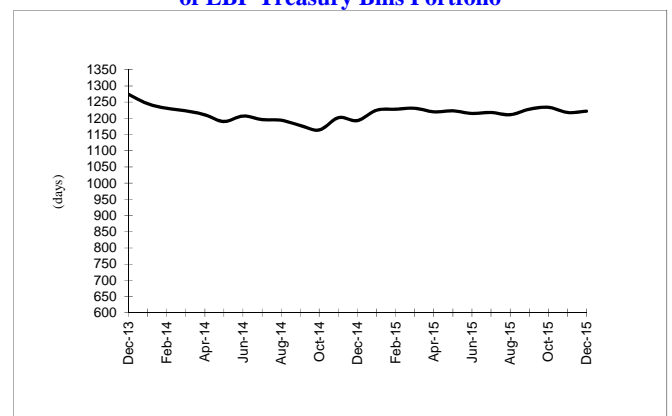


Source: BDL.

Weighted Average Interest Rate on LBP Treasury Bills Portfolio



Weighted Average Life of LBP Treasury Bills Portfolio



GENERAL INDICATORS OF ECONOMIC ACTIVITIES

| | Jan - Dec 2014 | Jan - Dec 2015 | Dec-14 | Nov-15 | Dec-15 |
|--|-------------------|-------------------|---------|---------|---------|
| Imports of Industrial Equipment (000's US\$) | 269,061 | n.a. | 20,698 | n.a. | n.a. |
| Building Permits (000's m2) | 13,546 | 12,339 | 986 | 981 | 1,079 |
| Cement Delivery (000s' tons) | 5,517 | 5,043 | 445 | 482 | 448 |
| Checks Cleared in LBP (billion LBP) | 27,351 | 28,211 | 2,410 | 2,272 | 2,576 |
| Checks Cleared in FC (million US\$) | 56,348 | 50,845 | 4,692 | 3,987 | 4,265 |
| Shipped Goods (tons)-Beirut Port | 981,129 | 1,082,466 | 86,097 | 82,182 | 94,618 |
| Unloaded Goods (tons)-Beirut Port | 7,299,980 | 7,134,250 | 671,554 | 587,218 | 650,233 |
| Passengers Arrivals (000's)-BIA | 3,223 | 3,517 | 300 | 229 | 313 |
| Passengers Departures (000's)-BIA | 3,333 | 3,688 | 272 | 269 | 298 |
| Total exports of goods (million USD) | 3,313 | 2,952 | 268 | 222 | 236 |
| Total imports of goods (million USD) | 20,494 | 18,069 | 1,649 | 1,539 | 1,841 |
| Balance of Trade (million USD) | -17,181 | -15,117 | -1,381 | -1,317 | -1,605 |
| Changes of Net Foreign Assets in the banking system (million USD) | -1,408 | -3,354 | -116 | -816 | -372 |
| Gross Foreign Currency Reserves (End of period-million USD) | - | - | 32,403 | 31,768 | 30,638 |
| Consumer Price Index (End of period) | - | - | 146.44 | 150.90 | 148.49 |

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 2013 | Jan - Dec 2014 | Jan - Dec 2015 | Jan - Dec 2013 | Jan - Dec 2014 | Jan - Dec 2015 |
| 1- Live animals, animal products | 892 | 1,050 | 908 | 25 | 26 | 32 |
| 2- Vegetable products | 923 | 966 | 910 | 216 | 207 | 184 |
| 3- Fats & edible fats & oils | 199 | 187 | 164 | 37 | 33 | 34 |
| 4- Prepared foodstuffs | 1,410 | 1,412 | 1,359 | 453 | 515 | 483 |
| 5- Mineral products | 5,110 | 4,887 | 3,439 | 357 | 43 | 31 |
| 6- Products of the chemical | 1,937 | 2,011 | 1,945 | 329 | 381 | 411 |
| 7- Plastics & articles thereof | 833 | 829 | 758 | 144 | 137 | 129 |
| 8- Raw hides & skins, leather, furskins | 78 | 81 | 81 | 19 | 21 | 16 |
| 9- Wood & articles of wood | 237 | 269 | 238 | 21 | 13 | 13 |
| 10- Paper & paperboard & articles thereof | 377 | 379 | 319 | 175 | 210 | 158 |
| 11- Textiles & textile articles | 793 | 825 | 819 | 121 | 124 | 106 |
| 12- Footwear, headgear, prepared feathers | 157 | 159 | 160 | 19 | 27 | 17 |
| 13- Articles of stone, plaster, cement | 447 | 461 | 427 | 43 | 36 | 27 |
| 14- Pearls, precious or semi-precious stones | 1,136 | 976 | 822 | 770 | 542 | 434 |
| 15- Base metals & articles of base metal | 1,572 | 1,499 | 1,159 | 527 | 374 | 314 |
| 16- Machinery & mechanical appliances | 2,590 | 2,188 | 1,993 | 507 | 445 | 414 |
| 17- Transport equipment | 1,746 | 1,508 | 1,758 | 35 | 34 | 23 |
| 18- Optical instruments & apparatus | 343 | 348 | 331 | 21 | 20 | 17 |
| 19- Arms & ammunition | 23 | 23 | 24 | 0 | 0 | 0 |
| 20- Miscellaneous manufactured articles | 403 | 416 | 430 | 113 | 117 | 104 |
| 21- Works of art | 23 | 20 | 28 | 6 | 7 | 7 |
| Total | 21,228 | 20,494 | 18,069 | 3,936 | 3,313 | 2,952 |

Source: Lebanese Customs.

IMPORTS BY ORIGIN
(Million US Dollars)

| | Jan - Dec 2014 | Share % | Jan - Dec 2015 | Share % |
|------------------------|-------------------|--------------|-------------------|--------------|
| CHINA | 2,484 | 12.1 | 2,074 | 11.5 |
| ITALY | 1,645 | 8.0 | 1,283 | 7.1 |
| GERMANY | 1,257 | 6.1 | 1,222 | 6.8 |
| FRANCE | 1,275 | 6.2 | 1,084 | 6.0 |
| USA | 1,227 | 6.0 | 1,024 | 5.7 |
| RUSSIAN FEDERATION | 887 | 4.3 | 825 | 4.6 |
| GREECE | 816 | 4.0 | 785 | 4.3 |
| TURKEY | 706 | 3.4 | 656 | 3.6 |
| UK | 537 | 2.6 | 517 | 2.9 |
| SPAIN | 471 | 2.3 | 475 | 2.6 |
| OTHER COUNTRIES | 9,189 | 44.8 | 8,124 | 45.0 |
| TOTAL IMPORTS | 20,494 | 100.0 | 18,069 | 100.0 |

Source: Lebanese Customs.

EXPORTS BY DESTINATION
(Million US Dollars)

| | Jan - Dec 2014 | Share % | Jan - Dec 2015 | Share % |
|------------------------|-------------------|--------------|-------------------|--------------|
| SAUDI ARABIA | 377 | 11.4 | 357 | 12.1 |
| UAE | 320 | 9.7 | 313 | 10.6 |
| IRAQ | 256 | 7.7 | 225 | 7.6 |
| SYRIA | 242 | 7.3 | 210 | 7.1 |
| SOUTH AFRICA | 297 | 9.0 | 195 | 6.6 |
| JORDAN | 130 | 3.9 | 112 | 3.8 |
| EGYPT | 84 | 2.5 | 88 | 3.0 |
| QATAR | 93 | 2.8 | 79 | 2.7 |
| TURKEY | 145 | 4.4 | 77 | 2.6 |
| KUWAIT | 74 | 2.2 | 67 | 2.3 |
| OTHER COUNTRIES | 1,295 | 39.1 | 1,229 | 41.6 |
| TOTAL EXPORTS | 3,313 | 100.0 | 2,952 | 100.0 |

Source: Lebanese Customs.



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

| | 2013 | 2014 | | 2015 | |
|---|----------------|----------------|----------------|----------------|----------------|
| | Dec | Dec | Oct | Nov | Dec |
| ASSETS | | | | | |
| Reserves | 82,533 | 96,314 | 105,435 | 105,682 | 107,021 |
| -Cash | 576 | 607 | 680 | 678 | 693 |
| -Deposits at the Central Bank | 81,957 | 95,707 | 104,755 | 105,004 | 106,329 |
| Claims on the Private Sector | 62,565 | 68,391 | 71,139 | 71,535 | 72,427 |
| -Claims denominated in Lebanese Pound | 16,757 | 18,749 | 20,360 | 20,490 | 20,573 |
| -Claims denominated in Foreign Currencies | 45,808 | 49,642 | 50,779 | 51,045 | 51,854 |
| Claims on the Public Sector | 56,786 | 56,308 | 56,478 | 57,195 | 56,984 |
| o/w -Treasury Bills in Lebanese Pound | 30,114 | 31,564 | 30,808 | 30,687 | 30,243 |
| -Treasury Bills in Foreign Currencies | 26,544 | 24,588 | 25,538 | 26,369 | 26,600 |
| Foreign Assets | 40,137 | 36,470 | 33,915 | 33,769 | 35,870 |
| -Claims on Non-Resident Private Sector | 8,862 | 8,339 | 8,746 | 8,692 | 9,316 |
| -Claims on Non-Resident Banks | 21,041 | 18,342 | 15,993 | 15,960 | 17,422 |
| -Other Foreign Assets | 10,235 | 9,789 | 9,175 | 9,117 | 9,132 |
| Fixed Assets | 5,921 | 6,574 | 7,069 | 7,187 | 7,361 |
| Unclassified Assets | 526 | 806 | 735 | 776 | 716 |
| TOTAL ASSETS | 248,468 | 264,863 | 274,771 | 276,142 | 280,379 |
| LIABILITIES | | | | | |
| Liabilities to the Private Sector | 162,396 | 172,041 | 178,463 | 179,153 | 180,489 |
| -Demand Deposits in Lebanese Pound | 4,144 | 4,564 | 4,641 | 4,965 | 4,907 |
| -Other Deposits in Lebanese Pound | 60,328 | 64,278 | 68,550 | 68,446 | 68,678 |
| -Deposits in Foreign Currencies | 97,924 | 103,199 | 105,271 | 105,742 | 106,904 |
| Liabilities to the Public Sector | 4,463 | 4,842 | 5,026 | 4,912 | 5,074 |
| Deposits of Non-Residents | 42,934 | 45,680 | 46,691 | 46,679 | 48,026 |
| -Denominated in Lebanese Pound | 5,063 | 5,815 | 6,582 | 6,612 | 6,680 |
| -Denominated in Foreign Currencies | 37,871 | 39,866 | 40,109 | 40,067 | 41,346 |
| Liabilities to Non-Resident Banks | 7,555 | 8,795 | 9,308 | 9,605 | 9,864 |
| Bonds | 398 | 352 | 356 | 359 | 412 |
| Capital Base | 21,410 | 23,719 | 24,547 | 24,581 | 25,131 |
| -Core Capital | 19,619 | 21,954 | 22,779 | 22,807 | 23,300 |
| -Supplementary Capital | 1,791 | 1,765 | 1,767 | 1,774 | 1,831 |
| Unclassified Liabilities | 9,313 | 9,434 | 10,381 | 10,853 | 11,383 |
| TOTAL LIABILITIES | 248,468 | 264,863 | 274,771 | 276,142 | 280,379 |

Source: BDL.



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

| | 2013 | 2014 | 2015 | | |
|--|----------------|----------------|----------------|----------------|----------------|
| | Dec | Dec | Oct | Nov | Dec |
| <u>Money Supply</u> | | | | | |
| Currency in circulation | 3,408 | 3,647 | 3,651 | 3,690 | 4,014 |
| + Demand Deposits in LBP | 4,213 | 4,654 | 4,765 | 5,104 | 5,029 |
| = M1 | 7,620 | 8,301 | 8,416 | 8,794 | 9,042 |
| + Other Deposits in LBP | 61,129 | 65,099 | 69,426 | 69,217 | 69,578 |
| = M2 | 68,749 | 73,400 | 77,842 | 78,011 | 78,620 |
| + Deposits in Foreign Currencies | 98,499 | 103,724 | 105,865 | 106,309 | 107,475 |
| + Bonds | 323 | 273 | 275 | 276 | 265 |
| = M3 | 167,571 | 177,397 | 183,983 | 184,596 | 186,360 |
| + Treasury Bills Held by the Public | 9,236 | 10,429 | 10,860 | 10,946 | 11,009 |
| = M4 | 176,807 | 187,826 | 194,843 | 195,542 | 197,369 |
| <u>Counterparts of the Money Supply</u> | | | | | |
| Net Foreign Assets | 56,555 | 53,661 | 49,524 | 46,868 | 46,608 |
| o/w Gold | 16,739 | 16,509 | 15,970 | 14,690 | 14,846 |
| Net Claims on the Public Sector | 59,568 | 63,226 | 68,673 | 69,512 | 70,688 |
| Valuation Adjustment | -8,426 | -8,146 | -7,308 | -5,889 | -6,401 |
| Claims on the Private Sector | 65,949 | 71,217 | 74,098 | 74,679 | 75,695 |
| Claims in LBP | 17,230 | 19,748 | 21,489 | 21,650 | 21,733 |
| Claims in FC | 48,719 | 51,469 | 52,610 | 53,029 | 53,961 |
| Other Items (Net) | -6,076 | -2,561 | -1,004 | -574 | -229 |
| TOTAL | 167,571 | 177,397 | 183,983 | 184,596 | 186,360 |

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 | | Others ⁽¹⁾ | Total | IDI** | FG+ | Paris II | | Total | |
| | | Bank | Banks | | | | | loans | Others ⁽²⁾ | | |
| 2013 | Dec | 95,710 | 17,171 | 29,905 | 9,236 | 56,312 | 1,871 | 1,556 | 208 | 35,763 | 39,398 |
| 2014 | Dec | 100,356 | 19,855 | 31,468 | 10,429 | 61,752 | 1,619 | 1,839 | 128 | 35,018 | 38,604 |
| 2015 | Jan | 100,366 | 20,363 | 31,366 | 10,505 | 62,234 | 1,584 | 1,800 | 119 | 34,629 | 38,132 |
| | Feb | 104,383 | 20,572 | 31,674 | 10,584 | 62,830 | 1,572 | 1,792 | 101 | 38,088 | 41,553 |
| | Mar | 104,677 | 21,607 | 31,116 | 10,537 | 63,260 | 1,547 | 1,745 | 97 | 38,028 | 41,417 |
| | Apr | 104,720 | 21,769 | 30,913 | 10,648 | 63,330 | 1,545 | 1,752 | 101 | 37,992 | 41,390 |
| | May | 104,589 | 21,896 | 30,941 | 10,686 | 63,523 | 1,512 | 1,666 | 99 | 37,789 | 41,066 |
| | Jun | 104,063 | 22,294 | 30,794 | 10,807 | 63,895 | 1,515 | 1,682 | 101 | 36,870 | 40,168 |
| | Jul | 104,316 | 22,624 | 30,793 | 10,743 | 64,160 | 1,488 | 1,662 | 99 | 36,907 | 40,156 |
| | Aug | 103,858 | 22,899 | 30,694 | 10,820 | 64,413 | 1,489 | 1,688 | 85 | 36,183 | 39,445 |
| | Sep | 103,608 | 22,896 | 30,459 | 10,783 | 64,138 | 1,482 | 1,684 | 84 | 36,220 | 39,470 |
| | Oct | 104,086 | 23,363 | 30,497 | 10,860 | 64,720 | 1,465 | 1,640 | 83 | 36,178 | 39,366 |
| | Nov | 106,181 | 23,898 | 30,455 | 10,946 | 65,299 | 1,491 | 1,538 | 80 | 37,773 | 40,882 |
| | Dec | 105,994 | 24,308 | 29,878 | 11,009 | 65,195 | 1,495 | 1,568 | 83 | 37,653 | 40,799 |

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) | (%) | |
| 2013 | Dec | 55,385 | 938 | 547 | 1,274 | 6.86 |
| 2014 | Dec | 60,644 | 1,339 | 1,232 | 1,193 | 6.89 |
| 2015 | Jan | 61,095 | 2,132 | 1,681 | 1,225 | 6.90 |
| | Feb | 61,601 | 1,631 | 1,125 | 1,228 | 6.90 |
| | Mar | 62,203 | 1,231 | 629 | 1,231 | 6.91 |
| | Apr | 62,298 | 1,078 | 983 | 1,220 | 6.91 |
| | May | 62,433 | 1,136 | 1,001 | 1,223 | 6.92 |
| | Jun | 62,800 | 1,264 | 897 | 1,215 | 6.92 |
| | Jul | 62,968 | 1,422 | 1,254 | 1,218 | 6.92 |
| | Aug | 63,117 | 1,060 | 911 | 1,211 | 6.93 |
| | Sep | 63,021 | 1,661 | 1,757 | 1,228 | 6.93 |
| | Oct | 63,654 | 1,789 | 1,156 | 1,234 | 6.94 |
| | Nov | 64,165 | 1,032 | 521 | 1,218 | 6.93 |
| | Dec | 64,112 | 905 | 958 | 1,222 | 6.94 |

Source:BDL.



AVERAGE INTEREST RATES

| Year And Month | Average Lending | | Average Deposit | | Inter Bank Rate * | 3m Libor \$ | Interest rates on TBs (last issue) | | | | | | | | | | |
|----------------------|------------------|------|------------------|------|-------------------------|-------------------|------------------------------------|------|------|------|------|------|------|------|-------|-------|------|
| | Rate on Funds in | | Rate on Funds in | | | | 3-m | 6-m | 12-m | 24-m | 36-m | 60-m | 84-m | 96-m | 120-m | 144-m | |
| | LBP | US\$ | LBP | US\$ | | | | | | | | | | | | | |
| 2013 | Dec | 7.29 | 6.88 | 5.44 | 2.95 | 2.75 | 0.24 | 4.39 | 4.87 | 5.08 | 5.76 | 6.40 | 6.63 | | | | |
| 2014 | Dec | 7.49 | 6.97 | 5.56 | 3.07 | 2.75 | 0.24 | 4.39 | 4.87 | 5.08 | 5.76 | 6.40 | 6.63 | | | | |
| 2015 | Jan | 7.26 | 6.96 | 5.57 | 3.12 | 2.79 | 0.25 | 4.39 | 4.87 | 5.08 | 5.76 | 6.40 | 6.63 | | | | 7.83 |
| | Feb | 7.18 | 7.05 | 5.58 | 3.13 | 2.75 | 0.26 | 4.39 | 4.87 | 5.08 | 5.76 | 6.40 | 6.63 | 6.96 | | | |
| | Mar | 6.94 | 7.16 | 5.57 | 3.12 | 2.78 | 0.27 | 4.39 | 4.87 | 5.08 | 5.76 | 6.40 | 6.63 | | | | 7.33 |
| | Apr | 7.10 | 7.08 | 5.61 | 3.16 | 2.84 | 0.28 | 4.39 | 4.87 | 5.08 | 5.76 | 6.40 | 6.63 | 6.96 | | | |
| | May | 7.11 | 7.04 | 5.56 | 3.14 | 2.83 | 0.28 | 4.39 | 4.87 | 5.08 | 5.76 | 6.40 | 6.63 | | | | 7.33 |
| | Jun | 7.12 | 7.03 | 5.51 | 3.16 | 3.27 | 0.28 | 4.39 | 4.87 | 5.08 | 5.76 | 6.40 | 6.63 | 6.96 | | | |
| | Jul | 6.90 | 7.09 | 5.58 | 3.17 | 3.05 | 0.29 | 4.39 | 4.87 | 5.08 | 5.76 | 6.40 | 6.63 | | | | 7.33 |
| | Aug | 6.89 | 7.12 | 5.61 | 3.19 | 2.89 | 0.32 | 4.39 | 4.87 | 5.08 | 5.76 | 6.40 | 6.63 | 6.96 | | | |
| | Sep | 7.08 | 7.19 | 5.57 | 3.14 | 3.05 | 0.33 | 4.39 | 4.87 | 5.08 | 5.76 | 6.40 | 6.63 | | | | 7.33 |
| | Oct | 7.13 | 7.05 | 5.67 | 3.20 | 3.03 | 0.32 | 4.39 | 4.87 | 5.08 | 5.76 | 6.40 | 6.63 | 6.96 | | | 7.33 |
| | Nov | 6.93 | 7.15 | 5.56 | 3.17 | 3.03 | 0.37 | 4.39 | 4.87 | 5.08 | 5.76 | 6.40 | 6.63 | 6.96 | | | |
| | Dec | 7.45 | 7.06 | 5.56 | 3.17 | 3.03 | 0.54 | 4.39 | 4.87 | 5.08 | 5.76 | 6.40 | 6.63 | | | | 7.33 |

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

* On Funds in LBP, weighted by daily volume.

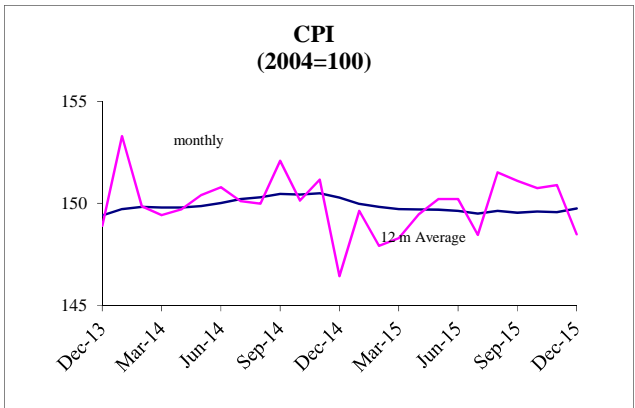
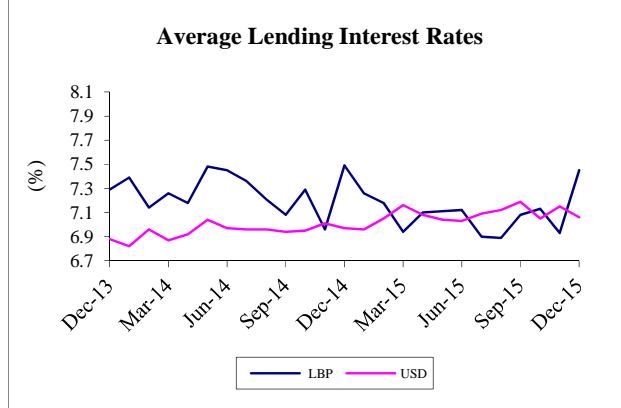
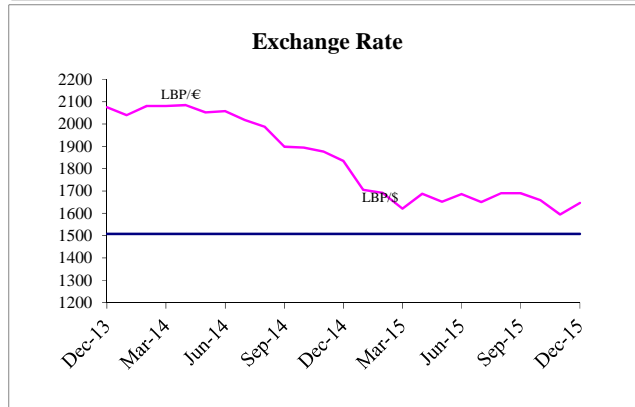
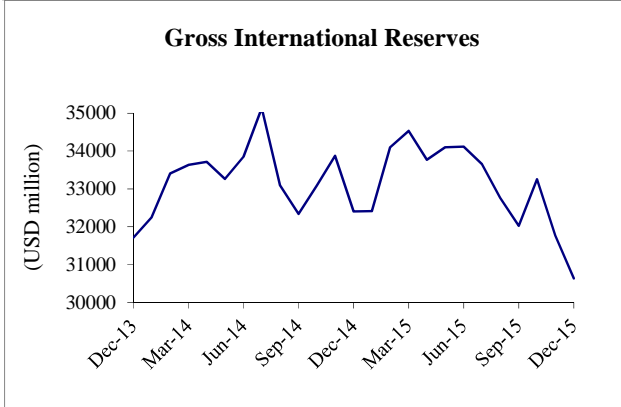
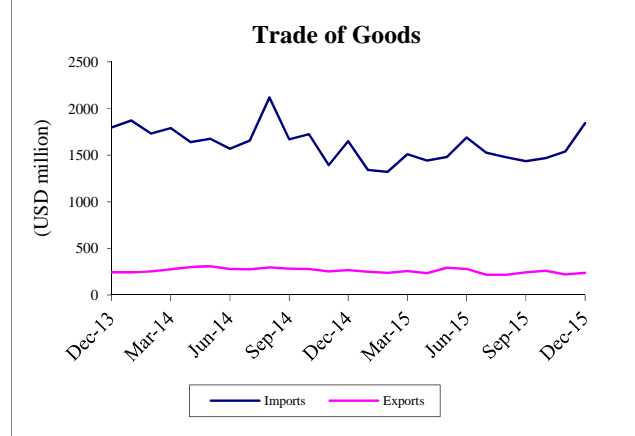
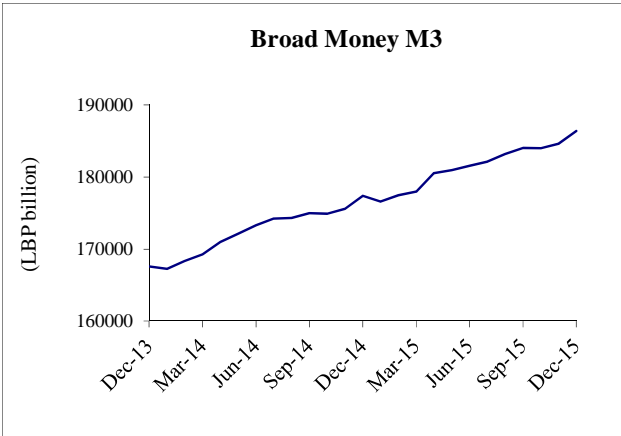
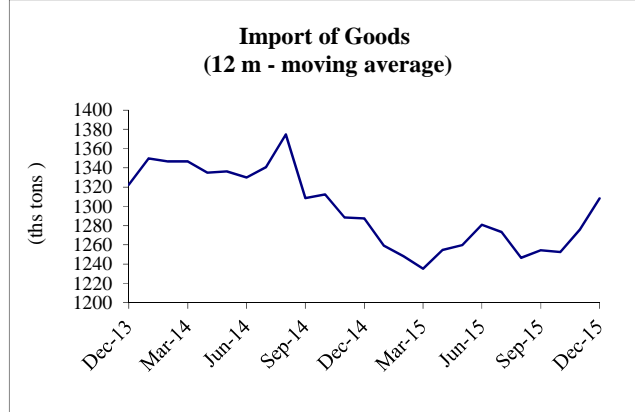
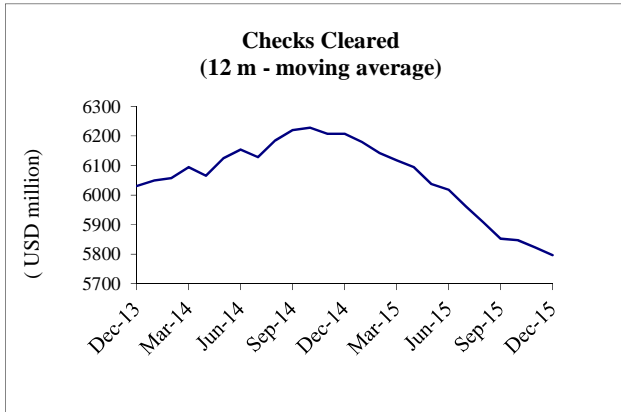
END OF PERIOD EXCHANGE RATES
(LBP per other currencies)

| Year and Month | | US | Swiss | British | Japanese | Euro |
|-------------------|-----|----------|----------|----------|----------|----------|
| | | Dollar | Franc | Pound | Yen | |
| 2013 | Dec | 1,507.50 | 1,690.97 | 2,482.55 | 14.33 | 2,074.77 |
| 2014 | Dec | 1,507.50 | 1,524.27 | 2,341.75 | 12.62 | 1,833.87 |
| 2015 | Jan | 1,507.50 | 1,626.92 | 2,272.56 | 12.81 | 1,705.59 |
| | Feb | 1,507.50 | 1,587.34 | 2,320.65 | 12.62 | 1,691.72 |
| | Mar | 1,507.50 | 1,549.81 | 2,231.70 | 12.57 | 1,619.96 |
| | Apr | 1,507.50 | 1,610.58 | 2,325.62 | 12.67 | 1,687.34 |
| | May | 1,507.50 | 1,596.76 | 2,302.71 | 12.17 | 1,652.22 |
| | Jun | 1,507.50 | 1,621.84 | 2,369.64 | 12.32 | 1,685.99 |
| | Jul | 1,507.50 | 1,565.58 | 2,348.08 | 12.14 | 1,650.86 |
| | Aug | 1,507.50 | 1,562.99 | 2,324.11 | 12.43 | 1,690.06 |
| | Sep | 1,507.50 | 1,548.70 | 2,291.25 | 12.54 | 1,690.51 |
| | Oct | 1,507.50 | 1,527.05 | 2,312.66 | 12.51 | 1,659.31 |
| | Nov | 1,507.50 | 1,462.31 | 2,261.85 | 12.25 | 1,594.18 |
| | Dec | 1,507.50 | 1,520.88 | 2,232.46 | 12.51 | 1,646.64 |

Source: BDL.



Indicative Charts



Research and Statistics Department
Association of Banks in Lebanon
P.O. Box 976
Beirut-Lebanon
Tel: (961) 970 500
Fax: (961) 970 501
E-mail: abl@abl.org.lb

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