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Contact Information

Jana Boumatar

Jana.boumatar@blominvestbank.com

Association of Banks in Lebanon (ABL) revealed some figures regarding banking and monetary indicators as of end December 2024. These indicators reveal the effects of the banking sector crisis in Lebanon, where banks branches and employees decreased significantly between December 2019 and November 2024, in addition to the decrease in deposits and loans in LBP and USD between end of September 2019 (just before the blow of the financial and banking sector crisis) and end of December 2024.

Table 1: Number of Banks ‘Branches and Employees

	Dec-19	Nov-24	% Change
Number of Branches	1,058	635	-39.98%
Number of Employees	24,704	13,084	-47.04%

Source: ABL

Table 1 above shows the decrease in number of branches and employees where number of branches decreased by 39.98% to reach 633 in November 2024 and number of employees declined by 47.04% to reach 13,084.

Table 2: Comparison of LBP Private Sector Loans and Deposits between September 2019 and December 2024

In billions of LBP	Sep-19	Dec-24	% Change
Private Sector Deposits	69,592	67,895	-2.44%
Private Sector Loans	24,429	11,580	-52.60%

Source: ABL

Table 2 above shows a decrease in private sector deposits in LBP by 2.44% between September 2019 and December 2024. Similarly, private sector loans in LBP decreased significantly by 52.60% mainly due to the settlement of most of the loans after deterioration of LBP.

Table 3: Comparison of USD Private Sector Loans and Deposits between September 2019 and December 2024

<i>In millions of USD</i>	Sep-19	Dec-24	% Change
Private Sector Deposits	124,138	87,888	-29.20%
Private Sector Loans	38,296	5,517	-85.59%
% of Private Sector Loans to Deposits	30.85%	6.28%	

Source: ABL

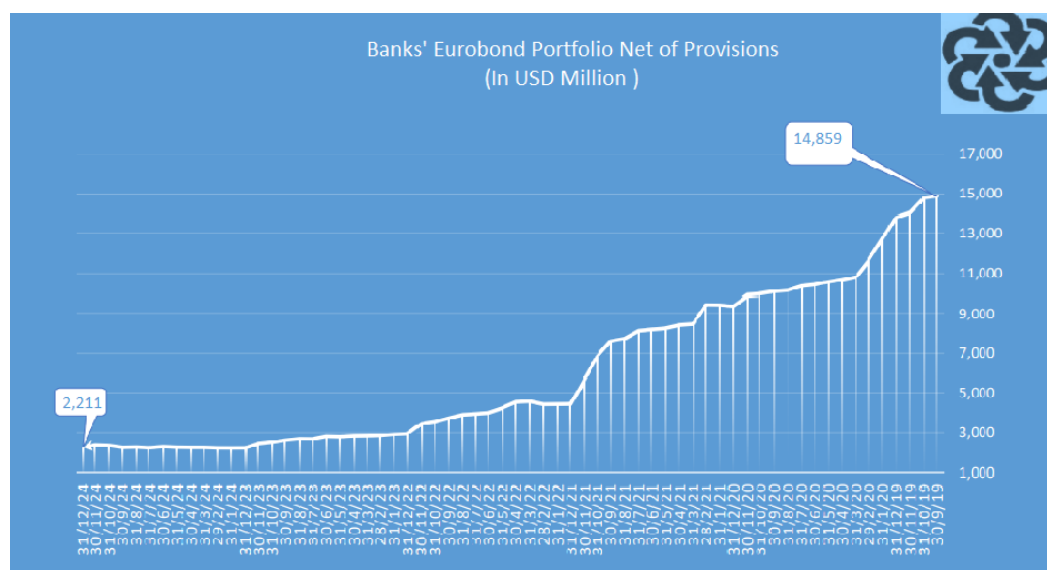
Table 3 reveals that 30.85% of private sector deposits in USD were granted as loans to the private sector. Between September 2019 and December 2024, we notice the substantial decline in which loans decreased by USD 32.8 billion. As for deposits, a noteworthy decrease was noticed (36.2 billion) and most of it must have been used to settle loans through checks. As a result, the ratio of loans to deposits in USD fell to 6.28%

Table 4: Banks' Claims and Liabilities at Correspondent Banks

In Millions of USD	Sep-19	Dec-24	% Change
Claims on Non-resident Financial Sector	8,976	4,693	-47.72%
Non-resident Financial Sector Liabilities	9,661	2,506	-74.06%

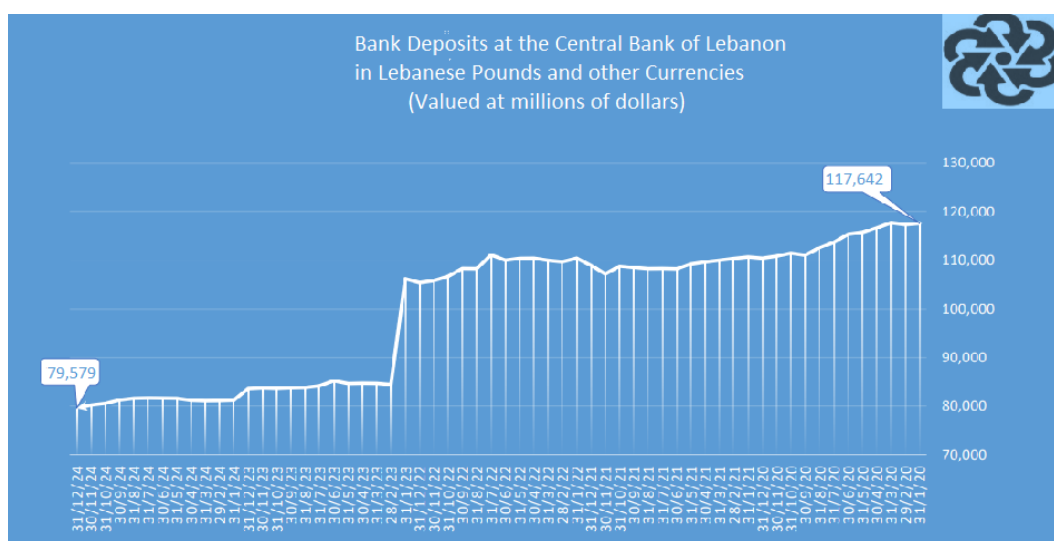
Source: ABL

Table 4 shows that in September 2019, non-resident financial sector liabilities (banks' liabilities at correspondent banks) exceeded the claims on non-resident financial sector (banks' deposit at correspondent banks). It is to be noted that starting January 2023, claims on non-resident financial sector became larger than non-resident financial sector liabilities. As of December 2024, claims on non-resident financial sector and non-resident sector liabilities recorded USD 4.7 billion and USD 2.51 billion respectively.



Source: ABL

The above graph shows a significant decline in banks' Eurobond holdings net provisions. The portfolio started at \$14,859 million at the end of September 2019, with sharper drops in recent years, reaching \$2,211 million by the end of 2024. Following the crisis, Lebanese banks faced liquidity shortages, and a collapsing financial system, leading to reduce their Eurobond exposure, net of provisions.



Source: ABL

This graph shows the decline in bank deposits at the Central Bank of Lebanon (BDL), measured in millions of dollars. In 2020, deposits peaked at \$117,642 million, but after the 2019 financial crisis, they began to gradually decline. The drop became more evident in 2023, and by the end of 2024, deposits had fallen to \$79,579 million. This decline reflects the financial gap at BDL.

It is interesting to examine the components of M2, being currency in circulation, demand deposits in LBP, and savings in LBP and its change through the crisis. The graph below shows the detailed components of M2.



Source: ABL

Before the crisis, savings was the main component of M2, however, at the end of December 2024, currency in circulation became the main component of M2, followed by demand deposits, and then savings became the least component.



Source: ABL

The above graph reflects the fluctuations in the Central Bank's external liabilities. At the end of January 2020 liabilities recorded USD 2,401 million, rising around USD 3,000 million between the end of December 2020 and September 2021. However, by the end of December 2024, they declined to reach USD 1,837 million. Given that BDL's foreign assets were USD 10,089 million at the same period, then BDL's NFA were USD 8,252 million.

It is also interesting to note that according to ABL, at the end of December 2024, the value of gold reached \$24,102 million.

**For your Queries:
BLOMINVEST BANK s.a.l.**

Research Department

Zaituna Bay

POBOX 11-1540 Riad El Soloh

Beirut 1107 2080 Lebanon

Jana Boumatar

Jana.boumatar@blominvestbank.com

Research Department

Tel: +961 1 991 784

research@blominvestbank.com

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