

17. MIDCLEAR AND MONEY EXCHANGE

MIDCLEAR and money exchange in Lebanon deals with bonds and with money exchangers in Lebanon by category.

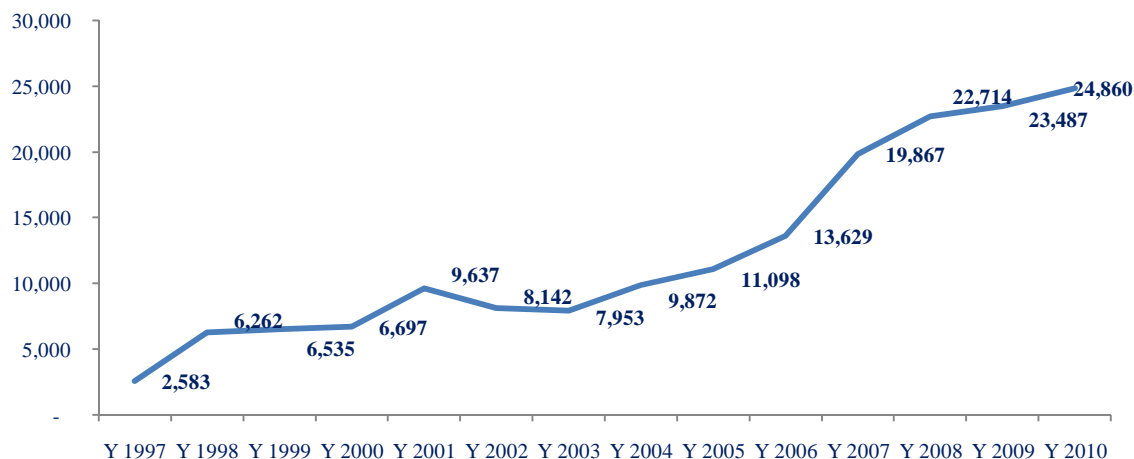
MIDCLEAR

The Central Bank of Lebanon established in June 1994 in Beirut, the Custodian and Clearing Center of financial instruments for Lebanon and the Middle East (MIDCLEAR S.A.L.). The aim was to develop the Lebanese financial market. MIDCLEAR provides investors with a variety of depository and clearing services which confirm to international standards recommended by the Group of Thirty (www.midclear.com.lb).

MIDCLEAR activity in 2010:

- Members: 109 members (increase of 159.5% compared to 1997).
- Companies: 120 companies (increase of 3,900% compared to 1997).
- Shareholders: 24,860 shareholders (increase of 862.4% compared to 1997).

Graph 17.1 – Shareholders. Number (1997-2010)



Graph made by CAS based on MIDCLEAR data (2010)

Traded and cleared bonds through MIDCLEAR in 2010:

- Value: 1,869,923,688 USD (increase of 192.2% compared to 1997).
- Value cleared: 3,739,847,950 USD (increase of 192.2% compared to 1997).
- Management of Registrars. Market Value of Shares: 13,586,165,108 USD (increase of 6,686% compared to 1997).

MIDCLEAR total assets under custody:

- December 2010: 29.1 billion USD.
- December 2005: 16.7 billion USD.
- December 2010 compared December 2005: increase of 74.6%.

MIDCLEAR balance sheet

MIDCLEAR balance sheet consists of total assets and total equity and liabilities.

Table 17.1 – Balance Sheet. LBP

Category	2001	2010	Change (2010/2001). %
Total assets	3,080,608,594	25,262,975,794	720
Non-current assets	323,277,907	8,917,116,737	2,658
Current assets	265,038,492	16,345,859,057	493
Total equity and liabilities	3,080,608,594	25,262,975,794	720
Total equity	2,618,150,029	23,133,210,015	784
Non-current liabilities	84,294,375	980,601,136	420
Current liabilities	104,390,333	1,149,164,643	320

Table made by CAS based on MIDCLEAR data (2010)

MIDCLEAR Income statement

MIDCLEAR income statement consists of gross profits and net profit for the year.

Table 17.2 – Income statement. LBP

Category	2001	2010	Change (2010/2001). %
<i>Gross profit</i>	<i>1,046,753,521</i>	<i>7,127,844,420</i>	581
Profit from operation	121,344,880	4,980,349,234	4004
<i>Profit before income tax</i>	<i>340,445,762</i>	<i>4,949,147,721</i>	1354
Net profit for the year	321,695,762	4,239,350,402	1218

Table made by CAS based on MIDCLEAR data (2010)

MIDCLEAR Statement of Cash Flows

MIDCLEAR statement of cash flows consists of operating profit, net cash, and dividends.

Table 17.3 – Statement of cash flows. LBP

Category	2001	2010	Change (2010/2001). %
<i>Operating profit before working capital changes</i>	<i>441,564,421</i>	<i>5,321,892,271</i>	1,105
<i>Net cash from operations</i>	<i>410,216,181</i>	<i>5,323,271,702</i>	1,198
<i>Net cash from operating activities</i>	<i>409,528,495</i>	<i>4,616,558,702</i>	1,027
<i>Net cash used in investing activities</i>	<i>(61,881,239)</i>	<i>(546,355,689)</i>	783
<i>Dividends paid</i>	<i>0</i>	<i>(500,697,399)</i>	
Increase/Decrease in cash and cash equivalents at the beginning of the year	347,647,256	3,569,505,613	927
Cash and cash equivalents at the end of the year	2,492,292,195	15,152,223,573	508

Table made by CAS based on MIDCLEAR data (2010)

Money exchange by Mohafazat

Law 347/87 divided the money exchange establishments into two categories:

- Category A: buying and selling foreign currencies in exchange of any other foreign currency or the LBP even if it was a bank note or a coin; buying and selling metallic ingots, conversions, cheques and Travellers Cheques. The capital is equal to 250,000,000 LBP.
- Category: buying and selling foreign currencies in exchange of any other foreign currency or the LBP even if it was a bank note or a coin; buying and selling metallic ingots, golden ingots below 1,000 conversions, cheques and Travellers Cheques within a cap defined by the Central Bank of Lebanon. The capital is equal to 100,000,000 LBP.

Money exchange establishments number in 2010: 397 establishments.

- Peak Mohafazat: Mount-Lebanon (29.2%).
- Category A: 12.8% of establishments.
- Category B: 87.2% of establishments.