



# **Contribution of Lebanese Banks to the Economy**

# Main Financial Highlights

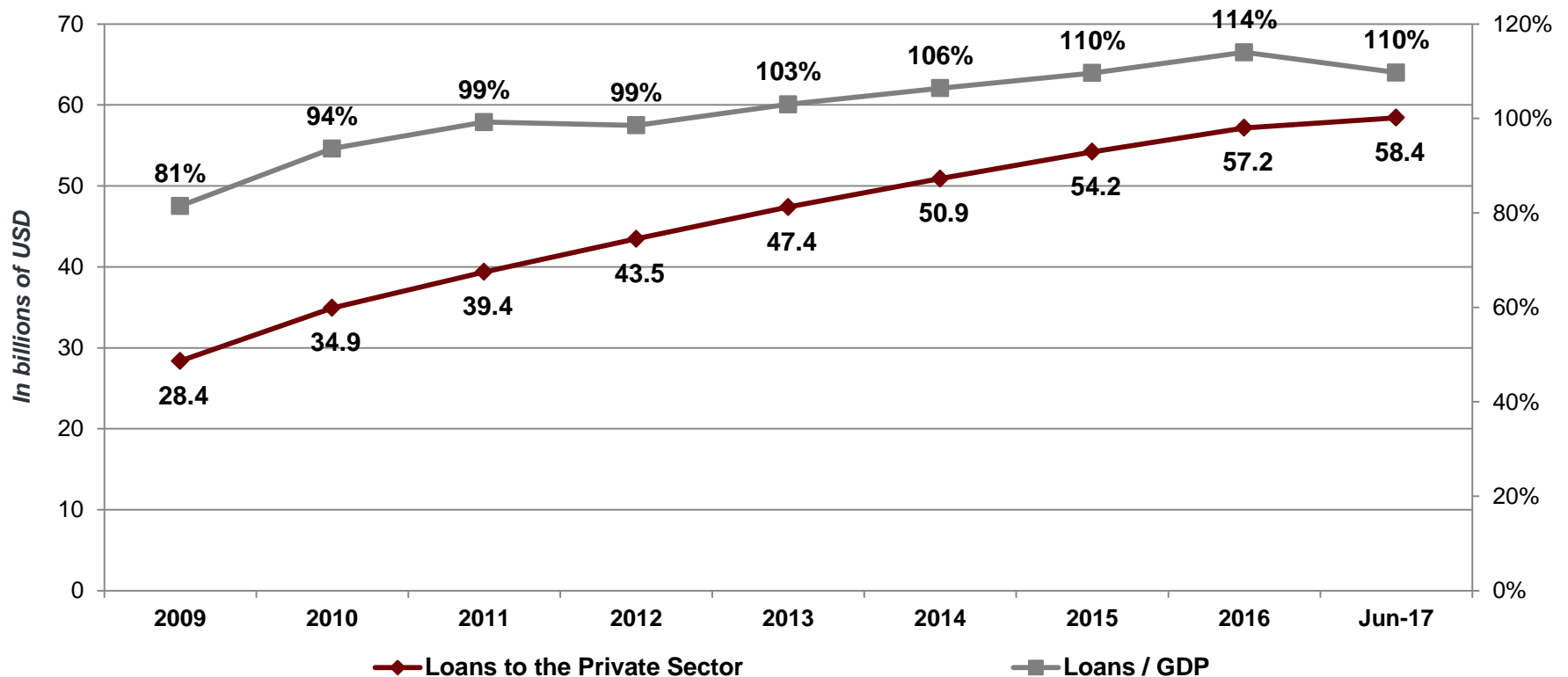
- Lebanon's nominal GDP is forecasted at US\$ 53.2 billion for 2017. Real GDP is estimated to grow by 2.3% in 2017.

As at June 30, 2017:

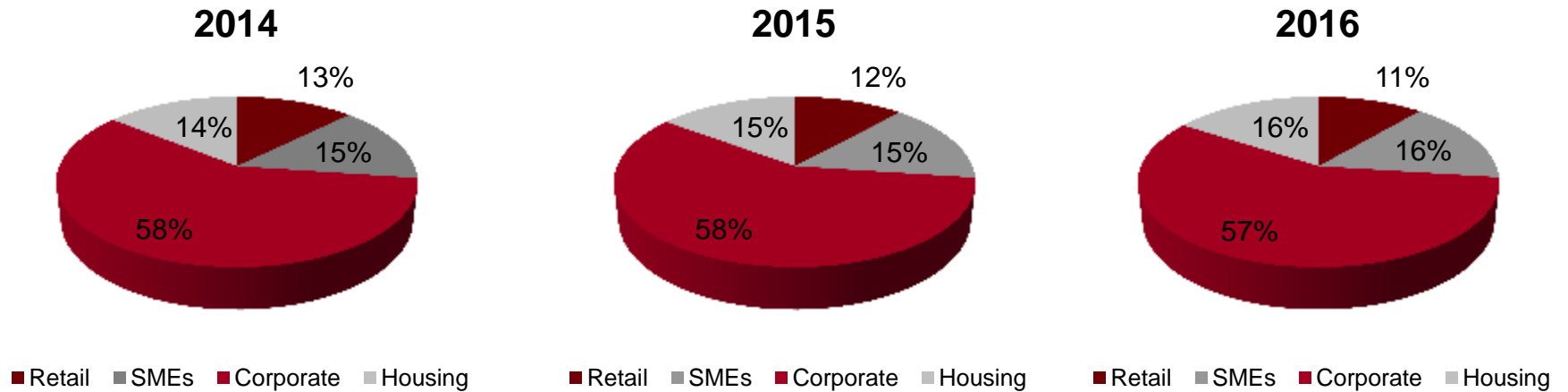
- Total Assets of Lebanese Commercial banks: US\$ 208 billion
- Total Deposits: US\$ 172 billion
- Total Shareholders' Equity: US\$ 18.9 billion
- Total Net Profits: US\$ 0.9 billion (for the first 6 months of 2017)
  
- Total Loans to the Private Sector: US\$ 58.4 billion
- Total Exposure to the Lebanese Government: US\$ 35.8 billion
- Total deposits with the Central Bank: US\$ 89.6 billion
- Total deposits with Foreign Banks: US\$ 12.1 billion
  
- The banking sector assets exceed 391% of GDP.

# Financing the Private Sector

- Lebanese banks actively finance the private sector
- Private Sector Loans account for 110% of GDP, one of the highest ratios in the world
- This ratio does not imply a high leverage of the local population

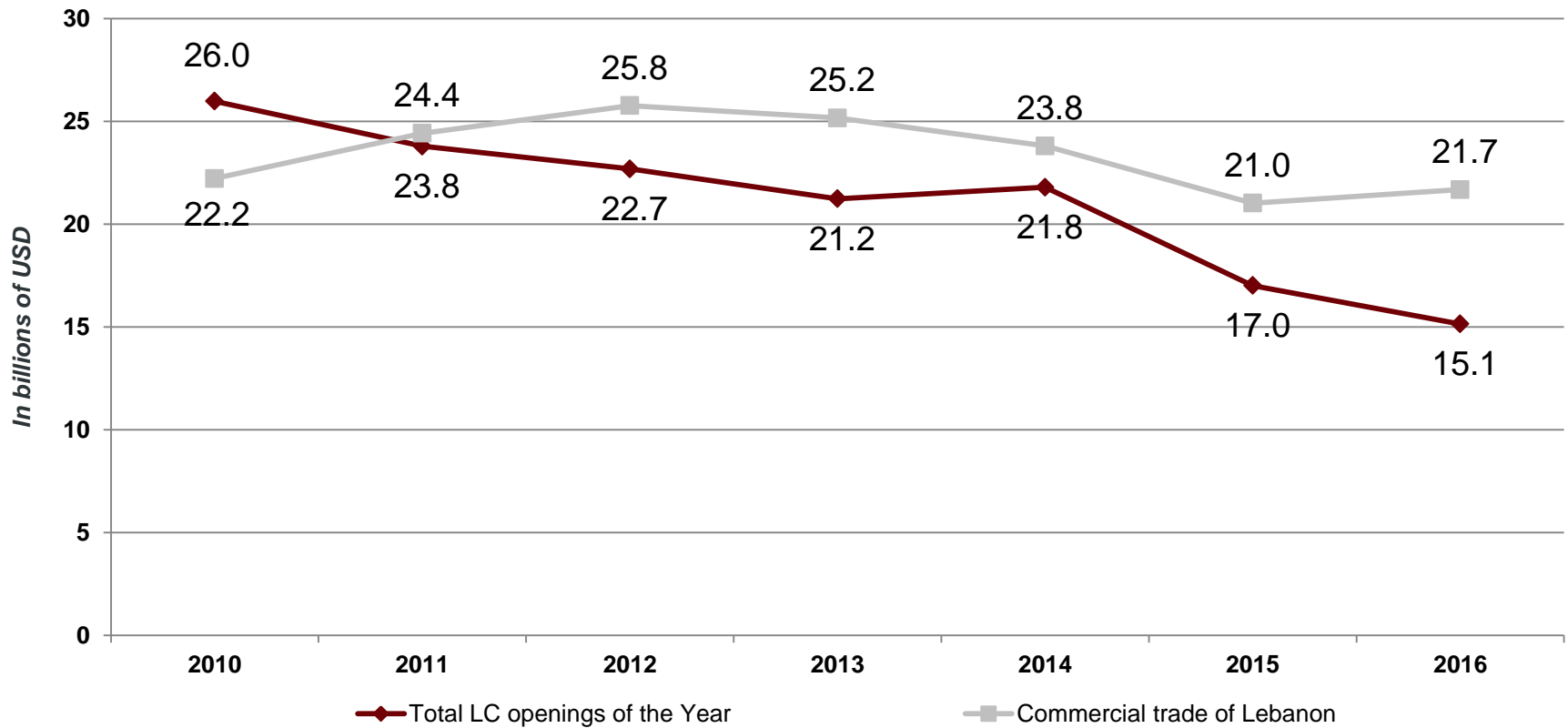


# Loans Segmentation



Source: Bankdata Financial Services VII

# Trade Finance in Lebanon



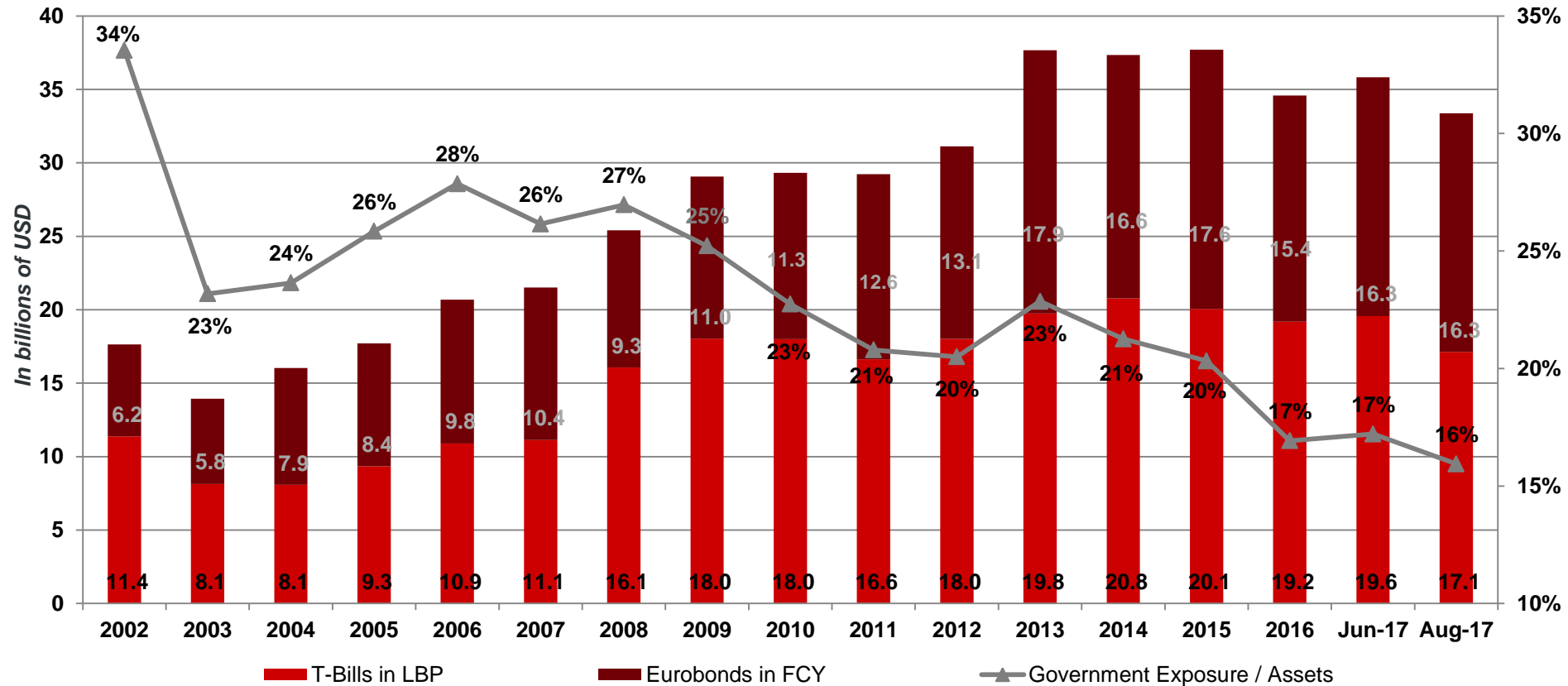
Source: Bankdata Financial Services WII

## Strong Retail Banking Culture

- 2.6 million active credit and debit cards
- 1,875 ATM's as of August 2017, spread across all regions in Lebanon
- 32,891 POS machines
- 24.6 bank branches per 100,000 adults
- 38.4 ATMs per 100,000 adults
- The equivalent of US\$ 11.7 billion in housing loans
- 607,202 loans granted o/w. 122,000 housing loan & 406,000 Retail loan
- Highly diversified offering of Housing Loans:
  - Subsidized or non-subsidized
  - tenors from 7 years to 30 years
  - in LBP or USD

# Financing the Government

## Exposure of Banks to the Lebanese Government



Source: BDL

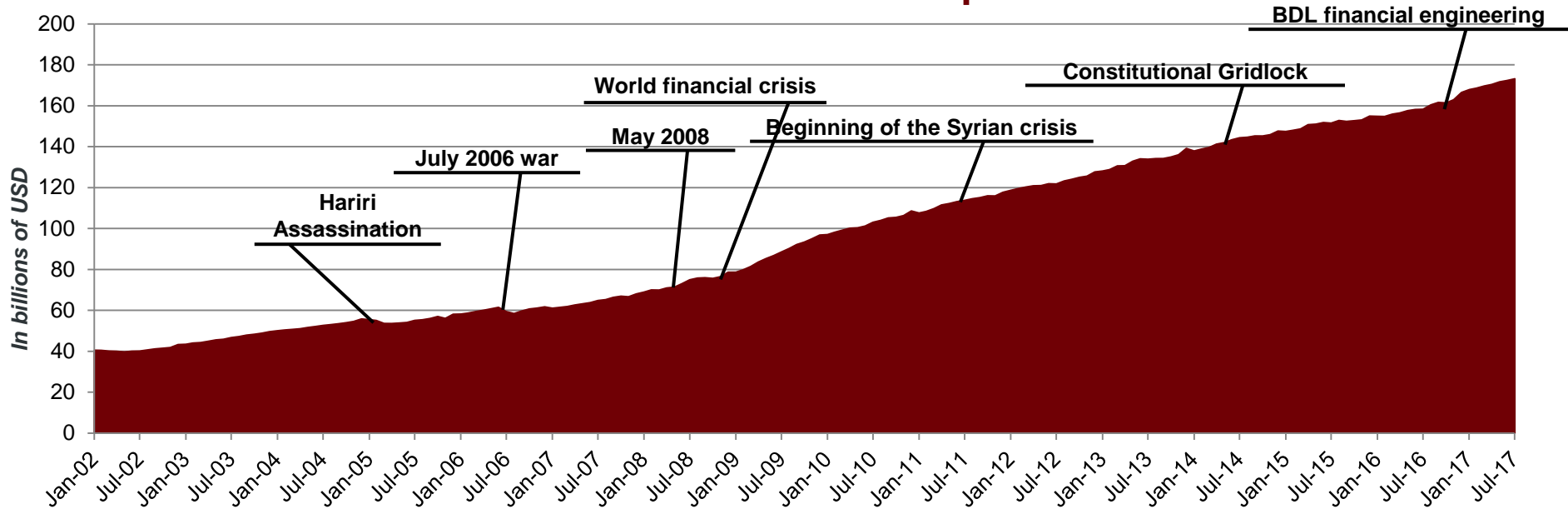


# **A Case of Resilience**



# A Resilient Banking Sector

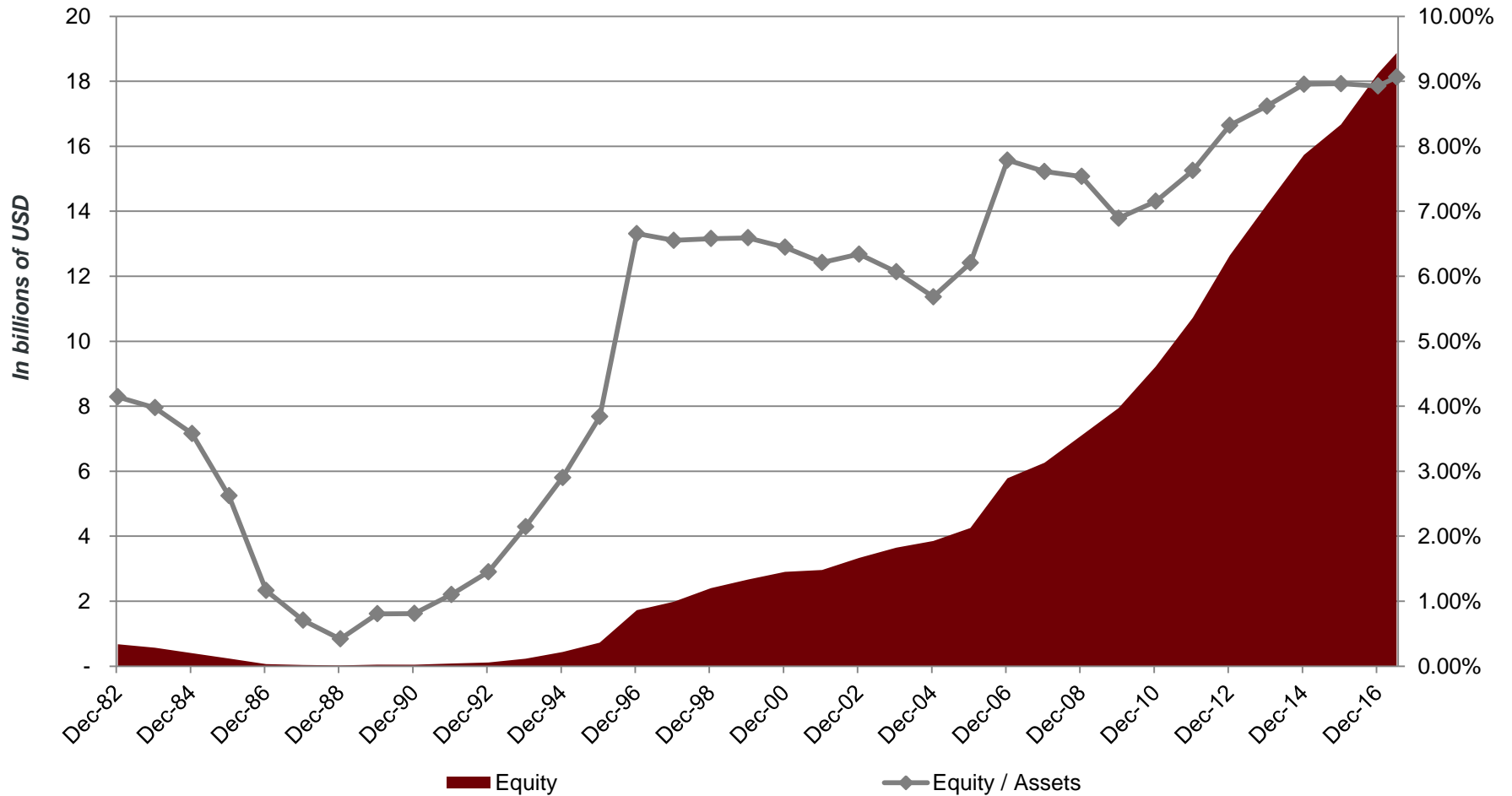
## Sustained increase in deposits



<i>Main financial highlights of commercial banks operating in Lebanon</i>	2010	2011	2012	2013	2014	2015	2016
<b>Capital Adequacy Ratio as per Basel III</b>	13.13%	11.75%	12.91%	14.23%	14.61%	15.06%	16.51%
<b>Loans / Deposits</b>	33.11%	35.00%	35.92%	37.70%	38.56%	38.96%	38.36%
<b>ROAA</b>	1.25%	1.08%	1.06%	0.99%	0.99%	0.99%	1.06%
<b>ROAE</b>	13.92%	12.27%	12.27%	11.04%	11.04%	10.83%	11.23%

# A Resilient Banking Sector

## Equity of the Lebanese Banking Sector



Source: BDL

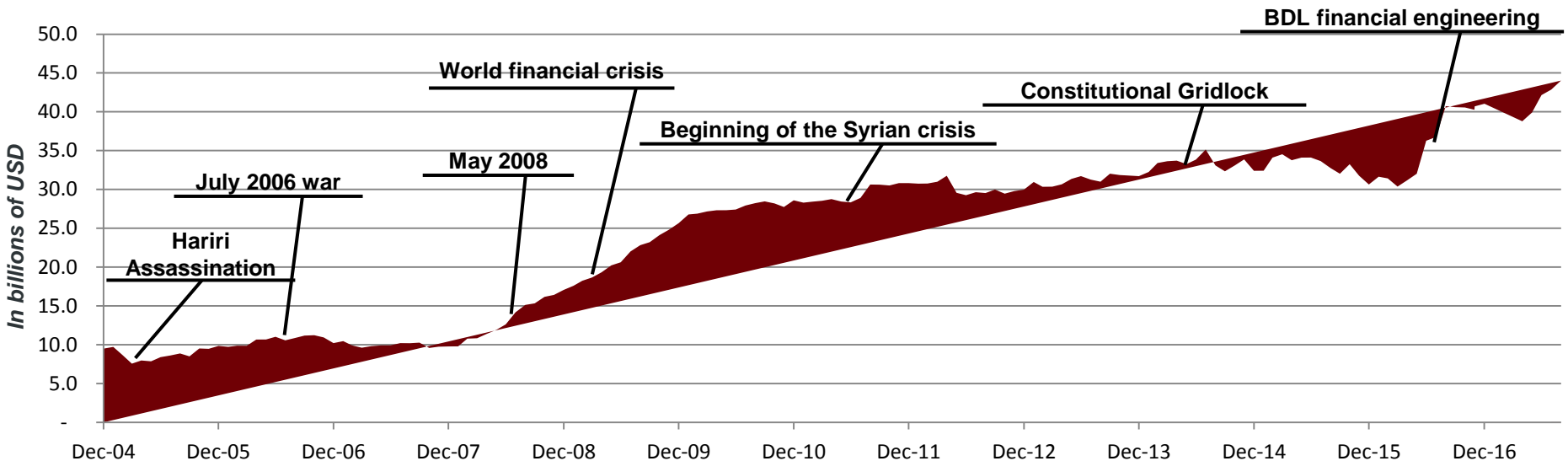
# A Resilient Banking Sector

**Nominal GDP at end 2017: US\$ 53.2 billion**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017f
<b>Real GDP growth rate</b>	1.0%	0.6%	7.5%	9.3%	8.5%	7.5%	1.5%	2.8%	3.0%	2.0%	0.8%	1.7%	2.3%
<b>Inflation</b>	0.5%	7.2%	6.0%	6.4%	3.4%	4.6%	5.0%	6.6%	5.6%	1.1%	-3.8%	-0.8%	3.8%

Source: Institute of International Finance (IIF)

## Sustained increase in FX Reserves\* of the Central bank



\* Excluding Gold reserves of 9.4 million ounces

Source: BDL

- Oil and Gas Sector
- Knowledge Economy
- Public Private Partnerships