

**Summary:**

*In the first three quarters of 2017, real sector indicators improved on average a little in respect of the corresponding period of the previous year. Both imports and exports of goods declined and the trade deficit narrowed. The overall balance of payments had a cumulative negative balance though a series of surpluses were reported in the third quarter of the year. Official foreign currency reserves increased further to foster financial stability and banks' assets grew favorably. The expansion in the gross public debt decelerated.*

**In this issue:**

<i>Real sector</i>	<i>p2</i>
<i>External sector</i>	<i>p3</i>
<i>Financial sector</i>	<i>p4</i>
<i>Monetary developments</i>	<i>p5</i>
<i>Public finances</i>	<i>p6</i>
<i>Statistical appendix</i>	<i>p8</i>

**Tables:**

<i>General indicators of economic activities</i>	<i>p8</i>
<i>Total imports &amp; exports by product</i>	<i>p9</i>
<i>Imports by origin</i>	<i>p9</i>
<i>Exports by destination</i>	<i>p9</i>
<i>Consolidated balance sheet of banks</i>	<i>p10</i>
<i>Money supply and Counterparts</i>	<i>p11</i>
<i>Outstanding public debt</i>	<i>p12</i>
<i>Treasury bills portfolio</i>	<i>p12</i>
<i>Interest rates</i>	<i>p13</i>
<i>Exchange rates</i>	<i>p13</i>

**Charts:**

<i>Indicative charts</i>	<i>p14</i>
--------------------------	------------

**I- REAL SECTOR****In September 2017,**

**The total value of checks cleared** in the domestic and foreign currencies decreased to USD 4,485 million from USD 5,969 million in the previous month and USD 5,776 million in September 2016. Cleared checks o/w 68.8 percent denominated in FC declined in the first nine months of 2017 by 0.7 percent when compared to the first nine months of 2016.

**The total value of returned checks** in the domestic and foreign currencies retreated to USD 86 million from USD 133 million one month back and USD 111 million in September 2016. Returned checks diminished in the first three quarters of 2017 by 3.0 percent with reference to the identical period of the past year.

**Collected real estate fees** shrank to LBP 54.2 billion against LBP 109.3 billion in the preceding month and LBP 72.2 billion twelve months back. Yet, collected fees multiplied in the first nine months of 2017 by 16.3 percent with regard to the first nine months of 2016.

**Construction permits** contracted to 711 thousand square meters compared to 1,240 thousand square meters in the previous month and 954 thousand square meters in September 2016. In the first three quarters of 2017, construction permits augmented, however, by 3.0 percent in respect of the corresponding period of the preceding year.

**Cement deliveries** dropped to 433 thousand tons from 499 thousand tons a month earlier and 479 thousand tons in September 2016. Cement deliveries recoiled by 2.2 percent in the first nine months of 2017 in comparison with the same time frame of 2016.

**The number of passengers** arriving to and departing from Beirut International Airport decreased to 379,965 and 481,669 respectively to total 861,634 persons. Yet, in the first nine months of 2017, arrivals and departures swelled by 8.6 percent and 8.4 percent respectively in comparison with those recorded in the alike time interval of 2016.

**Agricultural exports** amounted to USD 18 million and matched in the first nine months of 2017 those reported in the same nine months of the preceding year.

**In August 2017,**

**Industrial exports** (excluding gold ingots) increased to USD 227 million from USD 216 million in the previous month (USD 233 million in August 2016). Industrial exports diminished, however, in the first eight months of 2017 by 3.4 percent with regard to the first eight months of 2016.

**Imports of Industrial Equipment** increased to USD 27.0 million from USD 21.8 million one month earlier and USD 19.0 million in August 2016. Industrial equipment imports deteriorated, however, by 1.7 percent in the first eight months of 2017 in comparison with the correspondent time frame of the previous year.

**Real Sector Indicators**

	Sep-16	Aug-17	Sep-17
Checks cleared (total)			
Number (000)	1,033	1,070	842
Value (USD million)	5,776	5,969	4,485
Checks cleared in LBP			
Number (000)	364	398	345
Value (LBP billion)	2,596	2,817	2,224
Checks cleared in FX			
Number (000)	669	672	497
Value (USD million)	4,054	4,100	3,010
Returned checks			
Number (000)	18.7	19.9	16.6
Value (USD million)	111	133	86
Construction permits (000 square meters)	954	1,242	713
Cement deliveries (000 tons)	479	499	433
Collected property taxes (LBP billion)	72.2	109.3	54.2
Passengers arrivals (000)	372	493	380
Passengers departures (000)	448	573	482
Agricultural exports (USD million)	20	21	18
Industrial exports (USD million)	184	227	n.a.
Imports of industrial machinery (USD million)	16.2	27	n.a.

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



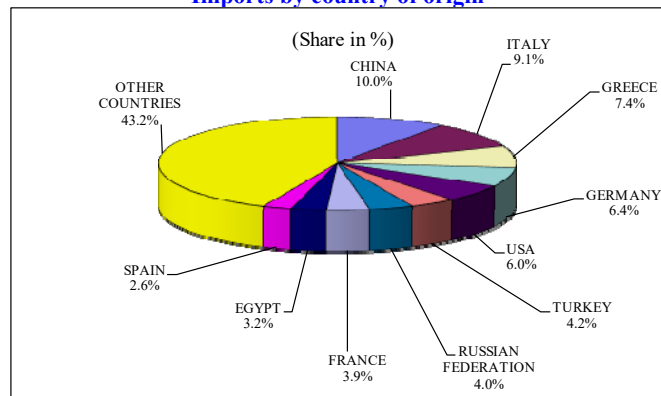
**II- EXTERNAL SECTOR**

**In September 2017,**

**Imports of goods** declined to USD 1,297 million from USD 1,594 million in the previous month and USD 1,448 million in September 2016. Imports decreased in the first nine months of 2017 by 2.5 percent with reference to the first nine months of the previous year.

In the first three quarters of 2017, mineral products lead imported goods with a 19.2 percent share of total imports. They were followed by products of the chemical and machinery and mechanical appliances which accounted for 11.2 percent and 10.3 percent respectively. China topped the list of imports by country of origin with a 10.0 percent share of total. Italy came next with a share of 9.1 percent followed by Greece (7.4 percent) and Germany (6.4 percent).

**Imports by country of origin**

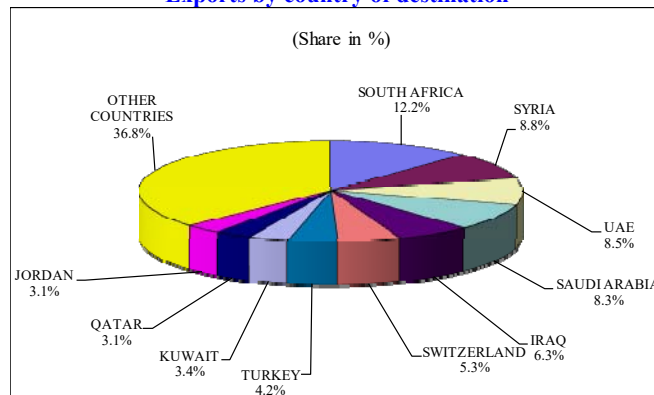


Source: Lebanese Customs

**Exports of goods** dropped to USD 210 million compared to USD 251 million one month back and USD 254 million in September 2016. Exports retreated in the first nine months of 2017 by 5.1 percent in respect of the same period of the preceding year.

In the first three quarters of 2017, pearls, precious and semi - precious stones were on top of the list with a share of 21.8 percent of total exports, followed by prepared foodstuffs (15.8 percent), and base metals (11.5 percent). South Africa outperformed all others in terms of exports by country of destination with 12.2 percent share of the total, trailed by Syria (8.8 percent) followed by UAE (8.5 percent) and Saudi Arabia (8.3 percent).

**Exports by country of destination**



Source: Lebanese Customs

**The trade deficit** narrowed to USD 1,087 million from USD 1,343 million a month earlier and USD 1,194 million in September 2016. It dropped thus in the first nine months of 2017 by 2.0 percent vis-à-vis the corresponding time interval of 2016.

**External Sector Indicators**

USD million	Sep-16	Aug-17	Sep-17
Imports	1,448	1,594	1,297
Exports	254	251	210
Trade deficit	-1,194	-1,343	-1,087
Balance of payments	189	368	457
Gross foreign currency reserves	34,170	34,026	35,058

Source: Lebanese Customs, BDL.

**The overall balance of payments** reported a surplus of USD 457 million following a surplus of USD 368 million in August 2017 (USD 189 million surplus in September 2016). Yet, a cumulative USD 190 million negative balance was recorded in the first nine months of 2017 and represented a decrease in net foreign assets of banks and financial institutions (USD -3,144 million) largely offset by an increase in net foreign assets of the central bank (USD +2,954 million).

**Gross foreign currency reserves** of the Central bank increased to USD 35,058 million compared to USD 34,026 million at the end of the previous month and USD 34,170 million end September 2016. 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 321,737 billion (USD 213.4 billion) at the end of September 2017, thus increasing by 4.5 percent from end December 2016 (6.5 percent increase in the first nine months of 2016).

Total deposits at commercial banks, including resident and non-resident private sector deposits and public sector deposits grew by 4.0 percent in the first nine months of 2017 and constituted 81.1 percent of total assets with an equivalent value of LBP 260,901 billion (around USD 173.1 billion) at the end of the period.

#### Commercial Banks Balance Sheet -Main items

End of period-LBP billion	Sep-16	Aug-17	Sep-17
Total Assets	298,592	315,652	321,737
Total deposits	243,656	261,079	260,901
Resident private sector	188,621	202,241	202,284
Non-resident private sector	49,784	52,760	52,621
Public sector deposits	5,250	6,078	5,996
Capital accounts	26,332	28,095	28,116
Total claims on the private sector	85,405	88,440	88,835
Resident private sector	75,666	79,705	79,969
Non-resident private sector	9,739	8,735	8,866
Total claims on public sector	53,247	50,522	49,922
Bills & Bonds in LBP	27,298	25,814	26,549
Bonds in FC	25,756	24,500	23,163
Claims on non resident banks	13,718	16,147	15,285
Other foreign assets	9,141	8,381	8,423
Deposits at the central bank	128,165	142,527	149,605

Source: BDL.

The breakdown of total deposits shows that private sector deposits denominated in LBP increased by 0.8 percent from end December 2016, while those denominated in foreign currencies rose by 5.8 percent, thus deposit dollarization rate rose to 66.9 percent at end September 2017 (65.8 percent end December 2016). The itemization of total deposits reveals also a growth in resident private sector deposits (+4.4 percent), in non-resident private sector deposits (+2.8 percent) and in public sector deposits (+0.7 percent) in the first nine months of 2017.

Subsequently, resident private sector deposits accounted for 77.5 percent of total deposits at end September 2017 (20.2 percent for non-resident private sector and 2.3 percent for public sector deposits).

Total capital accounts amounted to LBP 28,116 billion (USD 18,651 million) at the end of September 2017 and represented around 8.7 percent of total assets. Capital accounts increased by 2.2 percent from end December 2016 (4.8 percent increase in the first nine months of 2016).

Total claims on the resident and non-resident private sector expanded by 3.1 percent in the first nine months of the year 2017, reaching LBP 88,835 billion at the end of September 2017. The dollarization rate of these loans was 70.4 percent at the end of the stated month, and the ratio of total loans to total deposits attained 34.9 percent.

Total claims on the public sector were equivalent to LBP 49,922 billion at the end of September 2017, thus decreasing by 4.6 percent from end December 2016. Commercial banks held at the end of the stated month LBP 26,549 billion of Lebanese treasury bills (37.1 percent of the total portfolio in circulation) and USD 15,365 million of Eurobonds (nearly 55.9 percent of the total outstanding portfolio).

Deposits at the Central Bank increased in the first nine months of 2017 by 11.1 percent to total LBP 149,605 billion at the end of September 2017, meanwhile claims on non-resident banks decreased by 9.8 percent to LBP 15,285 billion (USD 10.1 billion) to represent 9.0 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 7,547 billion (around USD 5.0 billion) at the end of September 2017, thus increasing by 6.4 percent from end December 2016 (0.1 percent decrease in the first nine months of 2016).

In the first three quarters of 2017, capital accounts rose by 14.9 percent while private sector deposits (resident & non-resident) decreased by 1.3 percent. Cash and banks increased by 4.8 percent and claims on private sector by 9.2 percent while those on the public sector remained almost unchanged.



### 3. Financial Markets

The total number of shares traded on the Beirut Stock Exchange retreated to 7,527 thousand shares with a traded value of USD 49.8 million in September 2017 compared to 8,063 thousand shares with a traded value of USD 68.3 million in the previous month and 17,494 thousand shares with a value of USD 132.5 million in September 2016.

During September 2017, the traded value by economic sectors was as such: 83.8 percent for Banking, 15.1 percent for Development and Reconstruction and 1.1 percent for Industrial.

#### Capital Markets

	Sep-16	Aug-17	Sep-17
BSE			
Traded shares (ooo)	17,494	8,063	7,527
Traded value (USD million)	132.5	68.3	49.8
Market capitalization (USD million)	11,114	11,470	11,356
Outstanding treasury bills (LBP billion)	67,627	70,354	71,499
Outstanding sovereign Eurobonds (USD million)	26,395	27,015	26,977
Outstanding private sector (banks) securities (USD million)	850	850	850

Source: BDL, BSE

The market capitalization of listed shares decreased to USD 11,356 million at the end of September 2017, compared to USD 11,470 million at the end of the previous month (USD 11,114 million at the end of September 2016). Banking had a 85.6 percent weight, whereas Development and Construction 11.6 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 71,499 billion and USD 26,977 million respectively at the end of September 2017.

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 September 2017. The outstanding value of the certificates of deposits issued by BDL in the domestic currency and the value of those issued in foreign currencies stood almost unchanged and amounted to LBP 34,049 billion and USD 22.7 billion respectively.

### IV- MONETARY DEVELOPMENTS

The stock of money and quasi money (M3) attained LBP 209,352 billion at the end of September 2017, of which 60.0 percent denominated in foreign currencies, thus increasing by 4.6 percent from end December 2016 (4.4 percent increase in the first nine months of 2016).

#### Money Supply & Counterparts

	LBP billion	Sep-16	Aug-17	Sep-17
M3		194,642	209,422	209,352
Net foreign assets		51,169	51,708	52,148
Net claims on public sector		75,168	76,788	76,226
Valuation Adjustment		-10,173	-9,800	-9,557
Claims on private sector		78,986	83,657	84,116
Other items-net		-509	7,068	6,420
CAS CPI (Dec 2013=100)		97.06	100.48	101.08

Source: BDL, CRI.

The LBP 9,159 billion increase in M3 in the first nine months of 2017 resulted from an increase in each of net other items (+LBP 5,198 billion), claims on the private sector (+LBP 3,927 billion) and net foreign assets (+LBP 2,436 billion) against a drop in valuation adjustment (-LBP 1,850 billion) and in net claims on public sector (-LBP 552 billion).

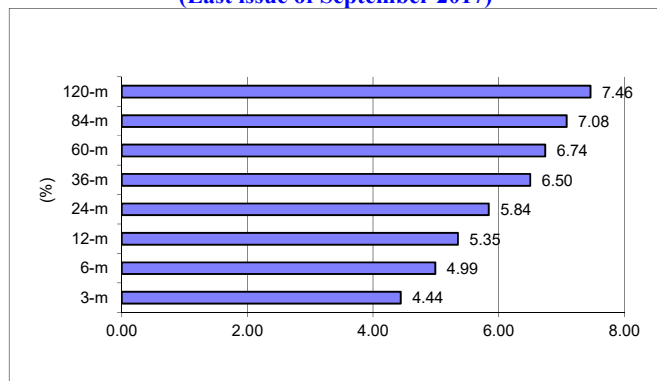
The Consumer Price Index (CPI) for Beirut and Suburbs, published by the Consultation and Research Institute, increased by 1.35 percent in the month of September 2017 compared to the previous month and by 2.41 percent from December 2016.

The Consumer Price Index (CPI) for Lebanon, published by the Central Administration of Statistics, increased by 0.6 percent in September 2017 and by 2.2 percent from December 2016.

The interest rates on LBP monetary instruments were stable at the end of September 2017 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 in LBP 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, 7.08 percent for seven-year bills and 7.46 percent for ten-year bills.



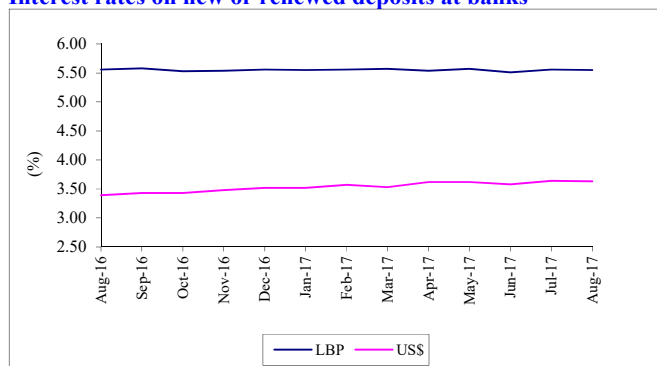
**Yield on Lebanese treasury bills denominated in LBP  
(Last issue of September 2017)**



Source: BDL

In September 2017, the average interest rate on new or renewed LBP deposits at commercial banks slightly decreased to 5.53 percent (5.55 percent a month ago) while the average interest rate on new or renewed USD deposits slightly increased to 3.65 percent (3.63 percent in August 2017). The average 3-month USD LIBOR was 1.32 percent.

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



In September 2017, the average interest rate on new or renewed loans at commercial banks denominated in LBP and USD increased to 8.31 percent (8.10 percent a month ago) and 7.53 percent (7.29 percent in August 2017) respectively.

## V- PUBLIC FINANCES

**Government revenues**, including budget revenues and treasury receipts attained LBP 822 billion in June 2017 to sum LBP 9,135 billion in the first six months of 2017 (LBP 8,045 billion in the first six months of

2016). The LBP 9,135 billion revenues comprised LBP 8,680 billion budget revenues and LBP 455 billion treasury receipts.

**Government expenditures**, consisting of budget and treasury spending, amounted to LBP 1,780 billion in June 2017 to total LBP 10,504 billion in the first two quarters 2017 (LBP 10,964 billion in the first two quarters 2016). The LBP 10,964 billion expenditures included LBP 3,825 billion debt service and LBP 6,679 billion other general expenditures o/w LBP 1,163 billion related to budget expenditures for previous years and LBP 839 billion to EDL.

**Fiscal Situation**

LBP billion	Jun-16	May-17	Jun-17
Government revenues	1,195	2,758	822
Tax revenues	675	2,454	675
Non-tax revenues	382	204	101
Treasury receipts	138	100	46
Government expenditures	1,592	1,895	1,780
Debt service	553	968	641
Others	1,039	927	1,139
Overall balance	-397	863	-957
Primary balance	156	1,831	-316

Source: Ministry of Finance.

**Total Deficit** decreased as such to LBP 1,368 billion in the first six months of 2017 from LBP 2,919 billion in the first six months of 2016, and the primary balance reported an LBP 2,457 billion surplus compared to a LBP 747 billion surplus respectively.

**Gross public debt** amounted to LBP 117,811 billion (the equivalent of USD 78.1 billion) at the end of September 2017, thus increasing by 4.3 percent when compared to end December 2016 (6.3 percent growth in the first nine months of 2016).

**Net public debt**, which subtracts public sector deposits at commercial banks and the central bank from gross public debt, amounted to LBP 102,500 billion at the end of September 2017, increasing by 3.9 percent from end of December 2016 (4.4 percent growth in the first nine months of 2016).



**Public Debt**

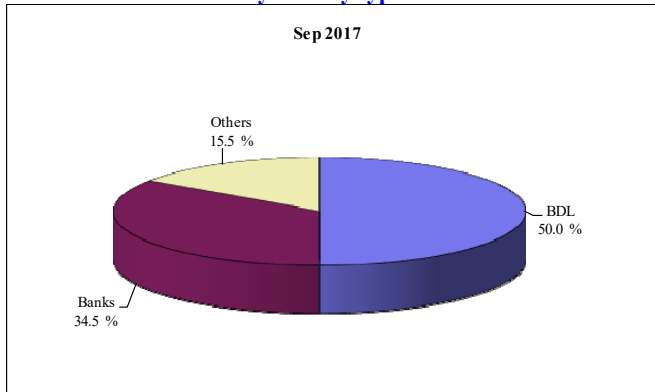
LBP billion	Sep-16	Aug-17	Sep-17
Public Debt (Gross)	112,663	116,510	117,811
Debt in LBP	68,792	71,554	72,856
Debt in FC	43,871	44,956	44,955
Public Debt (Net)	96,902	101,253	102,500
Public sector deposits	15,761	15,257	15,311
Commercial Banks	5,250	6,078	5,996
BDL	10,511	9,179	9,315

Source: BDL.

The shares of the local currency debt and foreign currency debt of the total gross were around 61.8 percent and 38.2 percent respectively at the end of September 2017. The distribution of local currency debt by type of holder was as follows: 34.5 percent for banks (36.2 percent end of August 2017), 50.0 percent for the Central bank (48.5 percent in the previous month) and 15.5 percent for the non-banking sector (15.3 percent one month earlier). The breakdown of the foreign currency debt was as such: Eurobonds (92.2 percent), Multilateral (4.4 percent), Bilateral (3.1 percent) and others (0.3 percent).

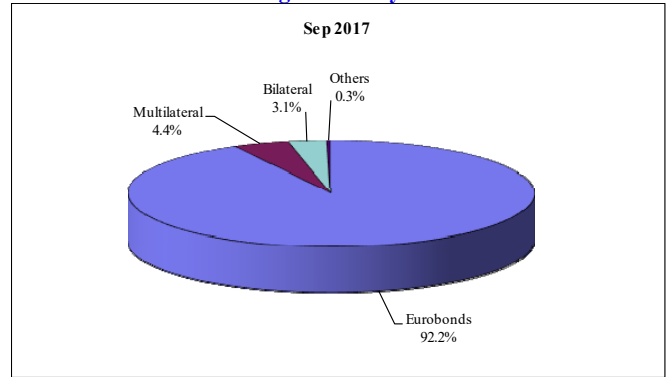
The average maturity of the Government debt securities denominated in the domestic currency is estimated at 1,354 days (3.72 years) as at end September 2017 with a weighted interest of 6.90 percent, while the average maturity of the Government debt instruments denominated in foreign currencies is around 6.74 years with a weighted interest of 6.40 percent.

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



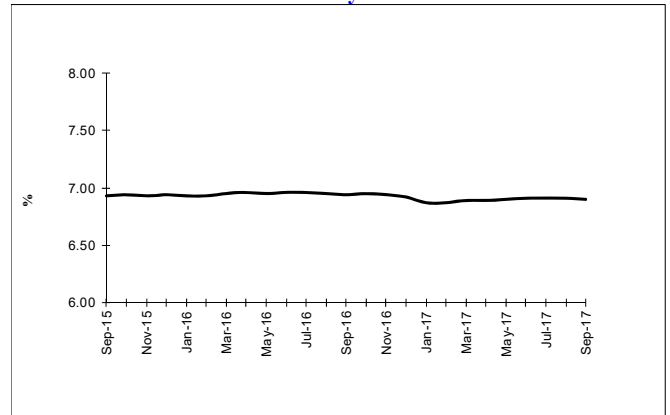
Source: BDL.

**Foreign currency debt**

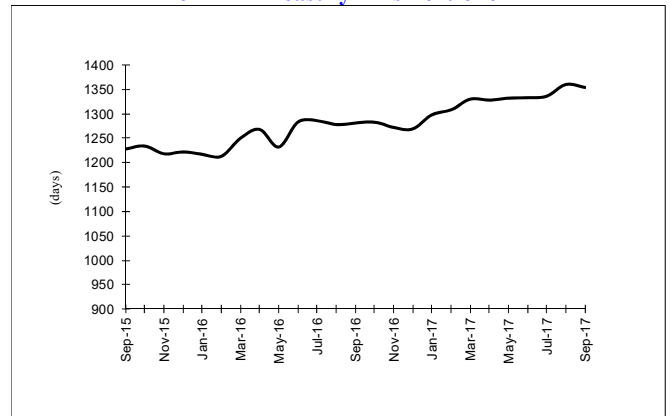


Source: BDL.

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



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



## GENERAL INDICATORS OF ECONOMIC ACTIVITIES

	2016	Jan - Sep 2016	Jan - Sep 2017	Sep-16	Aug-17	Sep-17
<b>Imports of Industrial Equipment (000's US\$)</b>	235,513	183,116	n.a.	16,241	27,043	n.a
<b>Building Permits (000's m2)</b>	12,234	9,076	9,352	954	1,242	713
<b>Cement Delivery (000s' tons)</b>	5,247	3,875	3,788	479	499	433
<b>Checks Cleared in LBP (billion LBP)</b>	29,986	21,931	23,626	2,596	2,817	2,224
<b>Checks Cleared in FC (million US\$)</b>	48,160	36,096	34,617	4,054	4,100	3,010
<b>Shipped Goods (tons)-Beirut Port</b>	1,035,992	752,863	778,451	95,988	111,649	94,216
<b>Unloaded Goods (tons)-Beirut Port</b>	7,700,609	5,847,480	5,622,440	572,094	707,583	559,068
<b>Passengers Arrivals (000's)-BIA</b>	3,780	2,935	3,186	372	493	380
<b>Passengers Departures (000's)-BIA</b>	3,822	2,960	3,209	448	573	482
<b>Total exports of goods (million USD)</b>	2,977	2,228	2,114	254	251	210
<b>Total imports of goods (million USD)</b>	18,705	14,240	13,889	1,448	1,594	1,297
<b>Balance of Trade (million USD)</b>	-15,728	-12,012	-11,775	-1,194	-1,343	-1,087
<b>Changes of Net Foreign Assets in the banking system (million USD)</b>	1,238	555	-190	189	368	457
<b>Gross Foreign Currency Reserves (End of period-million USD)</b>	34,028	-	-	34,170	34,026	35,058
<b>Consumer Price Index (End of period)</b>	98.93	-	-	97.06	100.48	101.08

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 - Sep	Jan - Sep		Jan - Sep	Jan - Sep
	2016	2016	2017	2016	2016	2017
1- Live animals, animal products	837	615	650	14	11	14
2- Vegetable products	869	631	707	189	128	125
3- Fats & edible fats & oils	158	124	120	39	29	25
4- Prepared foodstuffs	1,408	1,025	1,019	446	326	334
5- Mineral products	3,745	3,097	2,667	19	14	41
6- Products of the chemical	2,030	1,532	1,561	304	233	240
7- Plastics & articles thereof	730	555	558	133	99	107
8- Raw hides & skins, leather, furskins	74	56	53	12	9	8
9- Wood & articles of wood	229	171	162	13	10	8
10- Paper & paperboard & articles thereof	317	256	223	133	97	110
11- Textiles & textile articles	791	596	573	85	62	50
12- Footwear, headgear, prepared feathers	153	119	111	12	9	8
13- Articles of stone, plaster, cement	467	351	361	22	17	15
14- Pearls, precious or semi-precious stones	1,255	916	737	828	653	461
15- Base metals & articles of base metal	1,174	892	936	253	178	244
16- Machinery & mechanical appliances	1,879	1,392	1,434	334	248	235
17- Transport equipment	1,773	1,307	1,381	18	12	13
18- Optical instruments & apparatus	331	244	257	19	15	13
19- Arms & ammunition	16	11	12	1	1	1
20- Miscellaneous manufactured articles	450	336	349	93	72	57
21- Works of art	19	15	16	8	6	5
<b>Total</b>	<b>18,705</b>	<b>14,240</b>	<b>13,889</b>	<b>2,977</b>	<b>2,228</b>	<b>2,114</b>

Source: Lebanese Customs.

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

	Jan - Sep	Share	Jan - Sep	Share
	2016	%	2017	%
CHINA	1,595	11.2	1,388	10.0
ITALY	1,050	7.4	1,270	9.1
GREECE	754	5.3	1,030	7.4
GERMANY	865	6.1	893	6.4
USA	933	6.6	827	6.0
TURKEY	477	3.3	577	4.2
RUSSIAN FEDERATION	605	4.2	553	4.0
FRANCE	524	3.7	536	3.9
EGYPT	562	3.9	448	3.2
SPAIN	334	2.3	365	2.6
OTHER COUNTRIES	6,541	45.9	6,002	43.2
<b>TOTAL IMPORTS</b>	<b>14,240</b>	<b>100.0</b>	<b>13,889</b>	<b>100.0</b>

Source: Lebanese Customs.

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

	Jan - Sep	Share	Jan - Sep	Share
	2016	%	2017	%
SOUTH AFRICA	518	23.2	257	12.2
SYRIA	128	5.7	187	8.8
UAE	182	8.2	180	8.5
SAUDI ARABIA	207	9.3	176	8.3
IRAQ	125	5.6	133	6.3
SWITZERLAND	55	2.5	112	5.3
TURKEY	43	1.9	88	4.2
KUWAIT	52	2.3	71	3.4
QATAR	55	2.5	66	3.1
JORDAN	72	3.2	65	3.1
OTHER COUNTRIES	791	35.5	779	36.8
<b>TOTAL EXPORTS</b>	<b>2,228</b>	<b>100.0</b>	<b>2,114</b>	<b>100.0</b>

Source: Lebanese Customs.



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

	2016		2017		
	Sep	Dec	Jul	Aug	Sep
<b>ASSETS</b>					
Reserves	128,895	135,305	140,514	143,293	150,475
-Cash	730	693	784	766	871
-Deposits at the Central Bank	128,165	134,612	139,729	142,527	149,605
Claims on the Private Sector	75,666	76,943	79,742	79,705	79,969
-Claims denominated in Lebanese Pound	22,542	23,607	25,760	26,070	26,251
-Claims denominated in Foreign Currencies	53,124	53,335	53,982	53,635	53,717
Claims on the Public Sector	53,247	52,344	52,108	50,522	49,922
o/w -Treasury Bills in Lebanese Pound	27,298	28,936	26,594	25,814	26,549
-Treasury Bills in Foreign Currencies	25,756	23,191	25,306	24,500	23,163
Foreign Assets	32,598	34,824	33,118	33,264	32,575
-Claims on Non-Resident Private Sector	9,739	9,256	8,618	8,735	8,866
-Claims on Non-Resident Banks	13,718	16,945	15,986	16,147	15,285
-Other Foreign Assets	9,141	8,623	8,515	8,381	8,423
Fixed Assets	7,363	7,857	7,971	8,051	8,008
Unclassified Assets	823	726	829	818	789
<b>TOTAL ASSETS</b>	<b>298,592</b>	<b>307,999</b>	<b>314,282</b>	<b>315,652</b>	<b>321,737</b>
<b>LIABILITIES</b>					
Liabilities to the Private Sector	188,621	193,765	201,451	202,241	202,284
-Demand Deposits in Lebanese Pound	5,350	5,437	5,467	5,483	5,815
-Other Deposits in Lebanese Pound	71,170	71,467	71,964	72,246	72,000
-Deposits in Foreign Currencies	112,102	116,861	124,020	124,512	124,469
Liabilities to the Public Sector	5,250	5,956	5,961	6,078	5,996
Deposits of Non-Residents	49,784	51,196	52,393	52,760	52,621
-Denominated in Lebanese Pound	6,974	6,827	6,625	6,623	6,558
-Denominated in Foreign Currencies	42,810	44,369	45,768	46,137	46,063
Liabilities to Non-Resident Banks	9,954	9,467	10,059	10,260	10,749
Bonds	422	408	408	421	422
Capital Base	26,332	27,497	28,305	28,095	28,116
-Core Capital	24,506	25,660	26,483	26,272	26,292
-Supplementary Capital	1,826	1,838	1,822	1,823	1,824
Unclassified Liabilities	18,228	19,708	15,704	15,798	21,549
<b>TOTAL LIABILITIES</b>	<b>298,592</b>	<b>307,999</b>	<b>314,282</b>	<b>315,652</b>	<b>321,737</b>

Source: BDL.



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

	2016		2017		
	Sep	Dec	Jul	Aug	Sep
<b><u>Money Supply</u></b>					
Currency in circulation	4,231	4,592	4,544	4,810	4,495
+ Demand Deposits in LBP	5,465	5,567	5,563	5,584	6,000
= <b>M1</b>	<b>9,697</b>	<b>10,159</b>	<b>10,108</b>	<b>10,394</b>	<b>10,495</b>
+ Other Deposits in LBP	71,967	72,269	72,830	73,414	73,168
= <b>M2</b>	<b>81,664</b>	<b>82,428</b>	<b>82,938</b>	<b>83,808</b>	<b>83,663</b>
+ Deposits in Foreign Currencies	112,707	117,499	124,839	125,333	125,407
+ Bonds	270	266	273	281	282
= <b>M3</b>	<b>194,642</b>	<b>200,192</b>	<b>208,050</b>	<b>209,422</b>	<b>209,352</b>
+ Treasury Bills Held by the Public	10,885	10,797	11,027	10,933	11,172
= <b>M4</b>	<b>205,527</b>	<b>210,989</b>	<b>219,077</b>	<b>220,355</b>	<b>220,524</b>
<b><u>Counterparts of the Money Supply</u></b>					
<b>Net Foreign Assets</b>	<b>51,169</b>	<b>49,712</b>	<b>50,395</b>	<b>51,708</b>	<b>52,148</b>
o/w Gold	18,439	16,138	17,508	18,174	17,902
<b>Net Claims on the Public Sector</b>	<b>75,168</b>	<b>76,778</b>	<b>76,524</b>	<b>76,788</b>	<b>76,226</b>
<b>Valuation Adjustment</b>	<b>-10,173</b>	<b>-7,707</b>	<b>-9,154</b>	<b>-9,800</b>	<b>-9,557</b>
<b>Claims on the Private Sector</b>	<b>78,986</b>	<b>80,188</b>	<b>83,676</b>	<b>83,657</b>	<b>84,116</b>
Claims in LBP	23,756	24,918	27,224	27,547	27,922
Claims in FC	55,230	55,270	56,451	56,110	56,194
<b>Other Items (Net)</b>	<b>-509</b>	<b>1,222</b>	<b>6,609</b>	<b>7,068</b>	<b>6,420</b>
<b>TOTAL</b>	<b>194,642</b>	<b>200,192</b>	<b>208,050</b>	<b>209,422</b>	<b>209,352</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>	loans				Others <sup>(2)</sup>		
2015	Dec	106,031	24,308	29,878	11,009	65,195	1,515	1,585	83	37,653	40,836
2016	Sep	112,663	30,183	27,724	10,885	68,792	1,596	1,519	51	40,705	43,871
	Oct	112,338	30,215	27,540	10,831	68,586	1,590	1,472	50	40,640	43,752
	Nov	112,379	30,436	28,591	10,863	69,890	1,577	1,386	48	39,478	42,489
	Dec	112,910	30,150	29,581	10,797	70,528	1,577	1,395	48	39,362	42,382
2017	Jan	114,846	30,038	31,704	10,590	72,332	1,571	1,412	49	39,482	42,514
	Feb	114,801	28,915	32,202	10,919	72,036	1,752	1,408	32	39,573	42,765
	Mar	116,358	27,942	32,393	10,964	71,299	1,776	1,412	32	41,839	45,059
	Apr	115,979	27,984	32,183	10,756	70,923	1,821	1,398	33	41,804	45,056
	May	115,663	27,767	32,420	10,732	70,919	1,874	1,353	33	41,484	44,744
	Jun	115,278	29,366	30,264	10,925	70,555	1,934	1,363	34	41,392	44,723
	Jul	115,923	32,582	27,495	11,027	71,104	1,931	1,377	35	41,476	44,819
	Aug	116,510	34,696	25,925	10,933	71,554	1,958	1,390	18	41,590	44,956
	Sep	117,811	36,431	25,133	11,292	72,856	1,996	1,384	18	41,557	44,955

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)	(%)	
2015	Dec	64,112	905	958	1,222	6.94
2016	Sep	67,627	2,630	1,538	1,281	6.94
	Oct	67,346	1,092	1,373	1,283	6.95
	Nov	68,498	1,732	580	1,272	6.94
	Dec	69,347	1,900	1,051	1,269	6.92
2017	Jan	71,034	3,109	1,422	1,298	6.87
	Feb	70,716	1,670	1,988	1,308	6.87
	Mar	70,067	1,964	2,613	1,330	6.89
	Apr	69,605	916	1,378	1,328	6.89
	May	69,498	1,318	1,425	1,332	6.90
	Jun	69,398	1,426	1,526	1,333	6.91
	Jul	69,937	1,894	1,355	1,336	6.91
	Aug	70,354	2,803	2,386	1,360	6.91
	Sep	71,499	2,240	1,095	1,354	6.90

Source:BDL.



## AVERAGE INTEREST RATES

Year And Month	Average Lending **		Average Deposit		Inter Bank Rate *	3m Libor s	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\$												
<b>2015</b>	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
<b>2016</b>	Sep	8.44	7.20	5.58	3.43	3.00	0.85	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33
	Oct	8.35	7.06	5.53	3.43	3.03	0.88	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33
	Nov	8.26	7.16	5.54	3.48	3.00	0.91	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33
	Dec	8.23	7.35	5.56	3.52	3.00	0.98	4.39	4.87	5.08	5.76	6.40	4.94	6.96		7.33
<b>2017</b>	Jan	8.47	7.26	5.55	3.52	3.03	1.03	4.39	4.87	5.08	5.76	6.40	4.94	6.96		7.33
	Feb	8.37	7.14	5.56	3.57	3.00	1.05	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33
	Mar	8.43	7.32	5.57	3.53	3.00	1.14	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33
	Apr	8.33	7.22	5.54	3.62	3.13	1.16	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33
	May	8.48	7.36	5.57	3.62	3.00	1.19	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33
	Jun	8.39	7.27	5.51	3.58	4.26	1.26	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33
	Jul	8.33	7.25	5.56	3.64	3.94	1.31	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33
	Aug	8.10	7.29	5.55	3.63	4.24	1.31	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33
	Sep	8.31	7.53	5.53	3.65	4.00	1.32	4.39	4.87	5.08	5.76	6.40	6.63	6.96		7.33

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

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

\*\* Starting January 2016, lending rates are calculated according to intermediary circular No 389.

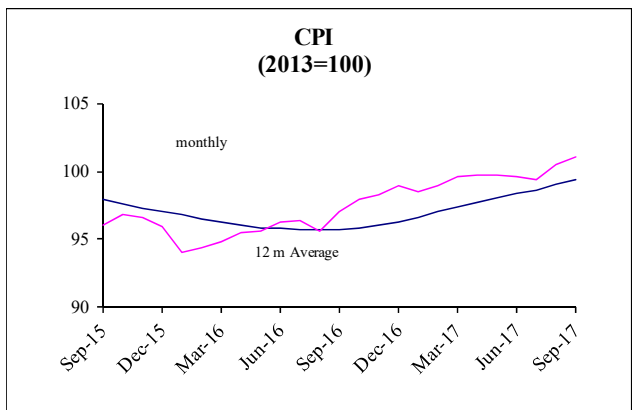
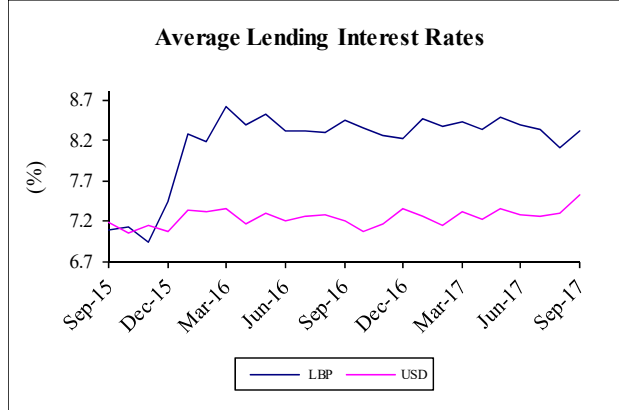
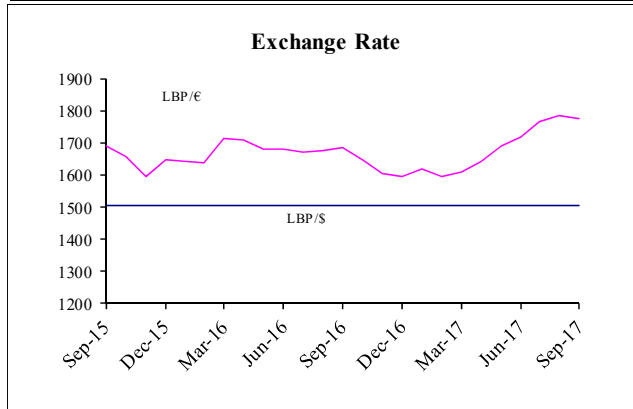
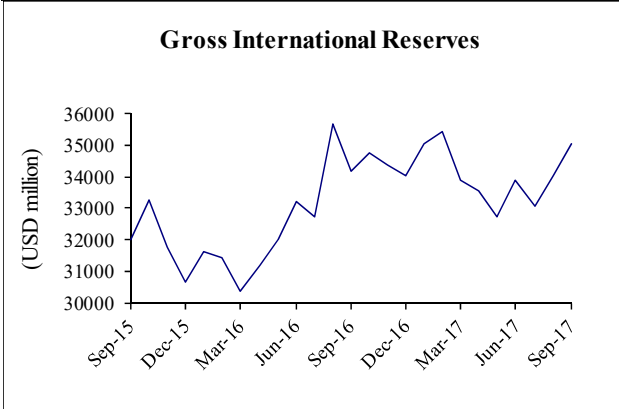
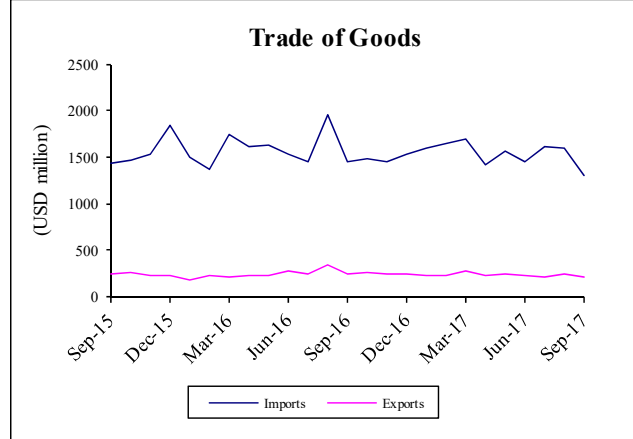
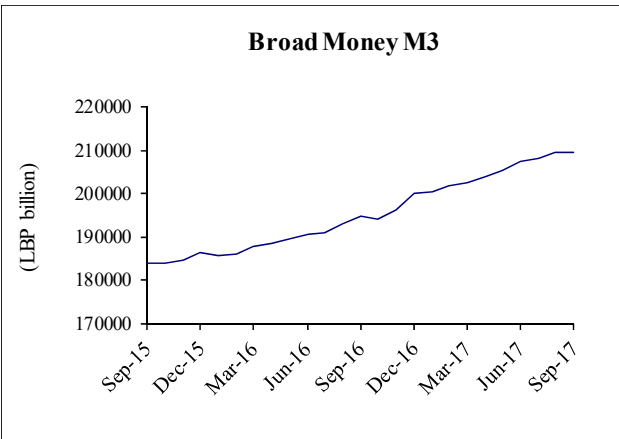
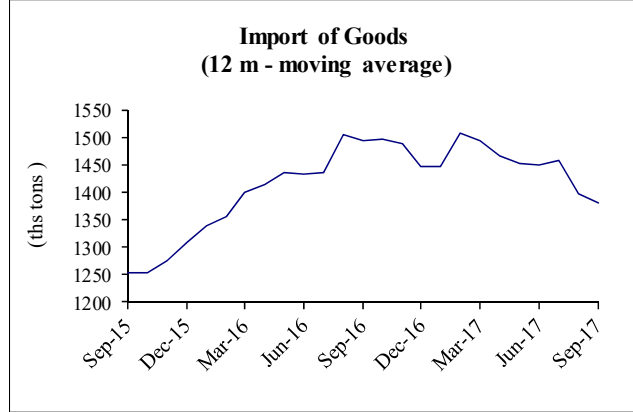
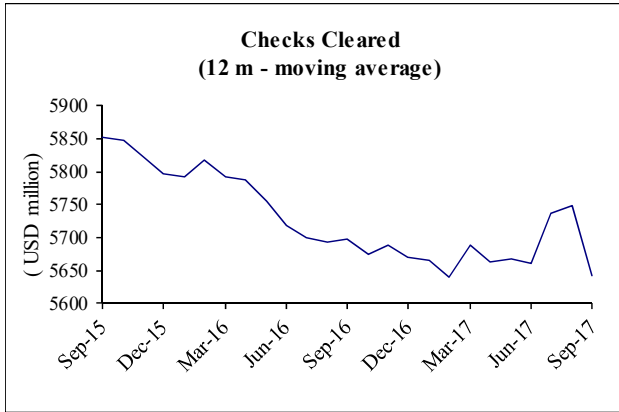
END OF PERIOD EXCHANGE RATES  
(LBP per other currencies)

Year and Month		US Dollar	Swiss Franc	British Pound	Japanese Yen	Euro
<b>2015</b>	Dec	1,507.50	1,520.88	2,232.46	12.51	1,646.64
<b>2016</b>	Sep	1,507.50	1,556.37	1,954.93	14.92	1,685.84
	Oct	1,507.50	1,524.58	1,834.63	14.35	1,650.86
	Nov	1,507.50	1,485.81	1,877.74	13.31	1,605.19
	Dec	1,507.50	1,485.81	1,856.03	12.90	1,596.29
<b>2017</b>	Jan	1,507.50	1,518.43	1,878.80	13.28	1,620.41
	Feb	1,507.50	1,500.75	1,875.33	13.43	1,598.55
	Mar	1,507.50	1,507.20	1,878.50	13.48	1,612.12
	Apr	1,507.50	1,518.13	1,949.80	13.55	1,643.78
	May	1,507.50	1,552.36	1,935.33	13.60	1,690.51
	Jun	1,507.50	1,572.77	1,957.19	13.47	1,719.00
	Jul	1,507.50	1,553.16	1,978.44	13.63	1,768.75
	Aug	1,507.50	1,562.01	1,941.51	13.63	1,787.90
	Sep	1,507.50	1,552.52	2,015.98	13.40	1,777.49

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](mailto:abl@abl.org.lb)

The "Economic Letter" is designed as an internal publication of the Association of Banks in Lebanon, to make its in-house research and statistical information available to the observer of the Lebanese economy in general and the Lebanese banking sector in particular. Despite its value-adding analysis, this publication does not represent the Association's nor any of its member banks' official views on the economic policies, the financial market or the banking issues in Lebanon. This document is strictly for information purposes.

The "Economic Letter", published monthly by ABL, provides the reader with an overview of the most recent developments in the economic activities in Lebanon. The information contained in this document has been compiled in good faith from sources believed to be reliable but no warranty, expressed or implied, is made by ABL.

Reproduction, of the whole or a part of this document, is authorized subject to indication of "Economic Letter", Association of Banks in Lebanon.

