

LEBANON THIS WEEK

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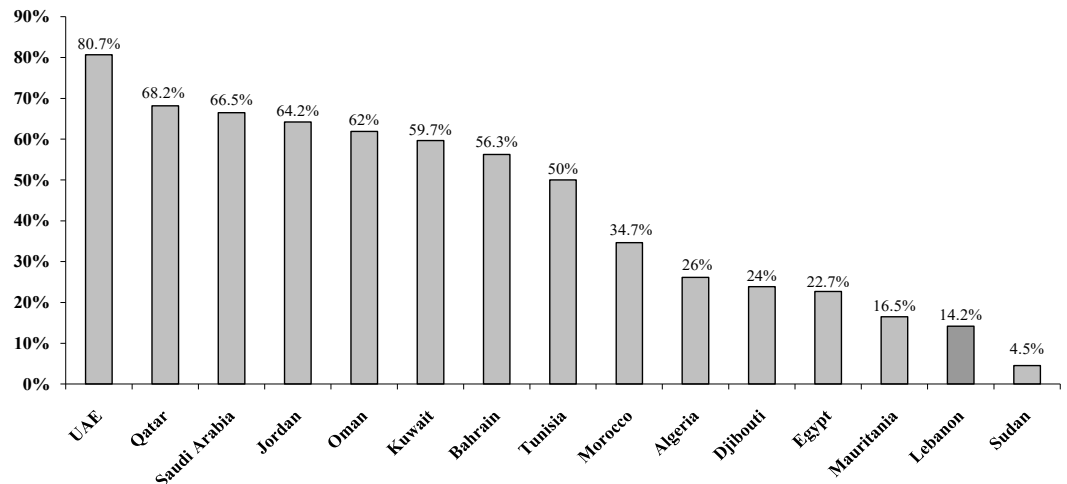
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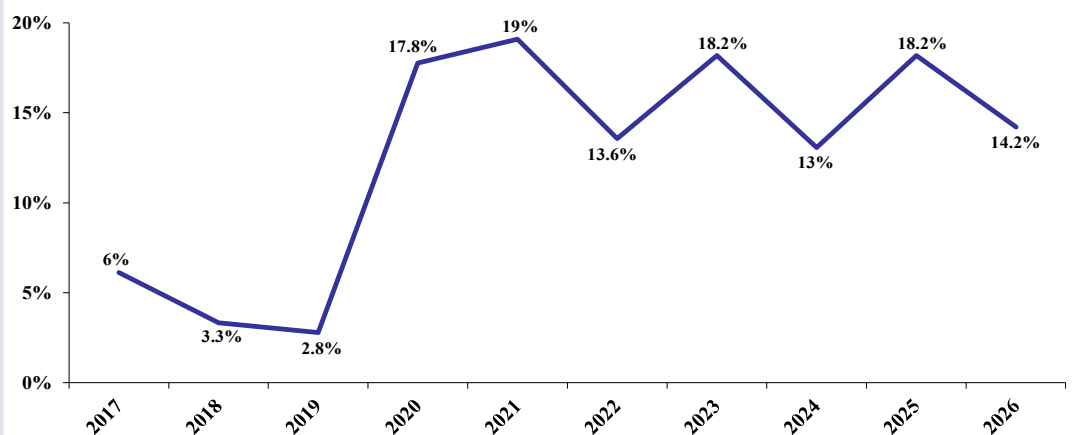
Private sector deposits at \$86.2bn at end-March 2026

Chart of the Week

Percentile Rankings of Arab Countries in terms of Government Integrity for 2026*



Percentile Rankings of Lebanon in terms of Government Integrity



*The Heritage Foundation defines Government Integrity as the level of government intervention in economic activity and the degree of corruption that follows

Source: Heritage Foundation, Index of Economic Freedom for 2026, Byblos Bank

Quote to Note

"Without external support, adjustment will proceed, but more slowly and at greater social cost."

Banque du Liban Governor Karim Souaid, on Lebanon's need for financial support in order to carry on with economic stabilization

Number of the Week

80%: Percentage of surveyed Lebanese households who experienced a decline in their income in March, according to an opinion poll that ARA Research & Consultancy conducted during the last week of March 2026 on the impact of the prevailing war on household conditions

Lebanon in the News

Sm (unless otherwise mentioned)	2023	2024	2025	% Change*	Dec-24	Nov-25	Dec-25
Exports	2,995	2,707	3,639	34.4	212	226	430
Imports	17,524	16,902	21,076	24.7	1,185	1,734	1,698
Trade Balance	(14,529)	(14,195)	(17,436)	22.8	(973)	(1,508)	(1,268)
Balance of Payments	1,143	6,440	19,561	203.7	(790)	1,500	2,231.8
Checks Cleared in LBP**	754	877	702	(20.0)	69	48	67
Checks Cleared in FC**	3,292	1,299	706	(45.7)	81	44	91
Total Checks Cleared**	4,046	2,176	1,408	(35.3)	150	92	158
Fiscal Deficit/Surplus	-	36.1	-	-	(288)	-	-
Primary Balance	-	428.2	-	-	(250)	-	-
Airport Passengers	7,103,349	5,624,402	7,010,580	24.6	379,910	467,099	594,705
Consumer Price Index	221.3	45.2	14.6	(67.7)	18.1	14.7	12.2

Sm (unless otherwise mentioned)	Dec-24	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	%Change*
BdL FX Reserves	10.09	10.96	9.74	9.86	9.34	7.74	-23.3%
<i>In months of Imports</i>	-	-	-	-	-	-	-
Public Debt	-	-	-	-	-	-	-
Bank Assets	103.15	102.36	102.70	102.06	101.82	102.30	-0.8%
Bank Deposits (Private Sector)	88.65	88.35	88.26	87.76	87.67	87.19	-1.6%
Bank Loans to Private Sector	5.95	5.41	5.38	5.46	5.42	5.20	-12.5%
Money Supply M2	1.46	1.63	1.65	1.60	1.64	1.68	14.5%
Money Supply M3	69.26	68.48	68.25	67.81	67.72	67.29	-2.8%
LBP Lending Rate (%)	5.61	9.39	10.07	9.24	11.42	10.90	529
LBP Deposit Rate (%)	3.58	3.21	3.16	2.91	3.25	3.68	10
USD Lending Rate (%)	3.70	5.19	5.97	4.23	5.32	3.68	-2
USD Deposit Rate (%)	0.03	0.05	0.07	0.06	0.12	0.09	6

*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 in US\$	Mid Yield %
Solidere "A"	73.00	(0.7)	22,798	39.7%	Nov 2026	6.60	26.63	478.47
Solidere "B"	70.05	(0.1)	17,827	24.8%	Mar 2027	6.85	26.63	230.19
BLOM GDR	5.50	0.0	10,000	2.2%	Nov 2028	6.65	26.63	61.30
Audi GDR	2.45	0.0	5,248	1.6%	Feb 2030	6.65	26.63	38.16
Ciments Libanais	62.05	0.0	667	6.6%	Apr 2031	7.00	26.63	28.64
BLOM Listed	7.20	0.0	-	8.4%	May 2033	8.20	26.63	19.79
Audi Listed	2.05	0.0	-	6.6%	May 2034	8.25	26.63	17.21
Byblos Common	0.84	0.0	-	2.6%	Jul 2035	12.00	26.63	14.90
Byblos Pref. 09	29.99	0.0	-	0.3%	Nov 2035	7.05	26.63	14.47
Byblos Pref. 08	25.00	0.0	-	0.3%	Mar 2037	7.25	26.63	12.56

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

Source: LSEG Workspace

	May 4-8	April 27-30	% Change	April 2026	April 2025	% Change
Total shares traded	56,540	55,295	2.3	326,058	1,888,985	(82.7)
Total value traded	\$3,020,824	\$3,935,307	(23.2)	17,486,079	11,875,516	47.2
Market capitalization	18.38	18.44	(0.3)	18.44	21.15	(12.8)

Source: Beirut Stock Exchange (BSE)



Council of Ministers approves amendments to banking resolution framework

The Ministry of Finance submitted to the Council of Ministers on April 22, 2026 a request to withdraw the draft law that was forwarded to Parliament through Decree 1992 dated December 4, 2025 and that aimed to amend certain articles of Law 23 dated August 14, 2025, or 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). The ministry also asked the Council of Ministers to endorse a new draft law that amends Law 23/2025. As such, the Council of Ministers approved on April 30, 2026 a decree that withdraws the draft law that amends certain articles of Law 23/2025 that was forwarded to Parliament through Decree 1992. It also approved a draft law to amend certain articles of Law 23 after taking into consideration some of the comments and remarks of the Constitutional Council and the IMF, and a draft decree to forward the updated draft law to Parliament.

The Ministry of Finance indicated 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 undermine the legal certainty and operational effectiveness of the law. The Lebanese Parliament enacted on July 31, 2025 the Law Governing the Restructuring and Resolution of the Banking Sector in Lebanon, which consists of 37 clauses that address the general framework of restructuring and/or liquidating banks.

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 the 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.

Banque du Liban's liquid foreign reserves at \$11.4bn, gold reserves at \$42.7bn at end-April 2026

Banque du Liban's (BdL) interim balance sheet shows that its total assets reached LBP8,325.7 trillion (tn) as at April 30, 2026, relative to LBP8,348.9tn at mid-April 2026, LBP8,333.4tn at end-March 2026, to LBP8,406.5tn at the end of 2025, and to LBP8,400.8tn at end-April 2025. 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 \$11.43bn on April 30, 2026 compared to \$11.68bn at mid-April, to \$11.53bn at the end of March 2026, and to \$11.89bn at end-2025. Also, they increased by \$51.9m in January, while they decreased by \$69.2m in February 2026, by \$343.2m in March, and by \$103.1m in April 2026, including an increase of \$142.6m in the first half and a decrease of \$245.8m in the second half of April. As such, they decreased by \$446.3m since the end of February and by \$463.6m from end-2025, but they increased by \$2.86bn between the end of July 2023 and the end of April 2026 despite a decline of \$530.3m in the fourth quarter of 2024. BdL said that Foreign Reserve Assets represent non-resident and liquid foreign assets. 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.

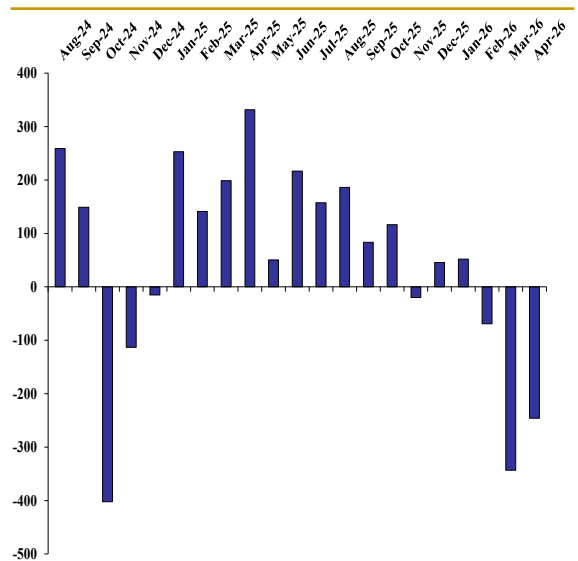
Further, the value of BdL's gold reserves reached \$42.7bn on April 30, 2026, compared to \$44.4bn at mid-April 2026, to \$42.1bn at end-March 2026, and to \$30.2bn at end-April 2025. Gold reserves reached a peak of \$47.7bn at the end of February 2026. Also, BdL's securities portfolio totaled LBP584,444bn at end-April 2026 relative to LBP584,944.8bn two weeks earlier and to LBP554,720.5bn on April 30, 2025. BdL noted that the securities portfolio includes Lebanese Eurobonds that had a market value of \$1.36bn at end-April 2026, compared to \$1.43bn at mid-April 2026 and to \$1.22bn at the end of 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 LBP39,414.2bn at end-April 2026 compared to LBP38,969.4bn at mid-April 2026.

Moreover, Deferred Open-Market Operations totaled LBP178,641.1bn at end-April 2026 relative to LBP178,333.7bn at mid-April 2026. 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 LBP16,219bn (\$181.2m) at end-April 2026 relative to LBP15,663bn (\$175m) two weeks earlier.

Also, the Revaluation Adjustments item on the asset side reached LBP1,174tn at end-April 2026 relative to LBP1,024.8tn at mid-April 2026. 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 LBP168.2tn at end-April 2026 relative to LBP168.1tn at mid-April 2026. It also consists of a special account in the name of the Treasury that stood at LBP1,005.8tn at end-April 2026 compared to LBP856.7tn at mid-April 2026. Further, the balance sheet shows that BdL's loans to the public sector totaled LBP1,486,716.3bn at end-April 2026 relative to LBP1,487,039.7bn two weeks earlier, and includes an overdraft of \$16.52bn as at end-April 2026, unchanged from mid-April 2026.

On the liabilities side, BdL's balance sheet shows that currency in circulation outside BdL stood at LBP62,300.6bn at end-April 2026 compared to LBP64,838.3bn at mid-April 2026, and represented a decrease of 22.1% from LBP79,926.7bn at end-April 2025. Further, the deposits of the financial sector reached LBP7,284.1tn, or the equivalent of \$81.4bn at end-April 2026, relative to LBP7,309.4tn (\$81.7bn) at mid-April 2026; while public sector deposits at BdL totaled LBP834,550.1bn at end-April 2026 compared to LBP829,984.8bn at mid-April 2026, LBP772,183.1bn at end-2025, and to LBP612,326.1bn at end-April 2025.

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



*month-on-month change

Source: Banque du Liban, Byblos Research



Number of airport passengers down 32.6% in first four months of 2026

Figures released by the Beirut-Rafic Hariri International Airport (HIA) show that 1.2 million passengers utilized the airport (arrivals, departures and transit) in the first four months of 2026, constituting decreases of 32.6% from 1.85 million passengers in the same period of 2025, of 30% from 1.78 million passengers in the first four months of 2024, and of 34.6% from 1.91 million passengers in the same period of 2023. Also, 151,146 passengers utilized the airport in April 2026, representing a rise of 8.6% from 139,194 in March 2026 and a drop of 74.6% from 594,846 passengers in April 2025.

The number of arriving passengers reached 567,979 in the first four months of 2026, as they dropped by 41% from 961,297 passengers in the same period of 2025, by 34.8% from 870,961 passengers in the first four months of 2024 and by 38.6% from 925,780 passengers in the same period of 2023. The number of arriving passengers stood at 72,393 in April 2026, representing an increase of 47.6% from 49,037 passengers in March 2026 and a contraction of 74.4% from 283,034 in April 2025.

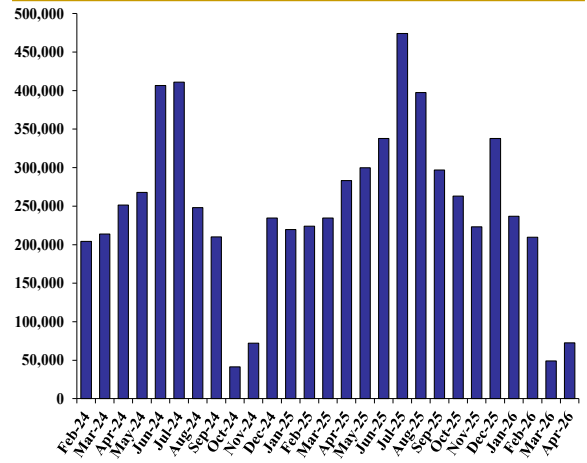
Further, the number of departing passengers totaled 677,325 in the first four months of 2026, constituting declines of 23.7% from 888,012 passengers in the same period of last year and of 25.7% from 911,548 passengers in the first four months of 2024 and of 30.7% from 976,747 passengers in the same period of 2023. Further, the number of departing passengers reached 78,735 in April 2026, as they dropped by 12.7% from 90,153 in March 2026 and by 74.7% from 311,735 departing passengers in April 2025.

In parallel, the airport's aircraft activity totaled 11,412 take-offs and landings in the first four months of 2026, representing decreases of 23.6% from 14,945 takeoffs and landings in the same period last year, of 24% from 15,008 takeoffs and landings in the first four months of 2024, and of 31.8% from 16,736 takeoffs and landings in the same period of 2023. Also, the airport's aircraft activity registered 1,348 take-offs and landings in April 2026, constituting declines of 6.5% from 1,441 take-offs and landings in March 2026 and of 70.3% from 4,539 takeoffs and landings in the same month last year.

In addition, the HIA processed 15,985 metric tons of freight in the first four months of 2026 that consisted of 11,398 tons of import freight and 4,587 tons of export freight. Also, the HIA processed 2,408 metric tons of freight in April 2026 that consisted of 1,686 tons of import freight and 722 tons of export freight, relative to 2,395 metric tons of freight in March 2026 that comprised of 1,771 tons of import freight and 624 tons of export freight, and to 5,278 metric tons of freight in April 2025 that consisted of 3,940 tons of import freight and 1,338 tons of export freight.

Moreover, National flag carrier Middle East Airlines (MEA) had 5,846 flights in the first four months of 2026 and accounted for 51.2% of the HIA's total aircraft activity in the covered period, while it had 1,045 flights in April 2026 that represented 77.5% of HIA's total aircraft activity during the month. Also, MEA processed 5,587 metric tons of freight in the first four months and accounted for 35% of the freight processed through the airport, while it processed 1,473 metric tons of freight in April 2026 and represented 61.2% of the freight processed through the airport in the covered period.

Number of Arriving Passengers



Source: Beirut-Rafic Hariri International Airport

Emergency IMF funding would support foreign currency liquidity and improve fiscal space

Moody's Ratings indicated that the escalation of hostilities between Lebanon and Israel this year constituted a sizeable negative shock to economic activity in the country, and exacerbated the already weak economic conditions. It said that industries with limited flexibility to relocate, such as agriculture, construction and manufacturing, which represented 16% of Lebanon's GDP in 2024, have been mainly affected through the displacement of workers, the destruction to land and capital, and additional logistics and supply chain disruptions. It added that the effects of the conflict, through the displacement of more than one million individuals and damage to infrastructure, have spread into service-providing industries, such as the education and healthcare sectors, which accounted for 19% of Lebanon's GDP in 2024. It also expected tourist arrivals to decline as a result of the conflict, which will reduce economic activity for other tourism-related sectors.

In addition, it said that the International Monetary Fund (IMF) noted that talks with Lebanon continue to progress, as bilateral negotiations have been underway and became more focused during the IMF's Spring meetings, and have centered on requests from the Lebanese authorities for up to \$1bn in rapid financing for budget support and for spending on humanitarian needs. Further, the agency considered that Lebanon would be able to recover from the economic and humanitarian fallout from the regional U.S.-Iran war and from the Israel-Hezbollah conflict if the ceasefire along the southern border holds and if the government secures a potential IMF financing package. However, it stated that the country remains trapped in a significantly adverse environment, and that it will keep the sovereign rating at 'C' in the absence of concrete progress on debt restructuring and a broader stabilization of the economy.

Further, it expected Lebanon's external balances to come under increasing pressure, as the conflict and broader regional tensions weigh on the country's balance of payments. It pointed out that the current account balance is highly dependent on the large bill for the import of goods, which is only partially offset by travel receipts and remittances inflows. It added that the Lebanese Diaspora exerts a significant impact on the current account balance through their movement into and out of Lebanon and through remittance inflows. But it indicated that weaker economic conditions or labor market disruptions in host countries, particularly in the Middle East, could undermine the flow of remittances to Lebanon. It estimated that the recent shock to oil prices adds further downside risks to the current account deficit through the increase of the oil imports bill and the rise in shipping costs.

As such, it noted that the Lebanese authorities will need to find alternative sources of financing to stabilize the balance of payments, given the emerging pressures. It considered that emergency funding from the IMF could support foreign currency liquidity, improve fiscal space for the government to deploy resources to address urgent social and humanitarian needs, and would signal the authorities' willingness to re-engage with international financial institutions.

Moreover, it said that Lebanon and the IMF reached a staff-level agreement for an Extended Fund Facility arrangement in 2022, but it noted that the IMF's Executive Board did not approve the program. It estimated that financing from the IMF would help mitigate the immediate effects of the conflict, but added that it would not solve the economy's deep-rooted structural weaknesses, including the unresolved sovereign default, the absence of a comprehensive debt restructuring, and persistent institutional and governance challenges. As such, it stated that a renewed IMF engagement will be marginally positive, and that a sustained improvement in Lebanon's credit profile depends on durable progress on structural reforms and on debt restructuring.



Egypt to rehabilitate Lebanon's gas pipeline

The Ministry of Energy and Water signed on May 6, 2026 an agreement with the Egyptian Ministry of Petroleum and Mineral Resources to repair and rehabilitate gas pipelines and infrastructure in Lebanon through the Egyptian petroleum sector, represented by the Technical Company for Gas Pipeline Operating Services (TGS), as part of ongoing efforts to upgrade and strengthen the country's energy sector. The ministry confirmed that maintaining gas pipelines is the first practical step in transitioning Lebanon's energy sector to gas production, which would lower production costs and reduce the negative impact on the environment. Also, The Egyptian Ministry of Petroleum and Mineral Resources explained that, under the agreement, TGS will rehabilitate nearly 30 kilometers of pipelines in the Lebanese territory that extend from the Syrian-Lebanese border to the Deir Ammar power plant in the North of the country, and upgrade pressure reduction and measurement stations along with their associated power plants. Also, it noted that the scope includes mechanical installations, updating Programmable Logic Controller (PLC) and Supervisory Control and Data Acquisition (SCADA) control systems, and conducting the necessary technical tests to ensure the high efficiency and reliability of operations when the pipeline becomes operational.

Lebanon signed on December 29, 2025 a Memorandum of Understanding with Egypt to import natural gas, in order to supply Lebanon's power plants with gas for electricity generation. The Ministry of Energy and Water said at the time that the government has decided to gradually shift the dependence of the energy sector from fuel oil to natural gas, given that natural gas is less costly, less harmful to the environment, and avoids the complexities of fuel oil tenders. It indicated that a foreign technical committee assessed in late 2025 the condition of the pipeline that extends from Aqaba in Jordan through Syria to the Deir Ammar power plant, as the Lebanese part of the pipeline has been inactive for years. It indicated that the assessment detailed the cost and the timeframe required to rehabilitate the Lebanese section of the pipeline, which the committee estimated at about three to four months and at a relatively limited cost. Also, it noted that similar assessments are under way on the Syrian side of the pipeline, and that Lebanon will contact donor agencies to explore funding options for rehabilitating the Lebanese portion of the pipeline. Further, the ministry stressed Lebanon's objective to diversify its sources of natural gas, whether through cooperation with Gulf Cooperation Council countries, via the International Finance Corporation, to establish new gas-fired power plants, or through the creation of a regasification terminal. Also, it indicated that the cooperation with Egypt could result in contracts to purchase natural gas to supply the Deir Ammar plant in a first phase, but it noted that this will take time due to the need to rehabilitate pipelines and coordinate with the Syrian side, as well as to conduct negotiations with Egypt, Jordan, and Syria.

Cash electronic transfers down 8% to \$3bn in 2025

Banque du Liban's (BdL) macroeconomic review for the second half of 2025 indicated that the total number of licensed banks in Lebanon stood at 57 at the end of 2025, unchanged from end-2024, and consisted of 45 commercial banks and 12 investment banks. Also, it said that the number of bank branches reached 619 at end-2025, constituting a decline of 14 branches from 633 branches at end-2024, and compared to 59 closures in 2024 and a peak of 111 closures in 2023. It added that the banking sector's workforce reached 12,684 at end-2025, representing a decrease of 2.2% from 12,972 employees at the end of June 2025.

In parallel, it noted that, since the outbreak of the economic crisis in 2019, Lebanon's financial system has shifted towards cash and digital financial services through electronic payment service providers (EPSPs), as individuals and businesses have increasingly relied on electronic operations and e-wallets amid limited access to traditional banking services. It indicated that there were 25 EPSPs operating in Lebanon at end-2025, unchanged from June 2025, while the number of point-of-sales (PoS), including automated teller machines (ATMs) and cash kiosks, stood at 4,836 PoS at end-2025, representing an increase of 22.3% from 3,955 PoS a year earlier. It added that there were 19 active electronic wallet institutions at the end of 2025 compared to 12 such institutions at end-2024.

Further, it pointed out that cash electronic transfers (CET) conducted through EPSPs amounted to \$3bn in 2025, constituting a decrease of 8.4% from \$3.275bn in 2024, as inflows reached \$2.5bn and outflows stood at \$501m last year. It said that CET inflows, or the wiring of incoming cash to Lebanon through EPSPs, totaled \$2.5bn in 2025, representing a decline of 11.6% from \$2.8bn in 2024. It estimated that CET inflows increased from the equivalent of 2.3% of GDP in 2019 to about 7.6% of GDP in 2025. It noted that remittance inflows accounted for 63.1% of cross-border CET transactions in 2025, down from 70% in 2024, and remained the primary component of these flows. In comparison, it said that outflows through CET transactions grew from \$475m in 2024 to \$501m in 2025 and accounted for 16.9% of total cross-border CET transactions, with workers' remittances representing 68.9% of CET outflows in 2025, down from 73.8% in 2024. As a result, it indicated that net CET inflows stood at \$2bn in 2025 and decreased by 15% from \$2.3bn in 2024.

In parallel, BdL indicated that total internal CET transactions amounted to \$2.2bn in 2025, constituting a decrease of 17.6% from \$2.7bn in 2024, and representing 6.7% of GDP in 2025 compared to 3.4% of GDP in 2019, reflecting a sustained reliance on domestic money transfer services. Also, it stated that the aggregate internal collections of payments of transactions through cash and banks declined from \$441.7m in 2024 to \$466.9m in 2025, while the amount of cash-based payments increased from \$179.3m in 2024 to \$236.4m in 2025. It noted that the share of payments relative to total collections rose from 38.4% in 2024 to 53.5% in 2025, indicating faster settlement by CET.

Nearly 19% of Lebanese expected to face food insecurity by August 2026

In a comprehensive analysis of the level of food insecurity in Lebanon, the United Nations' World Food Program (WFP) and the Food and Agriculture Organization (FAO), along with the Ministry of Agriculture, considered that the drastic escalation of the conflict between Israel and Hezbollah and the widespread population displacement that began in early March 2026, have had a significant impact on food security condition in the country. It attributed the decline in food security primarily to disruptions to livelihoods and income opportunities, localized market instability in conflict-affected areas, rising food and fuel prices, and an expected reduction in humanitarian food assistance coverage.

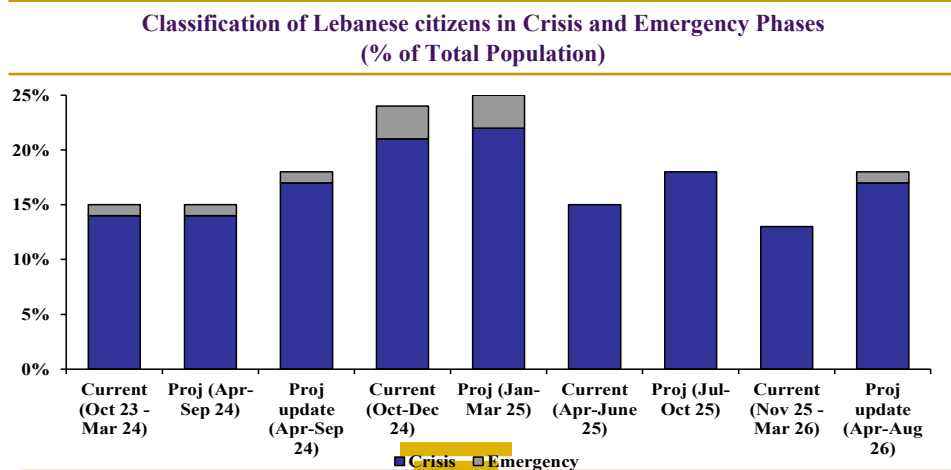
The WFP and the FAO said the results are based on the classification of Lebanese residents, as well as of Syrian and Palestinian refugees, in five levels of food insecurity that are “Minimal/None”, “Stressed”, “Crisis”, “Emergency”, and “Catastrophe/Famine”. It added that the categories reflect a household's ability to meet its basic food needs without external assistance, based on the Integrated Food Security Phase Classification (IPC). It noted that the IPC is a set of tools and procedures to classify the severity and characteristics of food and nutrition crises based on international standards. It noted that the analysis aims to inform emergency response, as well as medium and long-term food security policy and programming.

The WFP/FAO estimated that about 1.24 million persons residing in Lebanon who consist of Lebanese residents, displaced Syrians, Palestinian refugees, and Syrians who arrived in Lebanon after December 2024, or the equivalent of 24% of the analyzed population in Lebanon, will be in the "Crisis" and "Emergency" phases between April and August 2026.

It expected a total of 1.14 million individuals to be in the "Crisis" phase, and for 101,145 persons to be in the "Emergency" stage during the covered period. Also, it forecast 725,195 Lebanese citizens, or 18.8% of the Lebanese resident population; 362,374 displaced Syrians, or 36.2% of the total number of displaced Syrians in Lebanon; 104,182 Palestinian refugees, or 45% of the number of Palestinians in Lebanon; and 49,964 Syrians who arrived in Lebanon after December 2024, or 52% of this segment, to be in the "Crisis" and "Emergency" phases in the covered period.

Further, it anticipated that 670,869 Lebanese citizens, or 17.4% of the Lebanese resident population; 336,717 displaced Syrians (33.7% of displaced Syrians in the country); 92,606 Palestinian refugees (40% of Palestinian refugees in Lebanon); and 40,378 arrivals from Syria (42% of the post 2024 arrivals from Syria) will be in the "Crisis" phase. It also expected that 54,326 Lebanese residents, or 1.4% of the Lebanese population; 25,657 displaced Syrians, or 2.6% of the aggregate displaced Syrians in Lebanon; 11,576 Palestinian refugees, or 5% of Palestinian refugees in the country; and 9,586 Syrians who arrived in Lebanon after December 2024, or 10% of this segment, will be in the "Emergency" stage between April and August 2026.

Also, it forecast that 161,080 individuals, or 13% of the Lebanese population in the Baalbeck & El Hermel areas will be in the "Crisis" and "Emergency" phases between April and August 2026, followed by 12% of the Akkar district inhabitants (149,154 individuals), 8.8% of Beirut residents (109,690 persons), 8% of the Chouf & Jezzine area (99,328 persons), nearly 8% of the Saida population (98,848 people), 7.7% of Zahlé residents (95,591 individuals), 7.1% of the Aley population (88,583 people), 6% of the residents of the Baabda district (74,252), 4% of the population of the El Minnieh-Dennié region (48,152 individuals), 3.5% of Tripoli residents (43,645 persons), 2.8% of the population of the West Bekaa area (35,319 individuals), 2.77% of the residents of Metn district (34,438 people), 2.1% of the Jbeil & Keserwan population (25,597 persons), 1.5% of the Tyre population (18,574 persons), 1.2% of the Batroun & El Koura residents (14,495 individuals), 1.1% of the population of the Hasbaya & Rachaya region (13,778 persons), 1% of the Nabatieh residents (11,946 individuals), 0.7% of the population of the Bcharré & Zgharta area (8,802 individuals), and 0.5% of the Bint Jbeil & Marjaayoun region with 6,261 people (0.5%).



Source: Food and Agriculture Organization, United Nations' World Food Program, Ministry of Agriculture

Money supply down 14.6% in 12 months ending April 23, 2026

Figures released by Banque du Liban (BdL) show that money supply M1, which includes currency in circulation and demand deposits in Lebanese pounds, reached LBP100,280.5bn on April 23, 2026, constituting an increase of 1.3% from LBP98,962.2bn on April 16, 2026 and a decrease of 14.6% from LBP117,396bn on April 23, 2025. M1 expanded by LBP1,318.3bn during the week ending April 23, 2026 due to an increase of LBP1,579.4bn in demand deposits and a decrease of LBP261.2bn in currency in circulation.

In addition, money supply M2, which includes M1 and term deposits in Lebanese pounds, totaled LBP137,412.2bn on April 23, 2026, representing an increase of LBP905bn, or of 0.7%, from LBP136,507.2bn on April 16, 2026 and a decrease of 11.8% from LBP155,758.1bn a year earlier. Money supply M2 contracted by LBP18,346bn year-on-year.

Further, broad money supply M3, which includes M2, deposits in foreign currency and debt securities issued by the banking sector, reached LBP5,902.6 trillion (tn) on April 23, 2026, and regressed by LBP8,451.4bn, or by 0.1%, during the week ending April 16, 2026, while it contracted by 5% from LBP6,212.7tn a year earlier. Also, BdL indicated that deposits denominated in foreign currency declined by \$104.5m in the week ending April 23, 2026.

Also, money supply M4, which includes M3 and Treasury bills held by the non-banking system, including accrued interest, stood at LBP5,906.8tn on April 23, 2026, constituting a decrease of LBP8,456.9bn (-0.1%) from LBP5,915.3tn a week earlier and a decline of 5% from LBP6,220.6tn on April 23, 2025. BdL stated that the Treasury bills portfolio held by the non-banking sector decreased by LBP5.51bn during the week ending April 23, 2026.

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.

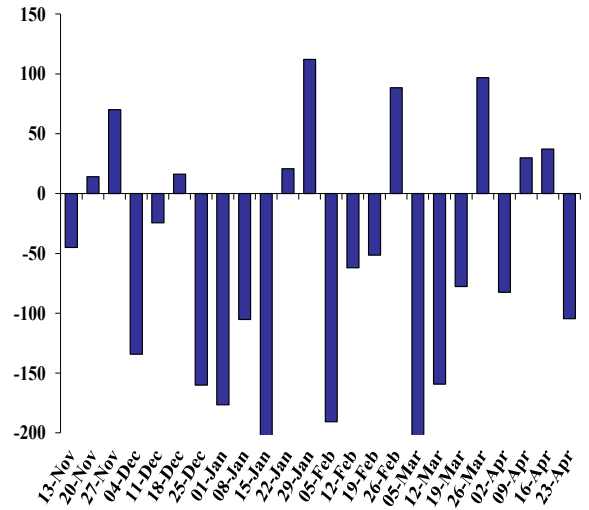
Banque du Liban mandates banks to conduct credit assessments for bank guarantees

Banque du Liban (BdL) issued Intermediate Circular 759/13813 dated May 4, 2026 addressed to banks and financial institutions that modifies Basic Circular 81/7776 of February 21, 2001 about Operations related to Credit, Investment, Shareholding, and Participation.

The circular mandates banks to conduct thorough credit assessments whenever they extend or renew bank guarantees in "fresh funds", provided that these guarantees are backed by collateral in "fresh funds" of no less than 20% of the amount of the guarantee. It gave banks that are not in compliance with the provisions of this Decision until July 31, 2026 to adjust their position accordingly. Also, the circular stipulates that this decision goes into effect upon its issuance.

Previously, BdL issued Intermediate Circular 723/13686 dated January 13, 2025 addressed to banks and financial institutions that modified Basic Circular 81/7776 of February 21, 2001 about Operations related to Credit, Investment, Shareholding, and Participation. The circular prohibited banks and financial institutions operating in Lebanon from extending to their clients loans or new facilities of any kind in US dollars, other than from "fresh funds" as defined in Basic Circular 165/13548 dated April 19, 2023, which authorized the settlement operations for "fresh funds" through its national payment system. Basic Circular 81/7776 defines retail loans as all consumer loans, including car loans, student loans, education loans, and other consumer loans; housing loans; and evolving credits such as credit cards; as well as loans granted only for consumption or personal purposes and not for professional or commercial reasons.

Weekly Change in Foreign Currency Deposits (USM)



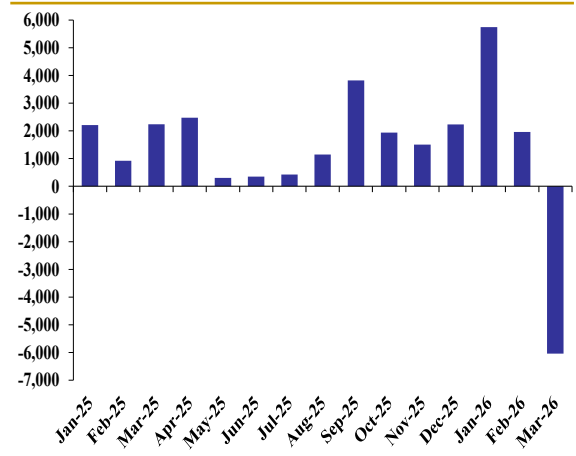
Source: Banque du Liban, Byblos Research



Net foreign assets of financial sector up \$1.7bn in first quarter of 2026

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 \$1.67bn in the first quarter of 2026, compared to increases of \$5.37bn in the same period of 2025 and of \$1.6bn in the first quarter of 2024. The cumulative surplus in the first two months of 2026 was caused by increases of \$1.4bn in the net foreign assets of BdL and of \$275.4m in those of banks and financial institutions. Further, the net foreign assets of the financial sector decreased by \$6.04bn in March 2026 compared to a rise of \$1.96bn in February 2026 and to an increase of \$2.24bn in March 2025. The March decline was caused by decreases of \$5.97bn in the net foreign assets of BdL and of \$70m in those of banks and financial institutions. According to BdL figures, the cumulative rise in BdL's net foreign assets in the first quarter of 2026 is due mainly to increases of \$1.75bn in the value of BdL's gold reserves and of \$1.28bn in foreign securities, which outpaced the decrease of \$1.64m in its foreign currency reserves during the covered period. BdL's foreign assets include gold reserves, foreign currency reserves and foreign securities.

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



Source: Banque du Liban, Byblos Research

Also, the rise in the net foreign assets of banks in the covered period is mostly due to an uptick of \$15.2m in claims on non-resident customers and a decrease of \$126.8m in non-resident customer deposits, which were offset by an increase of \$42.7m in the deposits of the non-resident financial sector and a decline of \$227.3m in the banks' claims on the non-resident financial sector.

In parallel, when excluding the change in the value of BdL's gold reserves, the net foreign assets of the financial sector decreased by \$80.2m in the first quarter of 2026 compared to an increase of \$1.13bn in the same quarter last year.

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.

Banque du Liban reduces banks' capital conservation buffer temporarily

Banque du Liban (BdL) issued Intermediate Circular 760/13814 dated May 4, 2026 addressed to banks and auditors that modified Basic Circular 44/6939 of March 25, 1998 about the Capital Adequacy Regulatory Framework of Banks Operating in Lebanon.

The circular stipulates that, on an exceptional and temporary basis, and contrary to the terms of Article 4 of Basic Circular 44/6939, banks may reduce their Capital Conservation Buffer to less than the required rate of 2.5% for 2023, 2024, 2025 and 2026, and mandated them to gradually bridge the gap in order to once again reach the 2.5% threshold in accordance with BdL's instructions that it will issue at a later stage. Also, it states that the circular goes into effect upon its issuance.

Previously, BdL issued Intermediate Circular 740/13746 dated August 29, 2025 addressed to banks, financial institutions and auditors that modified Basic Circular 44/6939 dated March 25, 1998 about the Capital Adequacy Regulatory Framework of Banks Operating in Lebanon. First, the circular stipulated that, on an exceptional basis, and contrary to the terms of Article 10 of Basic Circular 44/6939, banks and financial institutions can reduce their "Capital Conservation Buffer" below the required rate of 2.5% for 2023, 2024 and 2025, and mandated them to gradually bridge the gap in order to once again reach the 2.5% threshold in accordance with BdL's instructions at a later time.

Second, it stated that BdL temporarily suspended the implementation of the provisions of Article 11 bis of the circular until further notice. Article 11 bis indicated that, when calculating the solvability ratios, banks are required to compare the available provisions balance in the on-balance sheet financial assets and off-balance sheet financial liabilities that carry credit risk, with the expected losses calculated systematically. It said that, in the event of a negative difference between the balance of available provisions and the systematically calculated expected losses, the difference should be deducted from the Common Equity Tier One capital.

Third, it stipulated that banks operating in Lebanon must disclose to the Banking Control Commission of Lebanon and to the Statistics and Economic Research Department at BdL, on a quarterly basis, the solvability ratios of their balance sheet at the end of March, June, September, and December of each year, on a **standalone** and on a consolidated basis, at the highest level of integration where applicable.



Government amends family and education allowances

The government issued Decree No. 2923 dated April 24, 2026 that modifies the ceiling for the calculation of the Family and Education Allowances contributions to the National Social Security Fund (NSSF), and amended the amount of family allowances and their distribution among the spouse and children. The decision covers the maximum income ceiling subject to deductions and the amount and distribution of family allowances paid out to employees.

Article 1 amends the ceiling for the calculation of the Family and Education Allowances contributions to LBP28m per month.

Article 2 sets the monthly amount of family allowances at a maximum of LBP7.875m that consist of LBP2.1m for the spouse and LBP1.155m for each child for up to five children.

Article 3 amends the monthly ceiling of family allowances for public drivers who drive their own vehicles to LBP4.55m that consist of LBP1.75m for the spouse and LBP560,000 for each child for up to five children. Article 4 stipulates that the decree goes into effect in May 2026 following its publication in the Official Gazette on April 30, 2026.

In addition, the NSSF issued Memo No. 831 dated May 4, 2026 that amends, effective May 1, 2026, the family allowances contributions for public drivers who do not drive their own cars, as well as for newspaper and magazine vendors, to LBP1.68m per month and LBP56,000 per day.

Previously, the NSSF issued on April 24, 2024 Memo 754 related to the application of Government Decree no. 13164 of Government Decree no. 12962 dated February 12, 2024, and of other decrees and laws related to contributions to the NSSF. The memo amended the ceiling of the contributions to the Sickness & Maternity category of the NSSF to LBP90m per month.

It amended the monthly contribution for public drivers who drive their own car to LBP3.51m that consist of LBP1.53m for end-of-service indemnities, and of LBP990,000 for the contributions to each of the Family Allowances and Sickness and Maternity categories, relative to the government's contributions of LBP1.7m for the Family Allowances and of LBP2.25m for the Sickness and Maternity categories. It also amended the daily contribution for public drivers who drive their own car to LBP117,000 that consist of LBP51,000 for end-of-service indemnities, and of LBP33,000 for each of the contributions to the Family Allowances and Sickness and Maternity categories, relative to the government's contributions of LBP39,000 for the Family Allowances and of LBP75,000 for the Sickness and Maternity categories. In parallel, it raised the monthly contribution for public drivers who do not drive their own cars to LBP7.02m that consist of LBP3.06m for end-of-service indemnities, LBP720,000 for the Family Allowances and LBP3.24m for the Sickness and Maternity categories, and the daily contributions for public drivers who do not own their own cars to LBP102,000 for end-of-service indemnities, and to LBP24,000 for the Family Allowances and LBP108,000 to the Sickness and Maternity segments. Also, it raised the monthly contributions of newspaper and magazine sellers to LBP3.06m for end-of-service indemnities, and to LBP720,000 for the Family Allowances and LBP3.24m for the Sickness and Maternity categories, as well as the daily contribution to LBP102,000 for end-of-service indemnities, and to LBP24,000 for the Family Allowances and LBP108,000 for the Sickness and Maternity categories.

Further, the Council of Ministers approved Decree No. 12599 on November 16, 2023, which modified the contributions to the Family Allowances category at the NSSF and its distribution among the spouse and children. The decree stipulated that the NSSF raised the ceiling for the calculation of the Family Allowances contributions to LBP2.25m that consist of LBP600,000 for the spouse and LBP330,000 for each child for up to five children. Also, it said that it raised the ceiling for the calculation of the Family Allowances contributions for public drivers who drive their own car by LBP1.3m that consist of LBP500,000 for the spouse and LBP160,000 for each child up to five children. As such, it raised the ceiling for the calculation of the Family Allowances contributions from LBP3.425m to LBP5.675m for workers and from LBP3.425m to LBP4.725m for public drivers.

Also, the NSSF issued on October 25, 2022 Memo 694 related to the application of Government Decree no. 10958 that raised the ceiling for the Sickness & Maternity contributions from LBP5m to LBP5.6m, and the ceiling for the Family allowances contributions from LBP2.825m to LBP3.425m.



Agriculture sector suffers \$586m in damages and foregone output during 2023-24 conflict

An assessment by the National Council for Scientific Research (CNRS) of physical damage and environmental destruction resulting from the Israeli war on Lebanon between October 2023 and December 2024 indicated that the agricultural sector suffered damages estimated at \$118m to physical assets such as crops, livestock facilities, forestry resources, fisheries, and aquaculture infrastructure. It noted that, when including foregone production, disrupted harvests, and reduced yields, the losses reach \$586m. It pointed out that crop losses were particularly significant in high-value perennial systems, including olives with \$247m, citrus with \$107m, and tobacco with \$46m in combined damages and losses. It added that a total of 2,154 hectares (ha) of orchards were burnt during the war, including 814 ha of olive groves and 637 ha of citrus plantations. It indicated that these losses were driven by extensive field damage and were mainly concentrated in the Nabatieh and South governorates.

It said that the Nabatieh governorate suffered \$335m in combined agricultural damages and losses, with significant losses from forest fires. It noted that the South governorate endured \$323m in agricultural damages and losses due to the destruction of orchards, especially of olive trees, citrus trees and bananas trees, as well as due to heavy damage to the coastal fishing infrastructure and to ports. It pointed out that the Bekaa and the Baalbek-Hermel regions experienced more moderate damage compared to the South, with losses in livestock, aquaculture, and irrigation infrastructure, along with the localized destruction of greenhouses and crop irrigation systems, which affected seasonal and perennial production.

In addition, it indicated that the forestry sector in affected areas suffered significant damage, with fires causing the loss of \$6m to forest resources such as pine nut production and firewood. It added that the burning of nearly 5,000 ha of trees led to the disappearance of vital ecosystem services, including soil protection, biodiversity habitats, and regulation of the local climate.

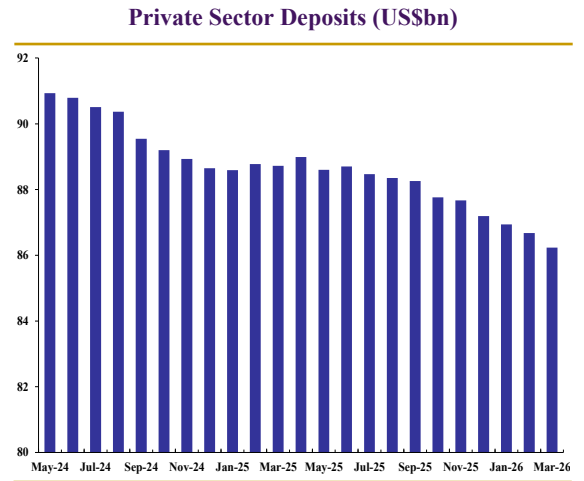
Further, it pointed out that, in the fisheries sector, 26 vessels were affected with 15 partially damaged and 11 completely destroyed, while an eight-month suspension of fishing in Naqoura and shorter suspensions across multiple ports resulted in a 14% to 16% reduction in national catch, with fisheries landings declining by 390 tons. It added that the aquaculture industry suffered heavily with the destruction of 14 fish farms leading to the loss of about 370 tons of production, mainly in the Bekaa, the Baalbek-Hermel, and the South governorates. It estimated the direct losses of the fisheries and aquaculture industry at \$4m and the direct damages at \$0.7m.

In parallel, it stated that recent laboratory analyses of soils in South Lebanon and the Bekaa have revealed significant contamination hotspots, with phosphorus concentrations reaching up to 1,858 parts per million of soil. It said that chromium levels exceeded safety thresholds in 45% of samples, with 59% of the samples classified as having “very high” chromium levels. Also, it noted that parallel air quality monitoring in Beirut’s southern suburbs recorded peaks of up to 65 µg/m³, surpassing the World Health Organization guideline of 15 µg/m³. It pointed out that laboratory analyses revealed the presence of heavy metals in the air, including nickel, vanadium, copper, zinc and lead in particulate matter, which is consistent with combustion residues from bombardment and the collapse of infrastructure.

Moreover, it noted that the Post-War Environmental Recovery framework that the Ministry of Environment developed in collaboration with the CNRS is structured around two complementary layers that consist of the Core Ecological Envelope of \$299m, which focuses on restoring natural systems and rebuilding environmental monitoring capacity, as well as the Debris Management Envelope estimated at \$145m, which addresses the operational removal and management of war-generated rubble.

Private sector deposits at \$86.2bn at end-March 2026

The consolidated balance sheet of commercial banks operating in Lebanon shows that total assets stood at LBP9,010.7 trillion (tn), or the equivalent of \$100.7bn, at the end of March 2026, compared to LBP9,156.1tn (\$102.3bn) at end-2025 and to LBP9,188.3tn (\$102.7bn) at end-March 2025. Loans extended to the private sector totaled LBP468.5tn at the end of March 2026, with loans to the resident private sector reaching LBP384.3tn and credit to the non-resident private sector amounting to LBP84.2tn at the end of the month. Loans extended to the private sector in Lebanese pounds reached LBP11tn and increased by 5.3% from LBP10.42tn at the end of 2025, while loans in foreign currency totaled \$5.11bn at end-March 2026 and grew by 0.6% from \$5.08bn at end-2025. 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.



Source: Banque du Liban, Byblos Research

In nominal terms, credit to the private sector in Lebanese pounds increased by LBP556.4bn in the first quarter of 2026 and decreased by LBP342.3bn from end-March 2025; while lending to the private sector in foreign currency improved by \$29.2m in the covered quarter and regressed by \$412.6m from end-March 2025. Further, loans extended to the private sector in Lebanese pounds contracted by LBP16.58tn (-60.2%) and loans denominated in foreign currency dropped by \$36bn (-87.6%) since the start of 2019. The dollarization rate of private sector loans was 97.66% at end-March 2026 compared to 97.76% at end-March 2025. The average lending rate in Lebanese pounds was 9.8% in March 2026 compared to 6.41% a year earlier, while the same rate in US dollars was 4.78% relative to 4.11% in March 2025. Also, according to BdL, total loans and advances in "fresh" dollars stood at \$794m at the end of 2025 compared to a peak of \$816m at end-November 2025.

In addition, claims on non-resident financial institutions reached \$5.17bn at end-March 2026, constituting a decrease of \$227.3m (-4.2%) in the first quarter of the year and an increase of \$90.2m (+1.8%) from end-March 2025. Also, claims on non-resident financial institutions dropped by \$3.97bn (-43.5%) from end-August 2019 and by \$6.82bn (-57%) since the start of 2019. Further, deposits at foreign central banks totaled \$928.5m at end-March 2026, increasing by \$357.9m (+62.7%) in the covered quarter and by \$316.4m (+51.7%) from a year earlier. Also, cash in vault in Lebanese pounds stood at LBP6,391.4bn compared to LBP6,297.8bn at end-2025 and to LBP8,682.2bn at end-March 2025. In addition, the banks' claims on the public sector amounted to LBP201.3tn at end-March 2026, representing decreases of 7.4% from LBP217.3tn at end-2025 and of 7.2% from LBP216.9tn end-March 2025. Also, the banks' holdings of Lebanese Treasury bills totaled LBP7.4tn, while their holdings of Lebanese Eurobonds stood at \$2.16bn net of provisions at end-March 2026 relative to \$2.31bn a year earlier. Further, the placements of commercial banks at BdL reached LBP6,824.6tn at end-March 2026, or \$76.25bn, compared to LBP6,928.5tn (\$77.4bn) at end-2025.

In parallel, private sector deposits totaled LBP7,717.8tn, or \$86.2bn, at the end of March 2026. Deposits in Lebanese pounds reached LBP85.4tn at end-March 2026, as they grew by 0.5% from end-2025 and surged by 9.6% from a year earlier; while deposits in foreign currency stood at \$85.3bn and regressed by 1.1% in the covered quarter and by 3% from end-March 2025. Resident deposits accounted for 75.3% and non-resident deposits represented 24.7% of total private sector deposits at end-March 2026. According to BdL, private sector deposits include \$5bn in "fresh" funds as at the end of November 2025, with \$3.2bn consisting of eligible funds under BdL circulars 158 and 166.

In addition, private sector deposits in Lebanese pounds decreased by LBP431.7bn and foreign currency deposits declined by \$962m in the first quarter of 2026, while private sector deposits in Lebanese pounds grew by LBP7,488.9bn and foreign currency deposits dropped by \$2.57bn from a year earlier. Also, aggregate private sector deposits in Lebanese pounds increased by LBP12,600.1bn (+17.3%) and foreign currency deposits declined by \$39bn (-31.4%) from the end of August 2019; while total private sector deposits in Lebanese pounds grew by LBP8,207.2bn (+10.6%) and foreign currency deposits dropped by \$37.8bn (-30.7%) since the start of 2019. The dollarization rate of private sector deposits regressed from 99% at the end of March 2025 to 98.9% at the end of March 2026.

Further, the liabilities of non-resident financial institutions reached \$2.27bn at the end of March 2026, as they increased by 2% from \$2.23bn at end-2025 and decreased by 12% from \$2.58bn at end-March 2025. Also, the average deposit rate in Lebanese pounds was 3.66% in March 2026 compared to 2% a year earlier, while the same rate in US dollars was 0.1% in March 2026, unchanged from March 2025. In addition, the banks' aggregate capital base stood at LBP418.7tn (\$4.68bn) at end-March 2026 compared to LBP440.5tn (\$4.92bn) at the end of 2025 and to LBP406.3tn (\$4.54bn) at end-March 2025.

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