

LEBANON THIS WEEK

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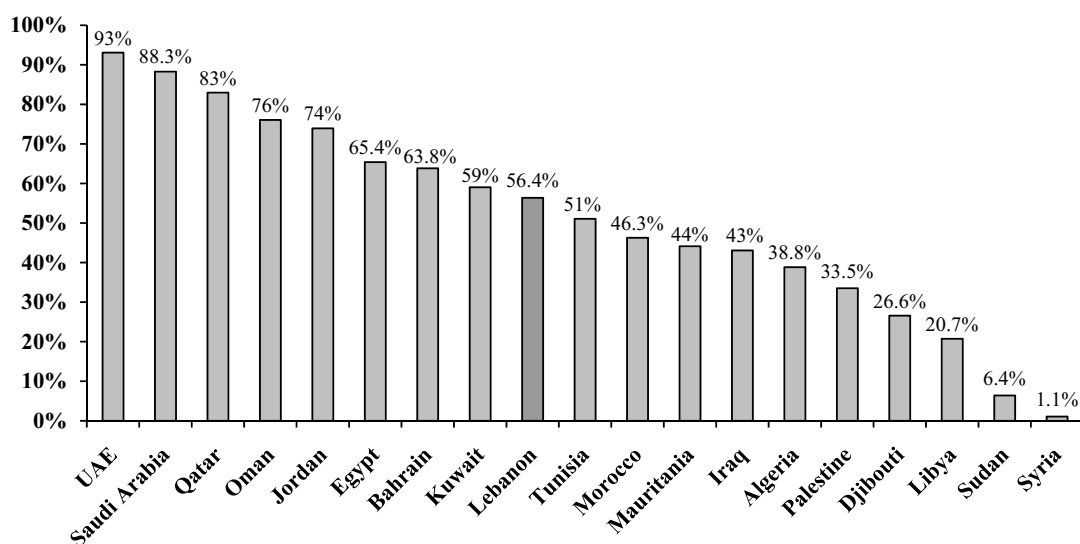
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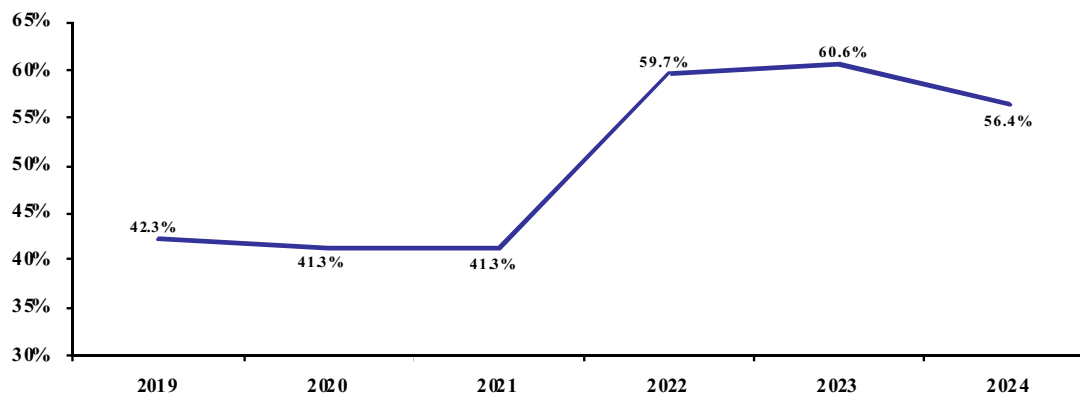
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Charts of the Week

Percentile Rankings of Arab Countries on the Government AI Readiness Index for 2024



Percentile Rankings of Lebanon on the Government AI Readiness Index



Source: Oxford Insights, Byblos Bank

Quote to Note

"It is unlikely that there will be any meaningful movement towards a program with the International Monetary Fund and a debt restructuring in the absence of a resolution to the question of the weapons of non-state actors."

Goldman Sachs, on the perception of foreign financial institutions regarding the reforms agenda

Number of the Week

76.8%: Increase in the cost of education in the 12 months ending October 2025, according to the Central Administration of Statistics' Consumer Price Index

Lebanon in the News

\$m (unless otherwise mentioned)	2023*	2024*	2025*	% Change**	Aug-24	Jul-25	Aug-25
Exports	1,894	1,910	2,366	23.9%	232	370	252
Imports	11,776	11,543	12,937	12.1%	1,554	1,845	1,482
Trade Balance	(9,882)	(9,633)	(10,570)	9.7%	(1,323)	(1,475)	(1,230)
Balance of Payments	1,071	5,107	10,070	97.2%	1,271.1	424.8	1,149.5
Checks Cleared in LBP***	6,820	1,008	509	-49.5%	80	74	56
Checks Cleared in FC***	2,590	950	484	-49.1%	82	45	56
Total Checks Cleared	9,410	1,958	993	-49.3%	162	119	112
Fiscal Deficit/Surplus	-	36.1	-	-	66.6	-	-
Primary Balance	-	428.2	-	-	114.3	-	-
Airport Passengers	5,005,141	4,418,652	4,722,830	6.9%	669,423	793,367	930,037
Consumer Price Index	233.0	63.6	14.6	-77.0%	35.0	14.3	14.2
\$bn (unless otherwise mentioned)	Aug-24	Apr-25	May-25	Jun-25	Jul-25	Aug-25	% Change*
BdL FX Reserves	10.51	11.01	10.96	11.18	10.84	10.96	4.3%
<i>In months of Imports</i>	-	-	-	-	-	-	-
Public Debt	-	-	-	-	-	-	-
Bank Assets	104.56	102.67	102.17	103.51	102.66	102.36	-2.1%
Bank Deposits (Private Sector)	90.41	88.99	88.62	88.79	88.47	88.35	-2.3%
Bank Loans to Private Sector	6.59	5.53	5.50	5.47	5.43	5.41	-17.9%
Money Supply M2	1.25	1.73	1.63	1.65	1.66	1.63	30.7%
Money Supply M3	70.69	69.42	69.00	68.99	68.70	68.48	-3.1%
LBP Lending Rate (%)	5.11	7.35	9.26	9.11	9.23	9.39	83.8%
LBP Deposit Rate (%)	0.86	1.93	2.08	1.58	3.95	3.21	273.3%
USD Lending Rate (%)	2.59	3.69	5.53	4.83	3.68	5.19	100.4%
USD Deposit Rate (%)	0.04	0.04	0.10	0.04	0.06	0.05	25.0%

*in first eight months of each; **year-on-year

***checks figures do not include compensated checks in fresh currencies

Source: Association of Banks in Lebanon, Banque du Liban, Ministry of Finance, Central Administration of Statistics, Byblos Research

Capital Markets

Most Traded Stocks on BSE*	Last Price (\$)	% Change*	Total Volume	Weight in Market Capitalization	Sovereign Eurobonds	Coupon %	Mid Price \$	Mid Yield %
BLOM GDR	6.50	(8.2)	166,251	2.5%	Nov 2026	6.60	22.9	228.94
Byblos Common	0.59	(6.3)	164,000	1.7%	Mar 2027	6.85	22.9	154.45
Audi Listed	2.00	4.7	35,000	6.1%	Nov 2028	6.65	22.9	57.92
Solidere "A"	75.65	(1.2)	19,182	39.4%	Feb 2030	6.65	22.9	38.26
BLOM Listed	7.20	2.9	13,556	8.1%	Apr 2031	7.00	22.9	29.45
Solidere "B"	75.45	(0.1)	5,908	25.6%	May 2033	8.20	22.9	20.85
HOLCIM	72.75	0.0	-	7.4%	May 2034	8.25	22.9	18.27
Audi GDR	2.90	0.0	-	1.8%	Jul 2035	12.00	22.9	15.91
Byblos Pref. 08	25.00	0.0	-	0.3%	Nov 2035	7.05	22.9	15.47
Byblos Pref. 09	29.99	0.0	-	0.3%	Mar 2037	7.25	22.9	13.50

Source: Beirut Stock Exchange (BSE); *week-on-week

Source: Refinitiv

	Dec 3-5	Nov 25-28	% Change	November 2025	November 2024	% Change
Total shares traded	403,897	542,529	(25.6)	909,885	1,717,278	(47.0)
Total value traded	\$3,232,413	\$4,997,211	(35.3)	\$16,317,939	\$45,983,388	(64.5)
Market capitalization	\$19.19bn	\$19.25bn	(0.3)	\$19.25bn	\$22.02bn	(12.6)

Source: Beirut Stock Exchange (BSE)



Lebanon ranks 143rd globally, 13th among Arab countries in terms of economic freedom

The Fraser Institute ranked Lebanon in 143rd place among 165 countries globally, in 38th place among 43 lower middle-income countries (LMICs) and in 13th place among 19 Arab economies on its index of Economic Freedom for 2025. In comparison, Lebanon ranked in 136th place globally, in 36th place among LMIC economies and in 12th place regionally on the 2024 index, while it came in 80th place worldwide and in sixth place among 18 Arab countries on the 2015 index.

Based on the same set of countries in the 2024 and 2025 surveys, Lebanon's global rank deteriorated by seven spots, its LMICs rank regressed by two notches, and its Arab rank decreased by one spot year-on-year. Further, Lebanon's global rank dropped by 60 spots and its Arab rank deteriorated by six notched from the 2015 survey. Also, Lebanon ranked in the 13th percentile worldwide in 2025, which means that 87% of countries have a higher level of economic freedom than it does, while it ranked in the 32nd percentile among Arab economies, which means that 68% of Arab countries have a higher level of economic freedom than it does.

The index measures the extent that a country's policies and institutions support economic freedom. It includes 45 variables distributed into five broad factors of economic freedom that are the Size of Government, the Legal System & Property Rights, Access to Sound Money, Freedom to Trade Internationally, and the Regulation of Credit, Labor & Business. A country's overall score ranges from zero to 10 points, with a higher score reflecting a higher level of economic freedom.

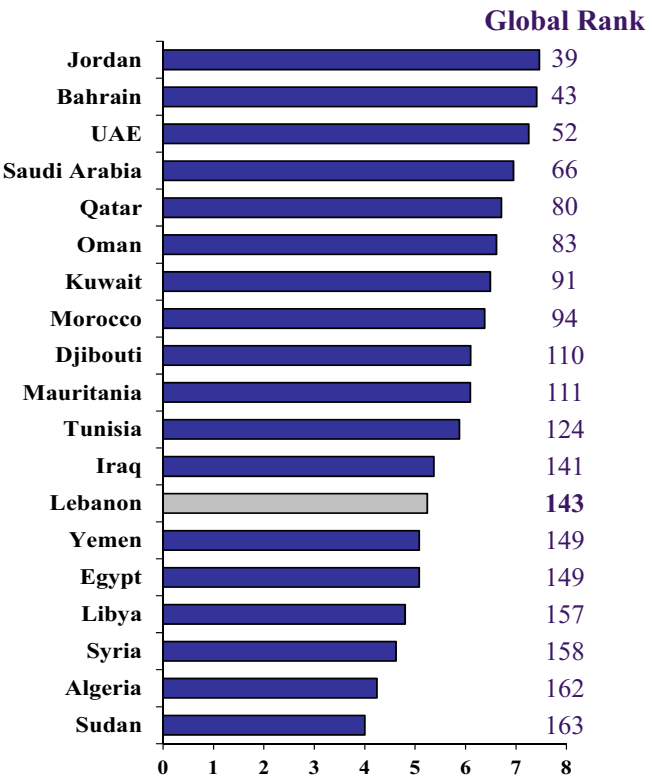
Globally, Lebanon had a higher level of economic freedom than Angola, Malawi and Russia, and a lower level than Guyana, Türkiye and Iraq and among economies with a GDP of \$10bn or more. Lebanon received a score of 5.24 points on the 2025 index, down from 5.58 points in the 2024 survey and compared to 6.71 points on the 2015 index. Lebanon's score was lower than the global average of 6.56 points, the LMICs average score of 6 points, the Arab average score of 5.88 points, the average of Gulf Cooperation Council (GCC) countries of 6.9 points, and the average of non-GCC economies of 5.4 points. Also, the survey classifies countries in four quartiles from the least free economy to the most free economy. It placed Lebanon in the "Least Free" quartile, along with 40 countries globally that include Algeria, Egypt, Iraq, Libya, Sudan, Syria and Yemen.

Lebanon's score dropped by 12.6% on the Freedom to Trade Internationally factor from the previous survey, its score on the Access to Sound Money indicator decreased by 11.8%, its score the Size of Government category regressed by 6.1% and its score on the Regulation of Credit, Labor & Business factor contracted by 0.6%. In contrast, Lebanon's score on the Legal System & Property Rights indicator improved by 0.3% from the 2024 index.

Lebanon preceded Egypt and Angola, and trailed Zimbabwe and Belarus on the Legal System & Property Rights factor. This category assesses the level of judicial independence, the protection of property rights, the integrity of the legal system, and the legal enforcement of contracts, among other factors. The survey noted that this indicator constitutes the most important function of government, and that countries with major deficiencies in this category are unlikely to prosper economically, regardless of their performance in the other four categories. Lebanon ranked ahead of Egypt, Mauritania, Libya, Syria, Iraq, Yemen, and Sudan in the Arab world on this category.

Further, Lebanon ranked ahead of Argentina and Nigeria, and came behind Malawi and Zimbabwe on the Freedom to Trade Internationally factor. This indicator measures a wide variety of trade restrictions, such as tariffs, quotas, hidden administrative restraints, as well as controls on exchange rates and the movement of capital. Lebanon ranked ahead of only Algeria among Arab countries on this category.

Index of Economic Freedom for 2025
Arab Countries Scores & Rankings



Source: Fraser Institute, Byblos Research

Components of the 2025 Economic Freedom Index for Lebanon

	Global Rank	Arab Rank	LMIC Rank	Lebanon Score	Arab Avg Score	LMIC Avg Score
Size of Government	8	1	5	8.67	6.15	6.93
Regulation of Credit, Labor & Business	112	11	23	5.98	5.65	5.93
Legal System & Property Rights	136	12	30	3.54	4.17	4.27
Access to Sound Money	152	18	36	4.39	7.04	6.57
Freedom of Trade Internationally	160	18	42	3.63	6.41	6.32

Source: Fraser Institute, Byblos Research

Banque du Liban's liquid foreign reserves at \$11.85bn, gold reserves at \$38.4bn at end-November 2025

Banque du Liban's (BdL) interim balance sheet shows that its total assets reached LBP8,445.8 trillion (tn) as at November 30, 2025, relative to LBP8,473.3tn at mid-November 2025, to LBP8,461.7tn at end-October 2025, to LBP8,318.7tn at the end of 2024, and to LBP8,397.4tn at end-November 2024.

BdL indicated that it revised its balance sheet figures starting on October 15, 2024 in accordance with international standards. It said that it changed the classification of "Foreign Assets" to "Foreign Reserve Assets" in order to present non-resident and liquid foreign assets only, while it reclassified the "other resident and/or illiquid items" to its "Securities Portfolio" or to the "Loans to the Local Financial Sector" entries.

BdL's Foreign Reserve Assets stood at \$11.85bn at the end of November 2025, compared \$11.98bn at mid-November 2025, to \$11.87bn at end-October 2025 and to \$10.1bn at end-November 2024. Also, they increased by \$252.8m in January, by \$141.1m in February, by \$198.7m in March, by \$331.7m in April, by \$50.4m in May, by \$216.5m in June, by \$157.3m in July, by \$186.2m in August, by \$83.4m in September, by \$116.3m in October 2025, while they decreased by \$19.9m in November 2025. As a result, BdL's Foreign Reserve Assets rose by \$1.71bn in the first 11 months of the year and by \$3.28bn between the end of July 2023 and end-November 2025, despite a decline of \$530.3m in the fourth quarter of 2024. The dollar figures are based on the exchange rate of the Lebanese pound of LBP89,500 per US dollar starting on February 15, 2024, according to the BdL Central Council's Decision No. 48/4/24 dated February 15, 2024.

Further, the value of BdL's gold reserves reached \$38.4bn on November 30, 2025 relative to \$38.47bn at mid-November 2025, and constituted a decline of \$340m, or of 0.9%, from an all-time high of \$38.74bn at mid-October 2025, and compared to \$24.58bn at end-November 2024.

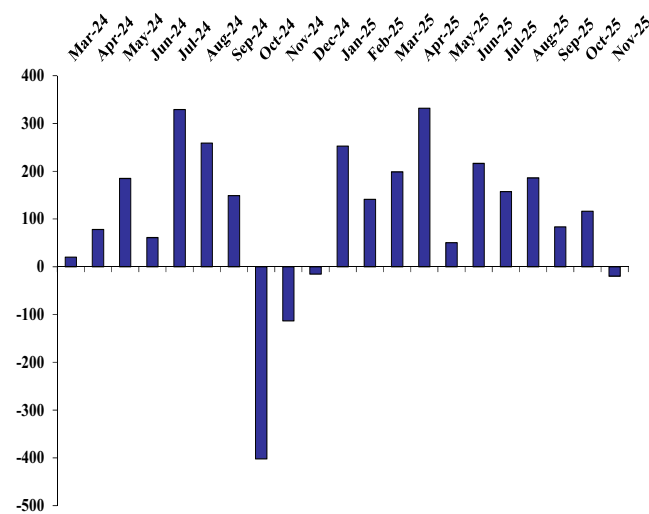
Also, BdL's securities portfolio totaled LBP547,934.5bn at end-November 2025 relative to LBP547,957.5bn at mid-November 2025. BdL noted that the securities portfolio includes Lebanese Eurobonds that had a market value of \$1.16bn at end-November 2025 compared to \$1.26bn at mid-November 2025. Prior to the modifications, BdL included the nominal value of its Lebanese Eurobonds portfolio, which is about \$5bn, in the foreign assets item. In addition, loans to the local financial sector stood at LBP39,845.8bn at end-November 2025 compared to LBP40,066.8bn at mid-November 2025.

Moreover, Deferred Open-Market Operations totaled LBP192,264.6bn at the end of November 2025 relative to LBP189,893.2bn at mid-November 2025. BdL said that, based on the Central Council's decision 23/36/45 of December 20, 2023, it has started to present all deferred interest costs originating from open-market operations under this new line item. As a result, it transferred all deferred interest costs included in the "Other Assets" and "Assets from Exchange Operations" entries to the new item. Therefore, the item "Other Assets" stood at LBP32,524.6bn (\$363.4m) at end-November relative to LBP31,851.9bn (\$355.9m) two weeks earlier.

Also, the Revaluation Adjustments item on the asset side reached LBP1,648.2tn at end-November relative to LBP1,661tn at mid-November 2025. It consists of a special account called the "Exchange Rate Stabilization Fund", in which BdL recorded all the transactions related to foreign exchange interventions to stabilize the exchange rate starting in 2020 and that had a balance of LBP167.2tn at end-November 2025 relative to LBP167.1tn at mid-November 2025. It also consists of a special account in the name of the Treasury that stood at LBP1,481tn at end-November 2025 compared to LBP1,494tn at mid-November 2025. Further, the balance sheet shows that BdL's loans to the public sector totaled LBP1,486,914.1bn at end-November 2025 relative to LBP1,486,899.3bn two weeks earlier, and includes an overdraft of \$16.52bn as at end-November 2025, unchanged from mid-November 2025.

On the liabilities side, BdL's balance sheet shows that currency in circulation outside BdL stood at LBP71,659.6bn at end-November 2025 compared to LBP72,261bn at mid-November 2025, and represented an increase of 43.8% from LBP49,816.4bn at end-November 2024. Further, the deposits of the financial sector reached LBP7,484.4tn, or the equivalent of \$83.6bn, at end-November 2025, relative to LBP7,503.8tn (\$83.84bn) at mid-November 2025 and to \$85.8bn at end-November 2024; while public sector deposits at BdL totaled LBP761,870.2bn at end-November 2025 compared to LBP770,330bn at mid-November 2025, to LBP758,119.1bn at end-October 2025 and to LBP535,709.8bn at end-November 2024.

Change in Foreign Reserve Assets* (US\$m)



*month-on-month change

Source: Banque du Liban, Byblos Research

Ministry of Finance submits amendments to banking resolution framework

The Ministry of Finance submitted to the Council of Ministers on October 7, 2025 a request to approve a draft law that amends certain articles of Law 23 dated August 14, 2025, or the the Law on the Reform and Restructuring of Banks in Lebanon, based on the decision of the Constitutional Council of October 3, 2025 and on the recommendations of the International Monetary Fund (IMF). It said that, on September 5, 2025, a number of members of Parliament submitted an appeal to the Constitutional Council about several articles of the law, which the Council accepted, reviewed, and issued its decision in October. It added that the IMF indicated that Law 23, which the Lebanese Parliament enacted on July 31, 2025, is materially misaligned with international standards. It considered that core weaknesses include the deficiencies in the independence of the Resolution Authority, restrictions on the independence and effectiveness of valuations, constrained enforceability of resolution measures, and insufficient legal protection for those implementing them. It added that multiple additional technical flows compound these issues, which undermines the legal certainty and operational effectiveness of the law.

As such, the Ministry of Finance submitted to the Council of Minister a draft law to amend Law 23/2025, after taking into consideration some of the comments and remarks of the Constitutional Council and the IMF.

First, the IMF said that, since the National Institute for the Guarantee of Deposits (NIGD) has a board of directors dominated by banks, its representation in the Higher Banking Commission's (HBC) Second Chamber should be postponed until the NIGD is reformed to become a fully publicly-managed institution. It noted that achieving the NIGD's fully public nature requires ensuring that none of its board members come from the banking industry, and that the NIGD should not be represented in the HBC's Second Chamber until the implementation of this reform.

Second, it stated that all external experts should be entirely independent, without affiliations with the government or the banking sector. But it noted that the independence requirement is referenced in the law only to the financial expert. It added the law stipulates that the economic expert is appointed from a list prepared by the Association of Economic Bodies, which increases the influence of private interests in the selection process.

Third, it noted that conflict of interest provisions should explicitly extend to immediate family members of borrowers and depositors. Fourth, it called for the elimination of the bank's power to object to the valuation "for material reasons", as it deviates from international best practices. It said that, if the power to object is retained, it should be strictly limited to cases involving factual errors.

Fifth, the IMF considered that the authority for the HBC to conduct a separate valuation from the one commissioned by the Banking Control Commission of Lebanon (BCCL) from independent valuers should be removed. It noted that this enables the HBC to disregard the independent valuation that he BCCL commissions. It added that this authority departs from international practice, under which independent valuations are not subject to any revision by the resolution authority.

Sixth, it said that the draft should allow that independent valuers can conduct provisional valuations as well, while retaining the BCCL's provisional valuation as an exceptional backup. It added that the use of provisional valuations should be expressly restricted to cases where urgency prevents achieving a complete independent evaluation on time

Seventh, it called for amending Article 31 to ensure that ex-post appeals are limited strictly to a review of the lawfulness of HBC's decisions, without allowing courts to interfere with the authority's discretion or technical judgment. It noted that the law still permits an unduly broad scope for ordinary and extraordinary appeals

Eighth, it said that Article 4 should cover the legal protection of independent valuers, including their partners and subcontractors, and any auditor performing an audit that the BCCL requests, including their members, employees, and representatives.

Ninth, the IMF called for including a new article about legal certainty and conflicting laws. It considered that enacting this law without specifying the extent of applicability of other statutory provisions provides limited visibility of the regime, adds to the fragmented framework, and risks potential inconsistencies. It asked to include a provision allowing this law to supersede all others in order to ensure that HBC's decisions are enforceable and unimpeded.

Tenth, it said that the law should explicitly mention its objectives, in line with international standards, as financial stability, continuity of critical functions, depositor protection, and minimizing the use of public resources. It added that the text should state that the law applies to on non-viable banks, and not just to insolvent ones as currently stated. Eleventh, it welcomed the amendments to remove the previous definition of "Single Depositor" that aimed to aggregate individual depositor accounts across different banks.

Other recommendations cover Non-Creditor Worse Off compensation, the bank's power to object to the valuation, creditors' priorities in liquidation, prudential forbearance, the authority for the HBC to impose the recovery of deposits transferred after October 2019, the potential revisions of resolution decisions, the law's entry into force, the independence criteria, liquidation procedures, resolution costs, the application of resolution tools, the implementation of resolution decisions, the powers that can be delegated to the special administrator, resolution summaries, and the legal definition of deposits.



Expatriates' remittances down 13.4% to \$5.8bn in 2024

The World Bank estimated the inflows of expatriates' remittances to Lebanon at \$5.8bn in 2024, constituting a decrease of 13.4% from \$6.7bn in 2023, following an increase of 4.1% in 2023 from the preceding year. In comparison, it estimated that remittance inflows to developing economies grew by 9.5%, flows to Arab countries increased by 12.6%, and inflows to lower middle-income countries (LMICs) rose by 14.4% in 2024.

Remittance inflows to Lebanon averaged \$5.14bn annually in the 2002-2008 period, \$7.18bn during the 2009-2015 period, \$7.25bn in the 2016-2019 period, and \$6.38bn during the 2020-2024 period, relative to an average of \$6.4bn in the 2002-24 period, with a high of \$7.6bn in 2016 and a low of \$2.5bn in 2002. Further, remittance inflows to Lebanon last year reached their seventh lowest level during the 2002-24 period, after a totaling \$5.77bn in 2007, \$5.6bn in 2004, \$5.2bn in 2006, \$4.9bn in 2005, \$4.7bn in 2003 and \$2.5bn in 2002. Lebanon was the 79th largest recipient of remittances in the world, the 24th largest among developing economies, the 14th largest among LMICs, and the third largest among Arab countries in 2024.

Lebanon received more remittances than Serbia (\$5.7bn), Nicaragua (\$5.2bn), and Kenya (\$5bn), and less remittances than Tajikistan (\$6.8bn), Sri Lanka (\$6.7bn), and Ecuador (\$6.5bn) among developing economies in 2024. Also, Lebanon was the third largest recipient of remittances among 16 Arab countries behind Egypt (\$29.6bn) and Morocco (\$12.5bn) last year. Further, Lebanon received more remittances than Nicaragua (\$5.2bn), Kenya (\$5bn) and Jordan (\$4.4bn), and less remittances than Honduras (\$9.5bn), Tajikistan (\$6.8bn), and Sri Lanka (\$6.7bn) among LMICs in 2024.

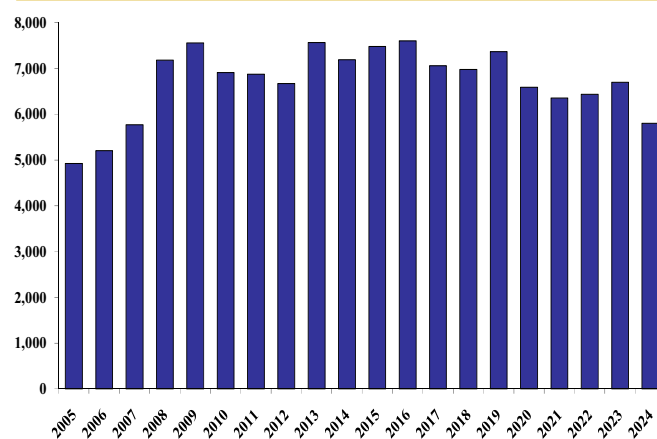
Remittance inflows to Lebanon accounted for 0.06% of the global flow of remittances in 2024 compared to 0.07% in 2023. They also represented 0.82% of aggregate remittances to developing economies in 2024 relative to 1.04% in 2023, while they accounted for 8.9% of remittance inflows to Arab countries last year compared to 11.6% in 2023, and they represented 1.3% of remittance inflows to LMICs in 2024 compared to 1.7% in 2023.

Further, expatriates' remittances to Lebanon were equivalent to 22.3% of GDP in 2024 when using the World Bank's estimate of nominal GDP of \$26bn for 2024, which constituted the eighth highest such ratio in the world and the highest in the Arab world. In comparison expatriates' remittances to Lebanon were equivalent to 15.3% of GDP in 2024 when using a nominal GDP figures of \$37.9bn for 2024 based on the national accounts figures and on estimates of the International Institute of Finance.

Expatriates' remittances to Lebanon were equivalent to 14.3% of GDP in 2019, 20.8% of GDP in 2020, 27.5% of GDP in 2021, 30.7% of GDP in 2022, and 33.3% of GDP in 2023, according to the World Bank. In comparison, expatriates' remittances to Lebanon were equivalent to 13.8% of GDP in 2019, 27.6% of GDP in 2020, 31.5% of GDP in 2021, 30.1% of GDP in 2022, and 21.2% of GDP in 2023, according to the nominal GDP figures of the official national accounts.

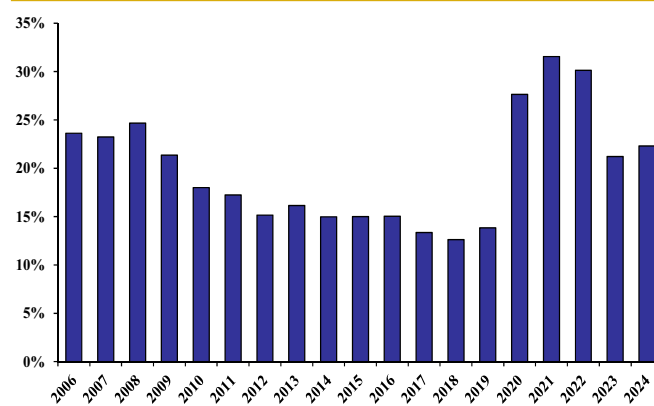
The World Bank estimated remittance inflows to Arab countries, excluding Syria, at \$65.3bn in 2024, up from \$58bn in 2023, and equivalent to 2.1 % of the region's GDP in 2024 relative to 1.9% of GDP in 2023. Also, it estimated remittance inflows to LMICs, excluding Sri Lanka and the West Bank & Gaza, at \$440.2bn in 2024, equivalent to 5.6% of the LMICs' GDP in 2024 compared to 5% of GDP in 2023. In addition, it estimated remittance inflows at 0.84% of the global GDP in 2024 compared to 0.8% of GDP in 2023.

Remittance Inflows to Lebanon (US\$m)



Source: Banque du Liban, World Bank, Byblos Research

Remittance Inflows to Lebanon (% of GDP)



Source: National Accounts, World Bank, Byblos Research

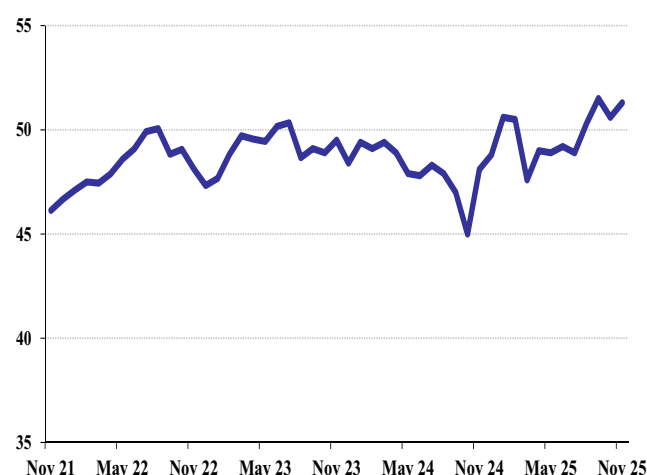


Purchasing Managers' Index improves in November 2025

The BLOM Lebanon Purchasing Managers' Index (PMI), an indicator of operating conditions in Lebanon's private sector, stood at 51.3 in November 2025 compared to 50.6 in October 2025 and to 48.1 in November 2024, and came higher than the PMI's trend monthly average of 47 since the index's inception in May 2013. Further, the PMI averaged 49.9 in the first 11 months of 2025 compared to 48.1 in the same period last year. Also, the November result was the third highest outcome of the index since its inception, behind 52.5 in May 2013 and 51.5 in September 2025.

The PMI's score signals an improvement in operating conditions in private sector activity in November 2025, and came above the 50 mark for the fourth consecutive month this year, with the PMI score exceeding the 50 mark 11 times since its inception. A score that exceeds 50 signals positive business activity, while a score that is lower than 50 shows a deterioration in activity.

BLOM Lebanon Purchasing Managers' Index



Source: BLOM Bank, S&P Global Market Intelligence

The survey's results show that the New Orders Index increased from 50.2 in October 2025 to 52.3 in November 2025, reflecting a rise in new businesses for private sector firms in Lebanon. In addition, the New Export Orders Index stood at 50.4 in November 2025 relative to 49.8 in the previous month, signaling an increase in demand from foreign clients.

Also, the survey indicated that the Output Index improved from 50.3 in October 2025 to 51.7 in November 2025, as companies noted that the month of November saw a rise in private sector business activity across Lebanon.

Further, the Employment Index stood at 50.2 in November 2025, down from 51.1 in October 2025, which reflects a decrease in workforce numbers from the previous month. But businesses said that it was the first month since late 2023 that private sector payroll figures across Lebanon have increased in back-to-back months.

Moreover, the results show that the Backlogs of Work Index regressed from 51 in October 2025 to 50.8 in November 2025, as companies saw a decrease in their level of outstanding business amid additional pressure on their operating capacities.

In parallel, the survey indicated that the Suppliers' Delivery Times Index increased from 49.2 in October 2025 to 49.6 in November 2025 due to delays at customs despite unchanged vendor performance. Also, the Stocks of Purchases Index improved from 51.1 in October 2025 to 51.2 in November 2025, as businesses noted an increase in their inventory levels.

Further, the Overall Input Price Index stood at 52.4 in November 2025 relative to 52.3 in October 2025, due to a higher inflation rate, as the survey's respondents cited the high cost of imported materials. In addition, the results show that the Output Prices Index decreased from 52.2 in October 2025 to 51.9 in November 2025, as respondents said that they raised their prices.

The PMI is a weighted average of five individual sub-components that are New Orders with a weight of 30%, Output (25%), Employment (20%), Suppliers' Delivery Times (15%), and Stocks of Purchases (10%). The calculation of the PMI is based on data compiled from responses to questionnaires sent to purchasing executives at about 400 private sector companies in Lebanon across the manufacturing, services, construction and retail sectors. The sample selection is based on each sector's contribution to GDP. The survey is compiled monthly by S&P Global Market Intelligence.

Components of BLOM Lebanon Purchasing Managers' Index

	Output	New Orders	New Export Orders	Future Output	Employment
June 2025	48.7	48.3	47.8	23.7	49.9
July 2025	48.0	47.8	45.6	28.4	49.8
August 2025	50.7	50.5	48.7	46.4	49.8
September 2025	52.5	52.3	49.7	40.2	50.0
October 2025	50.3	50.2	49.8	33.5	51.1
November 2025	51.7	52.3	50.4	40.1	50.2

Source: BLOM Bank, S&P Global Market Intelligence

Net foreign assets of financial sector up \$15.8bn in first 10 months of 2025

Figures issued by Banque du Liban (BdL) show that the net foreign assets of the financial sector, which are a proxy for Lebanon's balance of payments, increased by \$15.8bn in the first 10 months of 2025, compared to increases of \$8.2bn in the same period of 2024 and of \$1.46bn in the first 10 months of 2023.

The cumulative surplus in the first 10 months of 2025 was caused by increases of \$14.6bn in the net foreign assets of BdL and of \$1.25bn in those of banks and financial institutions. Further, the net foreign assets of the financial sector rose by \$1.93bn in October 2025 compared to increases of \$3.82bn in September 2025 and of \$1.75bn in October 2024. The October increase rise was caused by increases of \$1.89bn in the net foreign assets of BdL and of \$41.6m in those of banks and financial institutions.

According to BdL figures, the cumulative rise in BdL's net foreign assets reserves in the first 10 months of 2025 is due mainly to an increase of \$12.8bn in the value of BdL's gold reserves, which was partly offset by a decrease of \$230m in its foreign currency reserves during the covered period.

Also, the rise in the banks' net foreign assets in the covered period is mostly due to increases of \$520.4m in the banks' claims on the non-resident financial sector and of \$90.1m in claims on non-resident customers, as well as to a decrease of \$215.1m in the deposits of the non-resident financial sector, which more than offset a rise of \$543.7m in non-resident customer deposits.

BdL said that it started in January 2024 to include monetary gold, the non-resident foreign securities held by BdL, and the foreign currencies & deposits with correspondent banks and international organizations as part of its foreign assets; while it excluded the Lebanese government's sovereign bonds and its loans in foreign currency to resident banks and financial institutions from the entry. It attributed the modifications to its adoption of the IMF's methodology as stipulated in the latter's Sixth Edition of the Balance of Payments and International Investment Position Manual and in the Monetary & Financial Statistics Manual & Compilation Guide. It added that the changes are in line with the BdL Central Council's Decision Number 37/20/24 on September 13, 2024.

BCCL issues directive to banks about solvency ratio

The Banking Control Commission of Lebanon (BCCL) issued Memo No 5/2025 dated December 3, 2025 addressed to all banks about amending BCCL Circular 299 of October 1, 2020.

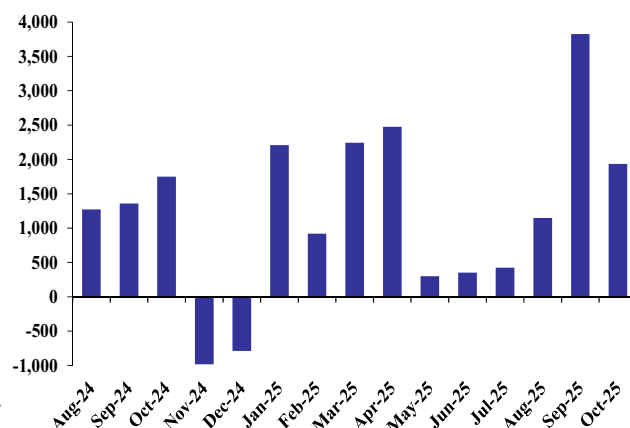
First, it mandated banks to calculate the solvency ratio on a standalone basis as well as on a consolidated basis. Second, it amended the accounting treatment of the banks' holdings of shares in banks, financial institutions, and insurance companies for investments where the bank holds 50% or more of the shares, or otherwise exercises control. It said that such investments should, when calculating solvency ratios on an standalone basis, be treated according to the method applied to shareholdings exceeding 10%. It added that the mechanism for the deduction of the banks' equity investments in other banks, financial institutions, and insurance companies from shareholders' equity must remain temporarily suspended.

Third, it cancelled the inclusion in the banks' supplementary capital the balance of provisions that the bank constituted for expected credit losses on financial assets and liabilities classified under Stage 1, which were not added to Common Equity Tier 1 when applying Article 12 bis of Banque du Liban's Basic Decision 44/6939 dated March 25, 1998 about the solvency ratios of banks.

Fourth, it canceled the clause that required the deduction of the provisions that the bank took to cover the expected credit losses on these financial assets and liabilities, and which were not added to Common Equity Tier 1 when applying Article 12 bis of Basic Decision 44/6939, solely from the balances of financial assets and liabilities classified under Stage 2.

Further, it indicated that the banks' reporting of the amended forms on an standalone basis and on a consolidated basis should start with the financial statements as of December 31, 2025, on the condition that the statements are submitted within the maximum deadline specified for providing the BCCL with the financial statements as of the end of each year.

Change in Net Foreign Assets of Financial Sector (US\$m)



Source: Banque du Liban, Byblos Research

Number of airport passengers up 22.3% in first 11 months of 2025, still below 2023 level

Figures released by the Beirut-Rafic Hariri International Airport (HIA) show that 6.4 million passengers utilized the airport (arrivals, departures and transit) in the first 11 months of 2025, constituting an increase of 22.3% from 5.24 million passengers the same period of 2024 and a decrease of 3.1% from 6.62 million passengers in the first 11 months of 2023.

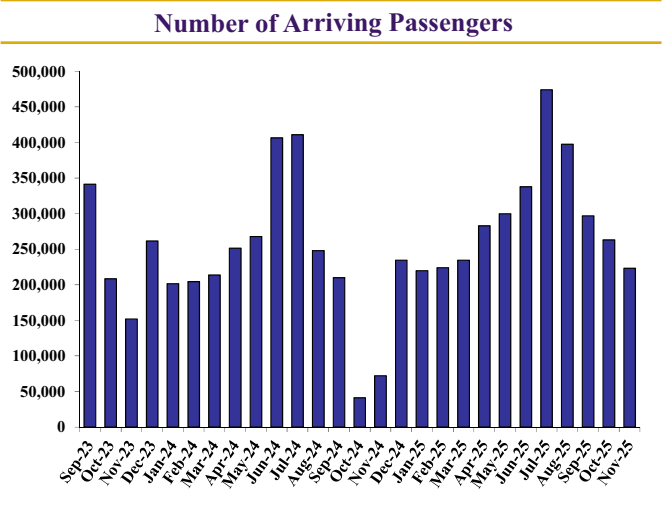
Also, 467,099 passengers utilized the airport in November 2025, representing a drop of 14.2% from 544,253 passengers in October 2025 and a rise of 209.2% from 151,073 passengers in November 2024.

The number of arriving passengers reached 3.25 million passengers in the first 11 months of 2025, as they grew by 28.7% from 2.53 million passengers in the same period of 2024 and increased by 1.2% from 3.22 million passengers in the first 11 months of 2023. The number of arriving passengers stood at 223,212 in November 2025, representing a decrease of 15.2% from 263,110 in October 2025 and a surge of 209.2% from 72,197 in November 2024.

Also, the number of departing passengers totaled 3.16 million in the first 11 months of 2025, constituting an increase of 16.5% from 2.7 million passengers in the same period last year and a decrease of 7% from 3.4 million passengers in the first 11 months of 2023. Further, the number of departing passengers reached 243,649 in November 2025 and dropped by 13.3% from 280,941 in October 2025, but they rose by 209% from 78,863 departing passengers in November 2024.

In parallel, the airport's aircraft activity totaled 50,612 take-offs and landings in the first 11 months of 2025, constituting an increase of 16.2% from 43,569 takeoffs and landings in the same period last year. In comparison, aircraft activity declined by 18.4% in the first 11 months of 2024 and grew by 11.5% in the same period of 2023. Also, the airport's aircraft activity stood at 4,314 take-offs and landings in November 2025, down by 4.1% from 4,498 take-offs and landings in October 2025 and up by 197.7% from 1,449 take-offs and landings in November 2024. Middle East Airlines had 22,588 flights in the first 11 months of the year and accounted for 44.6% of the HIA's total aircraft activity.

In addition, the HIA processed 66,920 metric tons of freight in the first 11 months of 2025 that consisted of 49,406 tons of import freight and 17,514 tons of export freight. Middle East Airlines processed 16,336 metric tons of freight in the first 11 months of 2025 and represented 24.4% of the total.



Source: Beirut-Rafic Hariri International Airport

Banque du Liban increases ceiling of monthly deposit withdrawals in foreign currency

Banque du Liban (BdL) issued Intermediate Circular 746/13770 dated November 28, 2025 addressed to banks, which modified Basic Circular 158/13335 of June 8, 2021 about exceptional measures related to the gradual disbursement of deposits in foreign currency from accounts that clients opened prior to October 31, 2019.

First, the circular stipulated that physical persons, in addition to sole proprietorship and non-governmental organizations (NGOs) licensed by the relevant authorities, can benefit from these measures. Second, it stated that the account holder must waive the banking secrecy on the deposit account in favor of BdL and the Banking Control Commission of Lebanon (BCCL) to ensure the sound implementation of the provisions of the circular.

Third, it said that eligible depositors can benefit from the terms of this circular for an amount that does not exceed \$12,000 per year in total based on the available funds in the client's account at the relevant bank, with a monthly ceiling of \$1,000, up from \$800 per month previously. It noted that eligible depositors can withdraw from their "Special Sub-Account" \$800 in banknotes per month, and/or they can transfer the sum abroad or deposit it in a "fresh dollar" account, and/or use the amount through payment cards in Lebanon and abroad, without incurring any commission or direct or indirect fees of any kind. It added that eligible depositors can spend the remaining \$200 solely through payment cards at points-of-sales (PoS) terminals. It indicated that this amount is subject to amendment by BdL in accordance with its monetary policy. Also, it amended the ceiling to \$11,000 for the beneficiaries of Basic Circular 158/13335 for the annual withdrawals from banks during the current cycle that ends on June 30, 2026. BdL stated that, in case two or more persons with a joint account decide to benefit from the circular, they will receive the funds on a prorata basis based on their contribution from their joint account to the "Special Sub Account".

Fourth, BdL noted that the circular goes into effect on December 1, 2025, provided that the terms of Basic Decision 158/13335 dated June 8, 2021, as amended by the current circular, is applied until June 30, 2026, subject to amendment or renewal. It said that the Basic Decision 158/13335 remains in force until all funds that can be transferred to the "Special Sub-Account" are released.

Further, BdL issued Intermediate Circular 746/13771 dated November 28, 2025 addressed to banks that modified Basic Circular 166/13611 of February 2, 2024 about exceptional measures related to the gradual disbursement of deposits in foreign currency from accounts that clients opened prior to June 30, 2023. First, the circular stipulated that physical persons, in addition to sole proprietorship and NGOs licensed by the relevant authorities, can benefit from these measures.

Second, it said that eligible depositors can benefit from the terms of this circular for an amount that does not exceed \$9,200 per year in total based on the available funds in the client's account at the relevant bank. It added that the bank has to transfer to the client's "Special Sub-Account" up to \$9,200 in any foreign currency from the account that the customer identifies. It added that the client can transfer any of the eligible funds to the "Special Sub-Account" even if they exceed the amount he/she can withdraw during the one-year cycle. Also, it indicated that, if the account holder has multiple accounts at a specific bank, he/she must specify the account from where the funds will be transferred to the "Special Sub-Account". It added that if the client has a joint or collective account, he/she can use a maximum of \$9,200 annually from the account. It stated that, in case the co-owners of a joint or collective account decide to benefit from the circular, they have to agree among themselves how to share the cash withdrawals. It added that, in case a co-owner of a joint or collective account decides not to benefit from the circular, the other co-owners can benefit in full from the cash withdrawals. It stated that in case a client who has a joint account decides to benefit from the circular from his/her personal account, his/her partner can benefit from the joint account.

Third, BdL attached to the circular the standard form that legal persons and customers have to sign to lift the banking secrecy on the "Special Sub Account". It stated that the banking secrecy will be lifted solely in favor of BdL and the BCCL.

Fourth, it said that eligible depositors can benefit from the terms of this circular for an amount that does not exceed \$6,000 per year in total based on the available funds in the client's account at the relevant bank with a monthly ceiling of \$500, up from \$400 per month previously. It noted that eligible depositors can withdraw from their "Special Sub-Account" \$400 in banknotes per month, and/or they can transfer the sum abroad or deposit it in a "fresh dollar" account, and/or use the amount through payment cards in Lebanon and abroad, without incurring any commission or direct or indirect fees of any kind. It added that eligible depositors can spend the remaining \$100 solely through payment cards at PoS terminals. It indicated that this amount is subject to amendments by BdL in accordance with its monetary policy. Also, it amended the ceiling to \$5,500 for the beneficiaries of Basic Circular 166/13611 for the annual withdrawals from banks during the current cycle that ends on June 30, 2026. BdL stated that, in case two or more persons with a joint account decide to benefit from the circular, they will receive the funds on a prorata basis based on their contribution from the joint account to the "Special Sub Account".

Fifth, BdL noted that the circular goes into effect on December 1, 2025, provided that the terms of Basic Decision 166/13611 dated February 2, 2024, as amended by the current circular, are applied until June 30, 2026, subject to amendment or renewal. It said that the Basic Decision 158/13335 remains in force until all funds that can be transferred to the "Special Sub-Account" are released.



Money supply up 25.8% in 12 months ending November 27, 2025

Figures released by Banque du Liban (BdL) show that money supply M1, which includes currency in circulation and demand deposits in Lebanese pounds, reached LBP108,951.5bn on November 27, 2025, constituting an increase of 2.8% from LBP106,002.4bn on November 20, 2025 and a rise of 25.8% from LBP86,639.4bn on November 27, 2024. M1 expanded by LBP2,949.1bn during the week ending November 27, 2025 due to an increase of LBP3,025bn in demand deposits and a decrease of LBP78.9bn in currency in circulation.

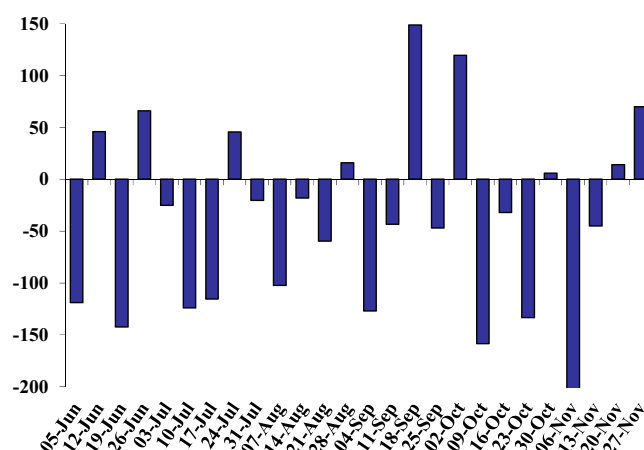
In addition, money supply M2, which includes M1 and term deposits in Lebanese pounds, totaled LBP142,745.2bn on November 27, 2025, representing an increase of LBP3,035.7bn, or of 2.2%, from LBP139,709.5bn on November 20, 2025 and of 30.6% from LBP109,281.7bn a year earlier. Money supply M2 grew by LBP33,463.5bn year-on-year.

Further, broad money supply M3, which includes M2, deposits in foreign currency and debt securities issued by the banking sector, reached LBP6,032.3 trillion (tn) on November 27, 2025, and expanded by LBP9,302.3bn, or by 0.2%, during the week ending November 27, 2025, while it decreased by 3% from LBP6,212.9tn on November 27, 2024. Also, BdL indicated that deposits denominated in foreign currency grew by \$70.02m in the week ending November 27, 2025.

Also, money supply M4, which includes M3 and Treasury bills held by the non-banking system, including accrued interest, stood at LBP6,037.1tn on November 27, 2025, constituting an increase of LBP9,278.6bn (+0.2%) from LBP6,027.8tn a week earlier and relative to LBP6,223.8tn on November 27, 2024. BdL stated that the Treasury bills portfolio held by the non-banking sector dropped by LBP23.68bn during the week ending November 27, 2025.

BdL issued Basic Circular 167/13612 dated February 2, 2024 that asked banks and financial institutions to convert their assets and liabilities in foreign currencies to Lebanese pounds at the exchange rate of LBP89,500 per US dollar when preparing their financial positions. BdL requested banks and financial institutions, in line with the provisions of International Accounting Standard 21, to convert their foreign currency monetary assets and liabilities and non-monetary assets classified by fair value or by equity method at the exchange rate published on BdL's electronic platform at the date of the preparation of the financial statements. It added that the decision is applicable as of January 31, 2024. BdL had modified on February 1, 2023 the official exchange rate of the Lebanese pound against the US dollar from LBP1,507.5 per dollar to LBP15,000 per dollar, as part of the measures to unify the multiple exchange rates of the dollar that prevail in the Lebanese economy.

Weekly Change in Foreign Currency Deposits (USm)



Source: Banque du Liban, Byblos Research

Ministry of Finance exempts war-damaged companies and individuals from taxes and fees

The Ministry of Finance issued Decision No. 970/1 dated November 19, 2025 about determining the application details of Articles 1, 2, and 5 and their provisions related to the financial stamp duty, as well as Articles 6, 7, 8, 9, and 11 of Law No. 22 dated July 11, 2025 about granting the population affected by Israeli aggressions certain exemptions from taxes and fees and suspending the deadlines related to tax rights and obligations and addressing the status of damaged real estate units or sections. Article 2 exempts from the built property tax the residential and non-residential units that have been destroyed or damaged, and that can no longer be used, starting from October 8, 2023 as a result of the Israeli war Lebanon. It said that the exemption will remain valid until the completion of restoration and reconstruction works.

Article 3 said that any affected individual wishing to benefit from the built property tax exemption must submit a written or electronic application to the relevant tax department at the Ministry of Finance, along with documents that prove the damage to the property, such as a certificate from the municipality or a report from the Internal Security Forces, until the completion of official field surveys and inspection operations to estimate the scale of the damages as stipulated in Article 7 of Law No. 22. Article 4 indicates that affected individuals can benefit from the provisions of Articles 13 and 14 of the Built Property Tax Law in order for the exemption to remain applicable for the unusable units or sections until the date of their restoration, irrespective of the duration of the reconstruction period. It added that the beneficiary must notify immediately the relevant tax department at the ministry after the completion of restoration or repair works, along with a certificate from the relevant municipality that shows the completion of such works and the resumption of the unit's use. Article 5 noted that the direct valuations of real estate units or sections approved prior to the date of the damage remain valid after the restoration and subsequent reuse of the units or sections, on the conditions that they are used by the original occupant and that they are not modified or altered. Article 6 deferred until the completion of the property's reconstruction the collection of registration and transfer fees for real estate properties that were sold but not registered in the real estate registry prior to October 8, 2023, and that have been destroyed or damaged in a way that renders them unfit for use.

Article 7 exempts taxpayers whose establishments, professions, or works have been directly damaged as a result of the war from the income tax on commercial, industrial, and non-commercial profits, as well as from the fines due for the years 2023 and 2024. It said that exempted taxpayers still have to submit a declaration about the results of their operations for the years 2023 and 2024. It noted that, if the individual taxpayer whose establishment, profession, or work has been directly damaged, and if he/she has another work individually or as a partner in a partnership that was not directly damaged, the profits realized from this activity remain subject to the income tax. Also, it mandated the taxpayers to declare their income and to calculate the tax due before the exemption, and then determine the deductible tax as a percentage of the exempted profits from their total profits. It indicated that the exemption applies to all affected taxpayers subject to the income tax, irrespective of their method of taxation, including taxpayers who pay their tax on the basis of actual profits, whether individuals, partnerships, or joint stock companies; taxpayers who have to pay their taxes on the basis of lump sum profits in accordance with the provisions of Article 44 of the Income Tax Law; taxpayers voluntarily subject to taxation on the basis of lump sum profits; and taxpayers who have to pay their taxes on the basis of estimated profits.

Article 8 stipulates that taxpayers who are obligated to keep accounting books and records, and whose books and records have been totally or partially lost or destroyed, reconstitute the records by the available means based on bank statements, customs data, as well as from documents available to their customers and suppliers and from the reports of auditors, within a deadline ending on July 17, 2026. Further, it exempted taxpayers from all fines related to keeping accounting books and records as stipulated by the law, if the damage or loss of records and documents was caused by the war. It said that the fine becomes due if the taxpayer refuses, when able to do so, to reconstitute the accounting records by July 17, 2026, or if he/she refuses, at the request of the relevant tax administration, to present his/her bank statements or if he/she includes inaccurate or incomplete data or information in his/her reconstituted records or declarations.

Article 9 said that the book value of tangible fixed assets included in the balance sheet as at October 8, 2023, such as the balance of the historical cost of these assets and the value of the accumulated depreciation related to assets that were totally damaged by the war, should be calculated and considered as deductible expenses from the profits subject to the built property tax. Also, it considered as capital expenditures the cost of restoring partially damaged assets that have been put back into service. Article 10 grants permission to firms taxed on the basis of actual profits to exceptionally carry forward the losses that they incurred during the fiscal years 2023 and 2024 for an additional five years for firms that were totally destroyed; for an additional three years for companies that were partially damaged; and for an additional two years in the case of firms that were forced to close during the war. It said that companies that incurred losses in 2023 should first offset the losses against profits realized in 2024, and deduct the remaining balance from the profits of 2025 and subsequently from the profits of the following years in chronological order, while the balance of profits that they realized during these years, if any, is subject to the ordinary tax provisions.

Article 11 exempts from the inheritance tax and from transfer fees the heirs of Lebanese citizens who were killed after the enactment of Law No. 22 on all rights and movable and immovable property related to their inheritances. Article 12 exempts from the inheritance tax and from transfer fees the amounts in life insurance policies that are due to the heirs of Lebanese citizens who were killed after the issuance of Law No. 22. Article 13 stipulates that the proof of death from the war should be proven by the heirs either by an explicit notation on the death certificate, an original copy that must be submitted to the relevant departments at the ministry in charge of the inheritance tax and transfer fees, or by submitting a certificate issued by the Ministry of Public Health confirming that the death occurred as a result of the war, or, alternatively, by a certificate issued by the relevant municipality or police station.



Private sector deposits at \$87.8bn at end-October 2025

The consolidated balance sheet of commercial banks operating in Lebanon shows that total assets stood at LBP9,134.4 trillion (tn), or the equivalent of \$102.1bn, at the end of October 2025, compared to LBP9,231.6tn (\$103.1bn) at end-2024 and to LBP9,253.9tn (\$103.4bn) at the end of October 2024. Loans extended to the private sector totaled LBP488.7tn at the end of October 2025, with loans to the resident private sector reaching LBP402.7tn and credit to the non-resident private sector amounting to LBP86tn at the end of the month. Loans extended to the private sector in Lebanese pounds reached LBP10.2tn and declined by 12.2% from LBP11.58tn at the end of 2024, while loans in foreign currency totaled \$5.35bn at end-October 2025 and decreased by 8.1% from \$5.82bn at the end of 2024. The figures reflect Banque du Liban's (BdL) Basic Circular 167/13612 dated February 2, 2024 that asked banks and financial institutions to convert their assets and liabilities in foreign currencies to Lebanese pounds at the exchange rate of LBP89,500 per US dollar when preparing their financial positions starting on January 31, 2024.

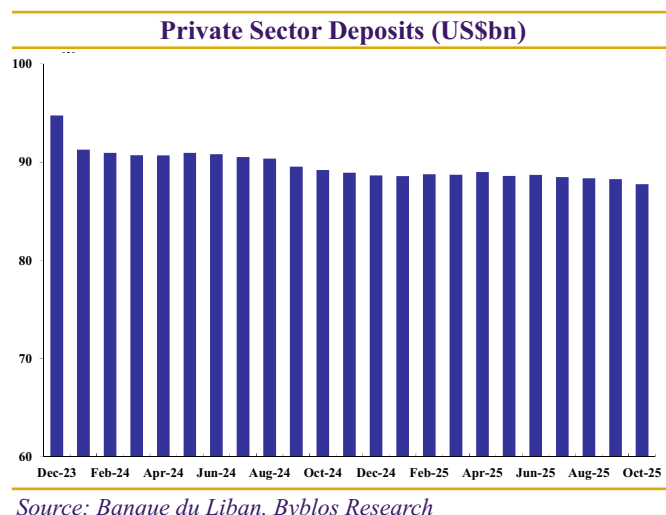
In nominal terms, credit to the private sector in Lebanese pounds declined by LBP1,413.2bn in the first 10 months of 2025 and by LBP1,848.1bn from a year earlier, while lending to the private sector in foreign currency regressed by \$468.8m in the covered period and dropped by \$591.8m from end-October 2024. Further, loans extended to the private sector in Lebanese pounds contracted by LBP17.4tn (-63.1%) and loans denominated in foreign currency dropped by \$35.8bn (-87%) since the start of 2019. The dollarization rate of private sector loans was 97.9% at end-October 2025 relative to 97.8% a year earlier. The average lending rate in Lebanese pounds was 9.24% in October 2025 compared to 6.78% a year earlier, while the same rate in US dollars was 4.23% relative to 1.97% in October 2024. Also, according to BdL, loans to the private sector in "fresh" dollars stood at \$553m at the end of June 2025.

In addition, claims on non-resident financial institutions reached \$5.21bn at the end of October 2025, constituting increases of \$520.4m (+11.1%) from the end of 2024 and of \$1.06bn (+25.5%) from end-October 2024. Also, claims on non-resident financial institutions dropped by \$3.9bn (-43%) from the end of August 2019 and by \$6.8bn (-56.5%) since the start of 2019. Further, deposits at foreign central banks totaled \$704.8m, constituting an increase of \$78.3m (+12.5%) in the first 10 months of 2025 and a decrease of \$219m (-23.7%) from a year earlier. Also, cash in vault in Lebanese pounds stood at LBP7,447bn compared to LBP7,179.8bn at end-2024 and to LBP6,093.6bn at end-October 2024. In addition, the banks' claims on the public sector amounted to LBP203.8tn at end-October 2025, representing decreases of 2.2% from LBP208.4tn end-2024 and of 6.4% from LBP217.8tn end-October 2024. Also, the banks' holdings of Lebanese Treasury bills totaled LBP7.6tn, while their holdings of Lebanese Eurobonds stood at \$2.18bn net of provisions at end-October 2025 relative to \$2.31bn a year earlier. Further, the deposits of commercial banks at BdL reached LBP7,004.2tn at the end of October 2025, or at \$78.3bn, compared to LBP7,122.4tn (\$79.6bn) at the end of 2024.

In parallel, private sector deposits totaled LBP7,854.4tn, or \$87.8bn, at the end of October 2025. Deposits in Lebanese pounds reached LBP78.2tn at end-October 2025, as they increased by 15.1% from end-2024 and by 27% from a year earlier; while deposits in foreign currency stood at \$86.9bn, and regressed by 1.1% from end-2024 and by 1.8% from end-October 2024. Resident deposits accounted for 75.6% and non-resident deposits represented 24.4% of total resident private sector deposits at end-October 2025. According to BdL, private sector deposits include \$4.36bn in "fresh" funds at the end of June, with about half of the amount consisting of eligible funds under BdL circulars 158 and 166.

In addition, private sector deposits in Lebanese pounds surged by LBP10,257.5bn and foreign currency deposits decreased by \$1bn in the first 10 months of 2025, while private sector deposits in Lebanese pounds grew by LBP16,563.2bn and foreign currency deposits dropped by \$1.64bn from a year earlier. Also, aggregate private sector deposits in Lebanese pounds increased by LBP5,348.3bn (+7.3%) and foreign currency deposits declined by \$37.4bn (-30.1%) from the end of August 2019, while total private sector deposits in Lebanese pounds increased by LBP955.4bn (+1.2%) and foreign currency deposits dropped by \$36.2bn (-29.4%) since the start of 2019. The dollarization rate of private sector deposits regressed from 99.2% at the end of October 2024 to 99% at the end of October 2025.

Further, the liabilities of non-resident financial institutions reached \$2.3bn at the end of October 2025, decreasing by 8.6% from \$2.51bn at end-2024 and by 9.2% from \$2.52bn at end-October 2024. Also, the average deposit rate in Lebanese pounds was 2.91% in October 2025 compared to 2.34% a year earlier, while the same rate in US dollars was 0.06% in October 2025 relative to 0.03% in October 2024. In addition, the banks' aggregate capital base stood at LBP427.2tn (\$4.77bn) at the end of October 2025 compared to LBP428.5tn (\$4.79bn) at the end of 2024 and to LBP412.8tn (\$4.6bn) at the end of October 2024.



Stock market capitalization down 12.6% to \$19.3bn at end-November 2025

Figures released by the Beirut Stock Exchange (BSE) indicate that the trading volume reached 19.7 million shares in the first 11 months of 2025, constituting a surge of 80.5% from 10.9 million shares traded in the same period of 2024; while aggregate turnover amounted to \$292.8m, representing a drop of 37% from a turnover of \$464.7m in the first 11 months of 2024.

Further, the market capitalization of the BSE stood at \$19.25bn at the end of November 2025, constituting a decrease of 12.6% from \$22bn a year earlier, and compared to \$20.6bn at the end of October 2025 and to \$26.9bn at end-2024. Real estate equities accounted for 65.3% of the market's capitalization at end-November 2025, followed by banking stocks with 25.6%, and industrial shares with 9.1%. Also, the trading volume reached 909,885 shares in November 2025, as it dropped by 80.2% from 4.6 million shares traded in October 2025 and by 47% from 1.7 million shares in November 2024; while aggregate turnover stood at \$16.3m in November 2025, constituting declines of 70.3% from a turnover of \$55m in the preceding month and of 64.5% from \$46m in November 2024. The market liquidity ratio was 1.5% at the end of November 2025 compared to 2.1% a year earlier.

In addition, banking stocks accounted for 86.5% of the trading volume in the first 11 months of 2025, followed by real estate equities with 12.3% and industrial shares with 1.2%. Further, real estate equities represented 72.8% of the aggregate value of shares traded, followed by banking stocks with 21.6%, and industrial shares with 5.6%. The average daily traded volume for the first 11 months of 2025 was 89,736 shares for an average daily amount of \$1.33m. The figures represent a rise of 80.5% for the average daily traded volume and a decrease of 37% for the average daily value in the covered period.

In parallel, the price of Solidere 'A' shares dropped by 36.2% and the price of Solidere 'B' shares contracted by 36.8% in the first 11 months of 2025 from the end of 2024, while the price of Holcim shares increased by 3.8% in the covered period.

Further, the price of Solidere 'A' shares declined by 5.4% in January, by 9% in February, by 7.3% in March, by 9% in April and by 4.2% in May, while it increased by 19.7% in June, decreased by 15.8% in July and by 8.4% in August, rose by 10.2% in September, and re-treated by 7.6% in October and by 2.5% on November 2025. Also, the price of Solidere 'B' shares contracted by 7.4% in January, by 6% in February, by 4.4% in March, by 12.5% in April and by 5% in May, while it increased by 24.5% in June, dropped by 18.5% in July and by 10.2% in August, improved by 12.7% in September, and regressed by 7% in October and by 4.4% in November 2025. Further, the share price of Holcim increased by 1.6% January, by 10.8% in February, and by 0.1% in March 2025, while it declined by 6.2% in April, grew by 7% in May, contracted by 4% in June, improved by 2.6% in July, regressed by 3.8% in August and by 4% in September, and increased by 1% in October and by 0.1% in November 2025.

Ratio Highlights

(in % unless specified)	2022	2023	2024e	Change*
Nominal GDP (\$bn)	21.4	31.6	37.9	6.3
Gross Public Debt / GDP	259.8	172.5	137.9	(34.6)
Trade Balance / GDP	-72.8	-46.0	-37.5	8.6
Exports / Imports	18.3	17.1	16.0	(1.1)
Fiscal Revenues / GDP	5.5	12.4	10.2	(2.2)
Fiscal Expenditures / GDP	11.9	12.5	10.1	(2.4)
Fiscal Balance / GDP	(6.9)	(0.1)	0.1	0.2
Primary Balance / GDP	(2.5)	1.4	1.1	(0.3)
Gross Foreign Currency Reserves / M2	13.4	143.5	689.4	545.9
M3 / GDP	35.3	42.2	182.1	139.9
Commercial Banks Assets / GDP	39.1	62.6	271.3	208.7
Private Sector Deposits / GDP	29.1	51.5	233.1	181.6
Private Sector Loans / GDP	4.6	4.5	15.6	11.1
Private Sector Deposits Dollarization Rate	76.1	96.3	99.1	2.8
Private Sector Lending Dollarization Rate	50.7	90.9	97.8	6.9

*change in percentage points 24/23;

Source: National Accounts, Banque du Liban, Ministry of Finance, Institute of International Finance, Byblos Research Estimates & Calculations

Note: M2 includes money in circulation and deposits in LBP, M3 includes M2 plus Deposits in FC and bonds

National Accounts, Prices and Exchange Rates

	2022	2023	2024e
Nominal GDP (LBP trillion)	651.2	2,760.6	3,403.0
Nominal GDP (US\$ bn)	21.4	31.6	37.9
Real GDP growth, % change	1.8	0.5	-7.6
Private consumption	-0.9	4.4	-7.8
Public consumption	-6.9	-3.5	6.6
Private fixed capital	48.7	-14.8	-15.9
Public fixed capital	66.9	-2.3	-12.0
Exports of goods and services	6.0	-4.2	-14.1
Imports of goods and services	17.5	3.5	-10.2
Consumer prices, %, average	171.2	221.3	45.2
Official exchange rate, average, LBP/US\$	1,507.5	15,000	89,500
Parallel exchange rate, average, LBP/US\$	30,313	86,362	89,700
Weighted average exchange rate LBP/US\$	27,087	87,472	89,700

Source: National Accounts, Institute of International Finance

Ratings & Outlook

Sovereign Ratings	Foreign Currency			Local Currency		
	LT	ST	Outlook	LT	ST	Outlook
Moody's Ratings	C	NP	Stable	C		Stable
Fitch Ratings*	RD	C	-	RD	RD	-
S&P Global Ratings	SD	SD	-	CCC	C	Stable

*Fitch withdrew the ratings on July 23, 2024

Source: Rating agencies

Banking Sector Ratings	Outlook
Moody's Ratings	Negative

Source: Moody's Ratings



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