

LEBANON THIS WEEK

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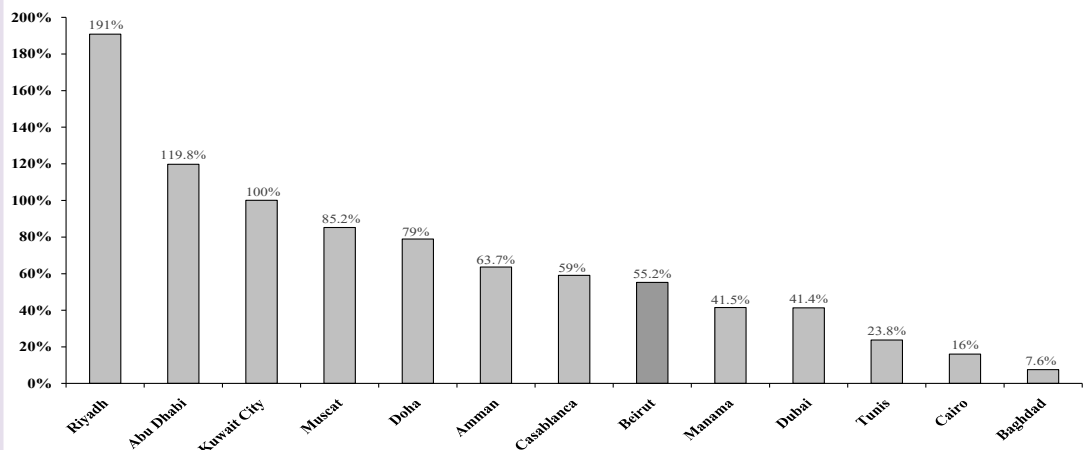
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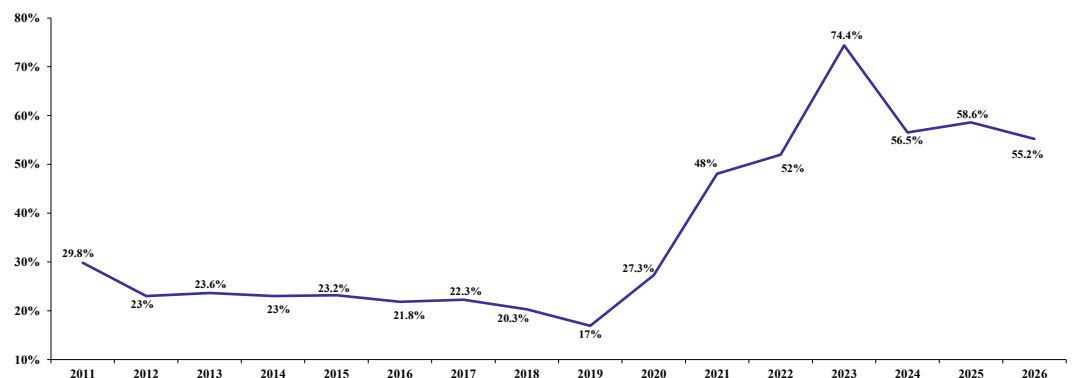
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Chart of the Week

Stock Market Capitalization of Select Arab Markets at end-April 2026 (in % of projected GDP for 2026)



Stock Market Capitalization of the Beirut Stock Exchange (in % of GDP)*



*at the end of April of each year

Source: Arab Federation of Capital Markets, Institute of International Finance, International Monetary Fund, National Accounts, Byblos Bank

Quote to Note

"The rapid and definitive adoption of this framework law is highly anticipated by the international community, as it will allow, on one hand, to advance discussions for the adoption of a program with the International Monetary Fund and, on the other hand, to concretely initiate the restructuring process of the banking sector in Lebanon."

France's Regional Economic Service, on the need for the Lebanese Parliament to amend and enact the Law of the Reform and Restructuring of Banks in Lebanon

Number of the Week

\$28.8bn: Increase in the value of Banque du Liban's gold reserves between the end of 2019 and the end of April 2026

Lebanon in the News

| \$m (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 |

| \$m (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 % |
|----------------------------|-----------------|-----------|--------------|---------------------------------|---------------------|----------|-------------------|-------------|
| Audi GDR | 2.18 | (11.0) | 50,000 | 1.5% | Nov 2026 | 6.60 | 25.88 | 529.74 |
| BLOM GDR | 6.30 | 14.5 | 21,000 | 2.6% | Mar 2027 | 6.85 | 25.88 | 245.31 |
| Solidere "A" | 70.00 | (4.1) | 15,223 | 39.0% | Nov 2028 | 6.65 | 25.88 | 63.38 |
| Audi Listed | 1.89 | (7.8) | 10,000 | 6.2% | Feb 2030 | 6.65 | 25.88 | 39.28 |
| BLOM Listed | 7.00 | (2.8) | 2,000 | 8.4% | Apr 2031 | 7.00 | 25.88 | 29.42 |
| Solidere "B" | 70.00 | (0.1) | 1,557 | 25.3% | May 2033 | 8.20 | 25.88 | 20.29 |
| Ciments Libanais | 62.00 | (0.1) | 400 | 6.7% | May 2034 | 8.25 | 25.88 | 17.65 |
| Byblos Common | 0.84 | 0.0 | - | 2.6% | Jul 2035 | 12.00 | 25.88 | 15.27 |
| Byblos Pref. 09 | 29.99 | 0.0 | - | 0.3% | Nov 2035 | 7.05 | 25.88 | 14.83 |
| Byblos Pref. 08 | 25.00 | 0.0 | - | 0.3% | Mar 2037 | 7.25 | 25.88 | 12.86 |

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

Source: LSEG Workspace

| | May 11-15 | May 4-8 | % Change | April 2026 | April 2025 | % Change |
|------------------------------|-------------|-------------|----------|------------|------------|----------|
| Total shares traded | 100,180 | 56,540 | 77.2 | 326,058 | 1,888,985 | (82.7) |
| Total value traded | \$1,496,164 | \$3,020,824 | (50.5) | 17,486,079 | 11,875,516 | 47.2 |
| Market capitalization | 17.97 | 18.38 | (2.3) | 18.44 | 21.15 | (12.8) |

Source: Beirut Stock Exchange (BSE)



Renewable energy capacity reaches 1,797 MW at end-2025, grows by 21% during 2016-25 period

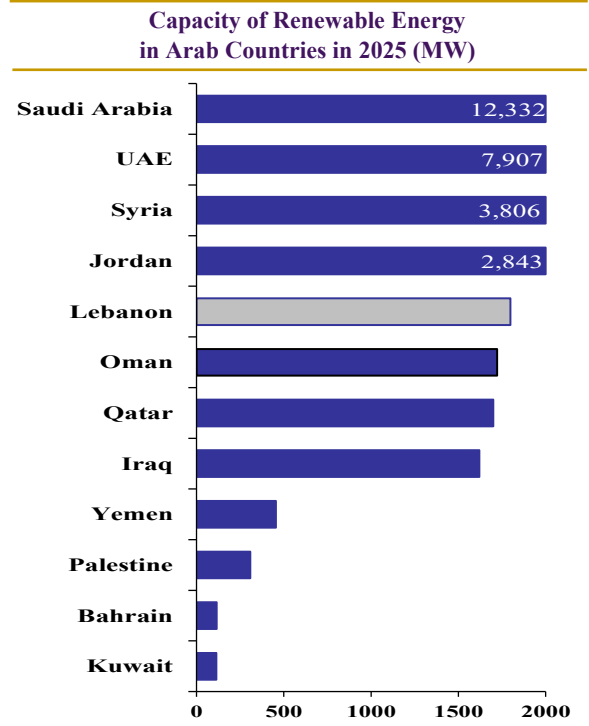
The International Renewable Energy Agency (IRENA) indicated that the aggregate capacity of renewable energy in Lebanon reached 1,797 megawatts (MW) in 2025, relative to a capacity of 1,373 MW in 2024 and to a capacity of 318 MW in 2016, which constitutes a compound annual growth rate (CAGR) of 21% during the 2016-25 period. In comparison, the capacity for renewable energy grew by a CAGR of 25% in the Arab world and by 11% globally during the covered period. It said that renewable energy accounted for 39.3% of total electricity capacity in Lebanon in 2025 compared to 33.1% in 2024 and to 8.7% in 2016. It added that renewable energy represented 49.4% of total power capacity worldwide in 2025 relative to 46.3% in 2024 and 30.8% in 2016, while renewable energy accounted for 14.3% total power capacity in the Middle East in 2025 compared to 11.7% in 2024 and 5.5% in 2016. The IRENA defines renewable energy capacity as the maximum net generating capacity of power plants and other installations that use renewable energy sources to produce electricity.

The survey ranked Lebanon in fifth place among 12 Arab countries in terms of total renewable energy capacity in 2025. In comparison, Lebanon came in sixth place regionally in 2024, while it ranked in fourth place in the Arab world in 2016. It noted that Lebanon's total installed renewable energy power capacity trailed only Saudi Arabia with 12,332 MW, the UAE with 7,907 MW, Syria with 3,806 MW, and Jordan with 2,843 MW among 12 Arab countries with available data. Also, Lebanon's share of renewable energy accounted for 5.2% of total renewable power capacity among Arab economies in 2025, for 5.5% of global renewable energy capacity in 2024 and for 6.4% of total renewable power capacity among Arab economies in 2016.

Further, the distribution of renewable energy capacity in the country shows that the installed solar power capacity in Lebanon consisted of 1,505 MW or 83.8% of the total renewable energy capacity in Lebanon in 2025, followed by 282 MW from hydropower sources (15.7%), 7 MW from biogas (0.4%), and 3 MW from wind energy (0.2%). In comparison, it noted that the installed capacity in the country consisted of 1,081 MW in solar power, 282 MW in hydropower sources, 7 MW in biogas, and 3 MW in wind energy in 2024; relative to 282 MW in hydropower sources, 24 MW in solar power, 9 MW in biogas and 3 MW in wind energy in 2016. Also, the renewable energy capacity from solar energy in Lebanon increased by a CAGR of 52% and the capacity from biogas regressed by a CAGR of 2.7% in the 2016-25 period. The other categories did not record any growth, as their figures remained unchanged between 2016 and 2025.

In parallel, Lebanon ranked in seventh place in the Arab world in terms of renewable energy capacity from solar energy in 2025. The survey shows that the installed capacity from solar energy in Lebanon trailed Saudi Arabia (11,932 MW), the UAE (7,525 MW), Syria (2,249 MW), Jordan (2,195 MW), Qatar (1,680 MW) and Oman (1,672 MW) among 12 Arab countries with available data. As such, Lebanon accounted for 5.1% of the total power production capacity from solar energy in Arab countries and for 0.06% of worldwide capacity in 2025. Also, Lebanon came in third place among Arab economies in terms of installed capacity from hydropower sources in 2025. The output capacity from hydropower sources in the country came ahead of the UAE (250 MW) and Jordan (4 MW), and trailed Iraq (1,797 MW) and Syria (1,545 MW) among four Arab countries with available data. Lebanon accounted for 7.3% of total hydropower production capacity in the Arab world and for 0.02% of global capacity last year.

In addition, Lebanon ranked in third place among Arab economies in terms of installed capacity from biogas in 2025. The installed capacity from biogas in Lebanon was similar to that of Syria, preceded Qatar (4 MW) and trailed Jordan (13 MW) and the UAE (10 MW) among four Arab countries with available data. Lebanon accounted for 17.1% of total power production capacity from biogas among Arab countries and for 0.03% of global capacity in 2025. Finally, Lebanon came in seventh place in the Arab world in terms of installed capacity from wind energy sources in 2025. The agency noted that the installed capacity from wind energy in the country was similar to that of Bahrain, while it trailed Jordan (631 MW), Saudi Arabia (400 MW), the UAE (110 MW), Oman (50 MW), Kuwait (12 MW), and Syria (5 MW) among seven Arab countries with available data. Lebanon accounted for 0.2% of installed wind energy production among Arab economies and for 0.0002% of the world's capacity last year.



Source: IRENA, Byblos Research

Purchasing Managers' Index improves slightly in April 2026

The BLOM Lebanon Purchasing Managers' Index (PMI), an indicator of operating conditions in Lebanon's private sector, stood at 48.2 in April 2026 compared to 47.4 in March 2026 and to 49 in April 2025, and was higher than the PMI's trend monthly average of 47.1 since the index's inception in May 2013.

Further, the PMI's score in April 2026 came lower than the average scores of 50 in 2025, but was higher than the average scores of 48.1 in 2024. Further, the PMI posted an average score of 49.2 in the first four months of 2026, relative to 49.4 in the same period of 2025, to 49.2 in the first four months of 2024 and to 48.9 in the same period of 2023.

The PMI's outcome in April 2026 reflects a marginal improvement in private sector activity from the preceding month. But the index remained below the 50-mark in April, driven by decreases in new orders and activity levels in the covered month, as the war in the Middle East that engulfed Lebanon continued to weigh on business activity and on demand. A score that exceeds 50 signals positive business activity, while a score that is lower than 50 shows a deterioration in activity.

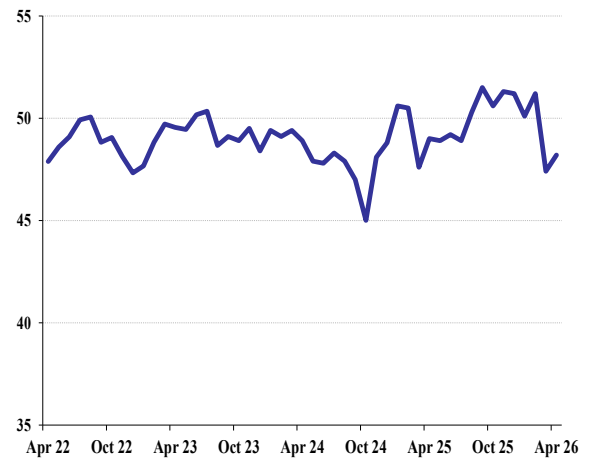
The survey's results show that the New Orders Index increased from 44.9 in March 2026 to 46.5 in April 2026, due to the slower pace of decline in demand, despite the reduction in the volume of new work that Lebanese private sector companies received due to the war in the Middle East.

In addition, the New Export Orders Index stood at 30 in April 2026 relative to 41.8 in the preceding month, as 41% of survey respondents recorded a steep decline in demand from international customers due to the war in the Middle East. Also, the survey stated that the Output Index increased from 44.9 in March to 47.4 in April 2026, reflecting a slower pace of decline in activity, despite the continued decrease in the private sector's activity across Lebanon. Further, the Employment Index stood at 49.6 in April 2026, down from at 49.9 in March 2026, signaling a marginal decline in private sector jobs, as limited work opportunities and rising costs prompted some firms to reduce their staff. Moreover, the results show that the Backlogs of Work Index increased from 49.1 in March 2026 to 49.5 in April 2026, indicating a slower pace of decline in outstanding business, even though private sector companies in Lebanon recorded a decline in their levels of ongoing business.

In parallel, the survey indicated that the Suppliers' Delivery Times Index stood at 49.2 in April 2026 relative to 48 from the previous month, due to a slight reduction in pressures on supply chain. Also, the Stocks of Purchases Index regressed from 49 in March 2026 to 48.5 in April 2026, as businesses noted a reduction in their inventory of raw materials, intermediate goods and other products necessary for business activity. It added that weak demand and a preference to avoid overstocking drove the decrease in inventories. Further, the Overall Input Price Index stood at 54.2 in April 2026 relative to 53.6 in March 2026, as companies faced higher purchasing prices during the month. In addition, the results show that the Output Prices Index increased from 53.1 in March 2026 to 53.9 in April 2026, given that businesses raised their prices in response to higher import and operating costs.

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.

BLOM Lebanon Purchasing Managers' Index



Source: BLOM Bank, S&P Global Market Intelligence

| Components of BLOM Lebanon Purchasing Managers' Index | | | | | |
|---|--------|------------|-------------------|---------------|------------|
| | Output | New Orders | New Export Orders | Future Output | Employment |
| November 2025 | 51.7 | 52.3 | 50.4 | 40.1 | 50.2 |
| December 2025 | 51.9 | 52.2 | 49.6 | 36.7 | 49.8 |
| January 2026 | 50.0 | 50.1 | 49.8 | 40.0 | 49.9 |
| February 2026 | 51.8 | 51.7 | 49.6 | 42.9 | 50.2 |
| March 2026 | 44.9 | 44.9 | 41.8 | 25.2 | 49.9 |
| April 2026 | 47.4 | 46.5 | 30.0 | 19.2 | 49.6 |

Source: BLOM Bank, S&P Global Market Intelligence

Banque du Liban diversifies foreign reserves assets in 2025

Banque du Liban's (BdL) macroeconomic review for the second half of 2025 indicated that its interim balance sheet reached \$94.4bn at the end of 2025, constituting an increase of 1.5% from \$92.9bn at end-2024. It said that, despite the marginal expansion, the balance sheet was smaller by 33.6% from its size at the end of 2019.

On the assets side, it noted that the value of BdL's gold reserves increased substantially in 2025, due to the rise by 68% in international gold prices during the year. As such, it stated that the market value of gold holdings stood at \$40.4bn at end-2025, representing an increase of about \$16.3bn from \$24.1bn a year earlier. It said that the increase in gold valuations affected BdL's balance sheet through the revaluation adjustment account, which it established in February 2023 to record accumulated valuation losses following exchange rate adjustments. It added that the entry of the revaluation adjustment account was \$36.7bn at its inception. It stated that the elevated gold valuations offset part of these accumulated losses, which has reduced the revaluation adjustment account by 60% since February 2023 and by 52% from end-2024 to \$16bn by end-2025. Further, it said that gold reserves represented 41% of its aggregate assets at end-2025 compared to 18% at end-February 2023, while the revaluation adjustment declined from 35% to 16% of its total assets in the covered period. As a result, it indicated that the sustained rise in gold prices boosted BdL's asset base by partially absorbing earlier valuation losses, as the higher valuation of gold helped reinforce the balance sheet's structural resilience during the current stabilization phase, even though it does not use its gold reserves for short-term liquidity management.

Moreover, it pointed out that BdL's total foreign reserve assets, which consist of foreign currency holdings and foreign securities, reached \$12bn at the end of 2025, constituting an increase of \$1.8bn from a year earlier and of \$0.6bn from end-June 2025, reflecting the gradual reconstitution of its external assets, even though the pace of accumulation moderated during the second half of 2025. It said that foreign currency reserves declined from \$10.1bn at end-2024 to \$7.7bn at end-2025, after peaking at \$11.2bn at end-June 2025, while its foreign securities portfolio rose from \$0.2bn at end-2024 to \$4.3bn at end-2025. BdL attributed the reallocation of reserve assets from foreign currency balances towards foreign securities to the beginning of a gradual portfolio diversification strategy in the management of its reserves. Also, it stated that the increase in its foreign assets in 2025 reflects stronger fiscal discipline, the improved collection of public revenues, and prudent liquidity management in a highly dollarized economy. It added that, although most fiscal revenues are denominated in Lebanese pounds, they are largely generated from economic activity financed in foreign currency, which allows BdL to absorb foreign exchange liquidity, along with supplying Lebanese pounds, without generating pressure on domestic liquidity.

It pointed out that the sustained inflows of expatriates' remittances and tourism receipts, along with cash-based activity, supported foreign currency liquidity last year, which facilitated the increase of BdL's foreign reserves in 2025. It considered that the orderly accumulation of foreign currency reserves demonstrates a gradual strengthening of foreign assets, the improved coordination of fiscal and monetary policies, and a unified market-based exchange rate environment. As a result, it stated that the accumulation of foreign reserve assets, along with the significant appreciation of gold prices, have substantially reinforced BdL's overall reserve position, which strengthened the resilience of its balance sheet and supported confidence in BdL's capacity to manage liquidity and maintain macro-financial stability.

In addition, it indicated that loans to the public sector amounted to \$16.6bn at the end of 2025 and accounted for about 17% of BdL's total assets. It said that it started to record this item on its balance sheet in February 2023, following the latter's reconciliation after the adoption of the exchange rate of LBP15,000 per US dollar for the calculations of balance sheet items. It noted that, prior to the adjustment, these obligations were collateralized by public sector deposits held at BdL. It stated that the exchange-rate realignment and balance-sheet reconciliation revealed a net debit position in favor of BdL, which required the claim on the public sector to be recognized as an asset. It added that loans to the public sector remained broadly stable, reflecting the formal recognition of past obligations rather than new lending operations.

On the liabilities side, it noted that the deposits of commercial banks, financial institutions, and customers totaled \$81.4bn at end-2025, down from \$83.6bn a year earlier, which is consistent with a broader multi-year downsizing of its balance sheet. However, it said that the rate of decline was modest by historical standards, given that the steepest adjustments to this liability category took place mostly in 2023. It added that the 2025 outcome indicates a steady and gradual erosion of deposits, rather than a renewed intensification of balance-sheet pressures. Further, it pointed out that public sector deposits accounted for about 9% of BdL's total liabilities at end-2025, up from 6.4% at end-2024 and compared to 3.5% of total liabilities at end-2019. It said that public sector deposits at BdL, which are mostly in Lebanese pounds, rose from the equivalent of \$6bn at end-2024 to \$8.6bn at end-2025, which pointed to a strengthening in government liquidity buffers, supported by improved fiscal revenue collection following the shift to a market-based exchange rate.



More than 578,700 depositors benefitted from Basic Circulars 158 and 166

Banque du Liban (BdL) indicated that BdL and commercial banks have disbursed \$6.11bn to eligible depositors between July 2021 and the end of March 2026 under Basic Circular 158/13335 dated June 8, 2021 and 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 October 31, 2019 and prior to June 30, 2023, respectively.

It said that the two circulars have allowed hundreds of thousands of depositors to recover part or all of their foreign currency deposits. As such, it said that the two circulars provided cash in US dollars to a total of 578,770 depositors as at the end of March 2026, and that 266,166 eligible depositors recovered the full amount of their eligible deposits, which accounted for 46% of the total number of benefiting depositors. It added that all eligible depositors who have benefited from the circulars since the launch of Basic Circular 158/13335 on July 1, 2021, and whose deposits totaled \$40,200 or less, have fully recovered their savings as of the end of April 2026. Also, it stated that the payments under the two circulars are funded from the reserve requirements that banks deposited at BdL, which legally and factually belong to the depositors. It pointed out that BdL disbursed \$4.183bn, of 68.5% of the aggregate payments, while commercial banks paid out \$1.926bn, or 31.5% of the total. It added that depositors submitted 610,624 applications as of May 11, 2026, in order to benefit from the two circulars. In parallel, it said that monthly payments under the two circulars reached \$240.4m in March 2026, constituting a decrease of \$1.8m, or of 0.73%, from \$242.2m in February 2026. It indicated that the banks' share of the March payment totaled about \$28.36m, which is 11.8% of the payments for the month, while BdL covered 88.2% of the amounts disbursed under these two circulars.

BdL attributed the issuance of the two circulars to the economic crisis that erupted in October 2019, which led to the imposition of restrictions on bank deposits that prevented resident and non-resident depositors from freely accessing their funds, especially their foreign currency deposits. Also, it said that it issued the circulars in anticipation of a comprehensive plan for financial stabilization, along with the enactment of essential laws to reform and restructure the banking sector, ensure fiscal discipline, and facilitate the recovery of deposits. It added that it based its decisions on the urgent and humanitarian needs of hundreds of thousands of depositors whose funds have been locked in the financial and banking system for several years, with the aim to contribute to social stability and economic growth. It noted that the circulars are the only legal instrument that it currently has, given the pressing need for both the economy and depositors to secure liquidity from these deposits. Also, BdL reaffirmed its efforts to continue fulfilling its obligations under the two circulars due to their vital role in supporting depositors and their financial capacity, as well as the local economy in general, and out of its legal and social responsibility towards depositors, especially during the prevailing challenging circumstances.

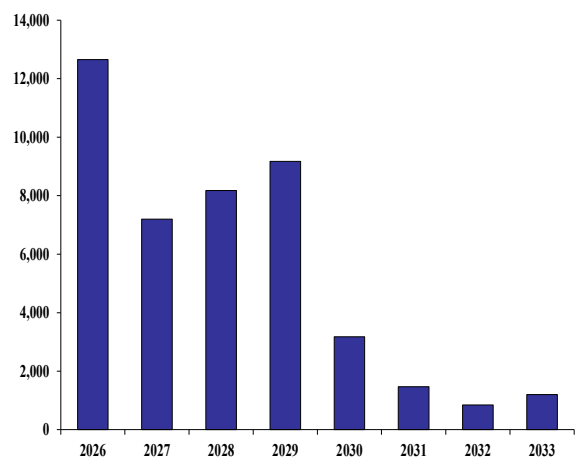
Nearly 85% of Treasury securities have seven-year maturities or longer at end-April 2026

Figures released by the Association of Banks in Lebanon show that the face value of outstanding Treasury securities denominated in Lebanese pounds stood at LBP43,890bn at the end of April 2026, compared to LBP47,847bn at end-2025 and to LBP61,485bn at end-April 2025. The securities were equivalent to \$500m at the end of March 2026 based on the exchange rate of LBP89,500 per US dollar, according to the BdL Central Council's Decision No. 48/4/24 dated February 15, 2024. The weighted interest rate on Lebanese Treasury securities was 6.63% in April 2026 compared to 6.53% in April 2025.

Also, the distribution of outstanding Treasury securities shows that 10-year Treasury bonds totaled LBP26,840bn and accounted for 61.2% of aggregate securities denominated in Lebanese pounds at the end of April 2026, followed by seven-year Treasury securities with LBP8,882bn (20.2%), five-year Treasury bonds with LBP3,648bn (8.3%), three-year Treasury securities with LBP3,102bn (7.1%), and 15-year Treasury bonds with LBP1,417bn (3.2%). As such, 84.6% of outstanding Treasury securities have seven-year maturities or longer and 92.9% have five-year maturities or more.

In parallel, LBP855bn in outstanding Treasury securities denominated in Lebanese pounds matured in April 2026. The distribution of maturing securities shows that 82.2% consisted of 10-year Treasury bonds, 12% were of five-year Treasury securities, 5.8% consisted of seven-year Treasury bonds and 0.001% consisted of three-year Treasury bonds. According to the ABL, LBP12,653bn in outstanding Treasury securities in Lebanese pounds will mature in the remainder of 2026.

Projected Maturities of Treasury Securities* (in LBP billions)



*as at end-April 2026

Source: Association of Banks in Lebanon, Byblos Research

Currency in circulation down 24% in 12 months ending March 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 LBP104,756.6bn at the end of March 2026, constituting decreases of 2.8% from LBP107,820.2bn at end-February 2026, of 6% from LBP111,444.4bn at the end of 2025 and of 12% from LBP119,129.7bn at end-March 2025.

Currency in circulation stood at LBP59,396.5bn at the end of March 2026, as it declined by 4.8% from LBP62,388.4bn at end-February 2026, by 8.2% from LBP64,711.1bn at end-2025 and by 23.7% from LBP77,853.7bn at end-March 2025. Also, demand deposits in Lebanese pounds amounted to LBP45,360.1bn at the end of March 2026, as they regressed by 0.2% from end-February 2026 and by 2.9% from end-2025, while they grew by 10% from a year earlier.

In addition, money supply M2, which includes M1 and term deposits in Lebanese pounds, reached LBP144,726.2bn at the end of March 2026, constituting decreases of 1% from LBP146,247.6bn at end-February 2026, of 3.5% from LBP150,029.8bn at end-2025, and of 8.3% from LBP157,896.8bn at end-March 2025. Term deposits in Lebanese pounds totaled LBP39,969.6bn at the end of March and increased by 4% from LBP38,427.5bn a month earlier and by 3.1% from LBP38,767.1bn at end-March 2025.

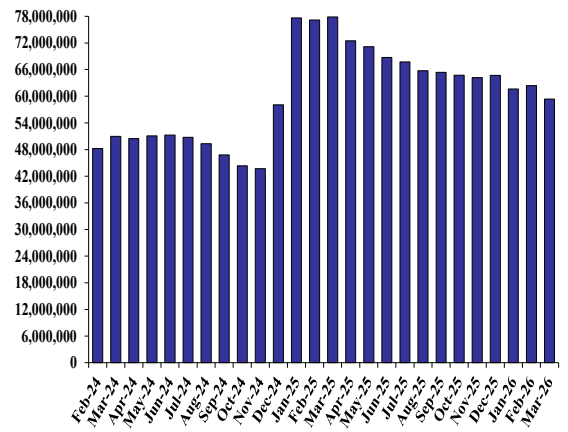
Further, broad money supply M3, which includes M2, deposits in foreign currency and debt securities issued by the banking sector, stood at LBP5,941.8 trillion (tn) at the end of March 2026, with deposits in foreign currency totaling LBP5,768.1tn and debt securities of the banking sector amounting to LBP28,995bn at the end of March 2026.

In parallel, M3 decreased by LBP80,885.7bn in the first quarter of 2026 due to a jump of LBP149,121.1bn in the net foreign assets of deposit-taking institutions, a rise of LBP2,473.7bn in claims on the private sector, and an increase of LBP39,303.1bn in other items, which were offset by a decline of LBP271,783.6bn in claims on the public sector.

BdL indicated that its net foreign assets include monetary gold, the non-resident foreign securities held by BdL, and the foreign currencies and deposits with correspondent banks and international organizations; while they exclude the Lebanese government's sovereign bonds and BdL's loans in foreign currency to resident banks and financial institutions. In parallel, BdL issued Basic Circular 167/13612 dated February 15, 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.

Also, BdL requested banks and financial institutions in January 2024, 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.

Currency in Circulation (LBP millions)



Source: Banque du Liban, Byblos Research

Banque du Liban bans public sector deposits and credit facilities at banks

Banque du Liban (BdL) issued Intermediate Circular 763/13817 dated May 8, 2026 addressed to banks that amended Basic Circular 38/6895 of February 14, 1998 about deposits, checks, transfers, and payment orders to the public sector. First, the circular asked banks, except in explicit exceptional cases as provided for under legal provisions, to refrain from accepting deposits from the public sector, whether directly in the name of the public entity or indirectly in the name of any public sector employee and staff member. Second, it asked banks to refrain from accepting any checks, transfers, or payment orders in the name of public sector entities that aim to collect money and deposit them at bank accounts, under the penalty of rejecting the transaction at the clearing house. Third, it prohibited banks from granting credit facilities to public sector entities.

Also, it requires all banks to provide the Data Management and Economic Analysis Unit at BdL, on a monthly basis, detailed figures on public sector deposits and/or credit facilities that they extended to the public sector, in accordance with the following guidelines: First, it states that the term "public sector" includes public administrations, public institutions including those of a commercial nature, municipalities, autonomous authorities, the National Social Security Fund, autonomous funds, and revenue collectors who are affiliated with the Ministry of Finance. Second, it stipulates that the section "public sector deposits" in the monthly balance sheet of banks must comprehensively include all depositor accounts belonging to the public sector. Third, it urges banks to prepare and submit the required information, along with the monthly balance sheets, through the electronic Submission of Statistical Reports (eSTR) platform within the SEBIL system. It states that banks must submit the information via the platform even if the concerned bank does not have public sector deposits or did not extend credit facilities to public sector entities. Fourth, it calls on banks to take absolute care to ensure that the total amount recorded under the public sector item matches the balance in the automated sorting account code 20900, in addition to various creditors, as well as the total of the public sector credit facilities item. The automated sorting code 20900 is the control account used in the clearing system to track public sector transactions.

Further, it stipulates that this circular goes into effect starting from the financial position of banks as at May 31, 2026.

Number of internally displaced persons exceeds one million

The United Nations' Office for the Coordination of Humanitarian Affairs (OCHA) indicated that the total number of self-registered internally-displaced persons (IDPs) on the Ministry of Social Affairs relief website stood at about 1,049,000 individuals as of May 14, 2026, while the government's Disaster Risk Management (DRM) unit estimated that the number of IDPs who are in shelters stood at 129,724 individuals, or 33,715 households, who are residing in 632 collective shelters. In addition, the latest figures issued by the Ministry of Public Health show that the Israeli hostilities in Lebanon resulted in 2,896 persons killed and 8,824 wounded between March 2, and May 14, 2026. Also, it noted that 42 Primary Health Care Centers (PHCCs) and three hospitals in the south of the country are currently out of service, while six PHCCs are operational for chronic disease management and emergency care only.

The DRM unit said that food security partners distributed a total of 8.7 million hot meals and 194,151 Ready-to-Eat meals to displaced populations across Lebanon; while it provided 217,992 hygiene kits, 61,501 menstrual hygiene kits, and 12,094 baby kits to displaced individuals as of May 14, 2026. Also, it noted that shelter partners distributed 298,616 blankets and 249,152 mattresses, as well as 4.67 million liters of water to displaced households. In parallel, OCHA indicated that shelter partners provided 3.77 million liters of water and 76,090 cubic meters of water through water trucking to shelters, in addition to 803,000 liters of fuel to the government's water establishments in the governorates to sustain water supply services that benefited 656,973 persons in displacement-affected areas. In comparison, according to OCHA, the food assistance distributed since the escalation of hostilities on March 2, 2026 reached more than 9.2 million hot and cold meals in collective shelters and 120,936 ready-to-eat kits.

Further, it said that around 164,059 internally-displaced children have accessed formal education online, while 94,067 attended in-person classes. In addition, it noted that 4,222 internally-displaced children received non-formal education through online and in-person modalities. Also, it noted that that education partners supported 84,700 displaced children by providing them with 1,694 education kits or supplies in shelters and in learning centers.

Further, it pointed out that a total of 19,869 children under five years old, adolescent girls, and pregnant and lactating women received one month of emergency nutrition rations and micronutrient supplementation.

In addition, it stated that Protection, Child Protection and Gender-Based Violence (GBV) partners assisted 192,600 persons, with 61% of the recipients residing in collective shelters. It noted that prioritized activities included community engagement, awareness and information sessions to 89,651 individuals on topics including risky behaviors, bullying, GBV and safety risks, hygiene, shelter-related concerns, and access to protection services. It added that protection partners provided 1,925 Protection Cash Grants to address immediate related risks. Moreover, the OCHA indicated that the government's Shock-Responsive Safety Net (SRSN) distributed \$15.6m in emergency multipurpose cash assistance to 138,000 households.

Number of new construction permits up 1.2 % in first four months of 2026

Figures issued by the Orders of Engineers & Architects of Beirut and of Tripoli show that the two orders issued 2,722 new construction permits in the first four months of 2026, constituting an increase of 1.2% from 2,691 permits in the same period of 2025. Also, the orders of engineers issued 641 permits in April 2026, representing an increase of 29% from 497 permits in March 2026 and a drop of 19% from 791 in April 2025. Mount Lebanon accounted for 34.4% of the number of newly-issued construction permits in the first four months of 2026, followed by the North with 33.2%, the South with 13%, the Nabatieh area with 7.7%, the Bekaa region with 6.1%, and Beirut with 1.5%. The remaining 4.2% were permits issued by the Order of Engineers & Architects of Tripoli for regions located outside northern Lebanon.

Also, the number of new construction permits issued in Beirut surged by 46.4% in the first four months of 2026 from the same period last year, followed by permits in the North (+34.3%) and Mount Lebanon (+16.4%). In contrast, the number of new construction permits issued by the South dropped by 34.3%, followed the Nabatieh area with a decline of 34.1%, Bekaa region with a decrease of 16.5%, and regions located outside northern Lebanon with a contraction of 15.6%, in the covered period. Further, the number of new construction permits issued by the North surged by 56% in April 2026 from April 2025, followed by permits issued in regions located outside northern Lebanon (+21.2%), Beirut (+12.5%) and Mount Lebanon (+2%). In contrast, the number of new construction permits in the Nabatieh area dropped by 91.6% year-on-year in April 2026, followed by surface area in the South (-79.6%) and in the Bekaa (-27.3%).

Also, the surface area of granted construction permits reached 2.6 million square meters (sqm) in the first four months of 2026, constituting an increase of 9.7% from 2.37 million sqm in the same period of 2025. The surface area of granted construction permits stood at 598,147 sqm in April 2026, up by 34.5% from 444,609 sqm in March 2026 and down by 4.2% from 624,610 sqm in April 2025.

Mount Lebanon accounted for 1.1 million sqm, or for 42.5%, of the total surface area of granted construction permits in the first four months of 2026. The North followed with 544,708 sqm (21%), then the South with 339,514 sqm (13%), the Bekaa area with 188,005 sqm (7.2%), Beirut with 179,024 sqm (7%), and the Nabatieh region with 120,104 sqm (4.6%). The remaining 125,500 sqm, or 4.8% of the total, represent the surface area of permits that the Order of Engineers & Architects of Tripoli issued for regions located outside northern Lebanon.

Also, the surface area of new construction permits issued in Beirut surged by 139.6% in the first four months of 2026 from the same period last year, followed by surface areas in Mount Lebanon (+31.8%), and the North (+7.1%). In contrast, the surface area of new construction permits issued in the Nabatieh region dropped by 35.3%, followed by the South with a decline of 20.7%, regions located outside northern Lebanon with a decrease of 12.3%, and the Bekaa area with a contraction of 3% in the covered period. Further, the surface area of new construction permits issued in the North surged by 100.7% in April 2026 from April 2025, followed by surface areas in Beirut (+72.6%), regions located outside northern Lebanon (+34.5%) and Mount Lebanon (+5.8%). In contrast, the surface area of new construction permits issued in the Nabatieh area dropped by 91.6% year-on-year in April 2026, followed by surface areas in the South (-59.7%) and the Bekaa region (-35.5%). In parallel, the latest available figures show that cement deliveries totaled 3.02 million tons in 2025, constituting an increase of 36% from 2.22 million tons in 2024.



Italy provides in-kind assistance to support public sector governance

The Council of Ministers issued Decree 2952 dated April 30, 2026 about accepting an in-kind donation from Italy to the Office of the Minister of State for Administrative Reform (OMSAR).

Article 1 stipulates that the Lebanese government has accepted an in-kind donation equivalent to €400,000 from Italy to the OMSAR. It said that the assistance consists of consultative and technical services that will be implemented by the Organization for Economic Co-operation and Development (OECD) under the initiative "Strengthening Governance in Lebanon Towards Inclusive Open Governance". It noted that Italy will cover 90% of the funding, while the OECD will finance the remaining 10%.

The World Bank's most recent figures about its annual World Governance Indicators show that Lebanon's score increased on one out of six governance indicators included in the survey and regressed on the other five indicators in 2024, reflecting a relative decline in the level of governance in the country from the previous year. Also, Lebanon's ranking improved on two indicators, regressed on two other ones, and was unchanged on two indicators from the preceding survey.

Lebanon ranked in 193rd place worldwide among 213 countries and territories with available figures and in 16th place among 20 Arab countries in terms of Government Effectiveness. The indicator evaluates the quality of public and civil services and the degree of their independence from political pressure, as well as the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. The results show that 90.6% of countries and territories around the world have a better score than Lebanon on this dimension of governance. In addition, Lebanon ranked in 196th place globally and in 16th place regionally on the Control of Corruption category, which measures perceptions of the use of public power for private gain in a country, including both petty and grand forms of corruption. The results show that 91.2% of countries and territories around the world had a better score than Lebanon on this dimension of governance.

Also, Lebanon ranked in 178th place globally and in 15th place regionally on the Rule of Law category, which is a measure of the extent that citizens have confidence in the rules of society and abide by them, as well as the likelihood that acts of crime and violence will occur. The results show that 82.8% of countries and territories around the world have a better score than Lebanon on this dimension of governance. Further, Lebanon ranked in 184th place worldwide among 213 countries with available figures and in 15th place among Arab countries in terms of Regulatory Quality, which assesses market-friendly policies and laws that enable and promote the development of the private sector. The results show that 86.4% of countries and territories in the world have a better score than Lebanon on this dimension of governance.

In parallel, the Council of Ministers issued Decree No. 1339 dated September 29, 2025 about concluding a grant agreement between the OMSAR and the World Bank for the implementation of the Digital Acceleration Project in Lebanon. The project aims to modernize the public administration through digital transformation and is part of the broader Digital Transformation Strategy 2020-2030, which plans to digitize public services, improve government efficiency, and enhance the engagement of citizens. It focuses on modernizing administrative systems across ministries and public institutions; improving digital infrastructure and interoperability between government platforms; enhancing cybersecurity and data governance; promoting transparency and anti-corruption through digital tools; and expanding access to electronic services for citizens and businesses.



Banque du Liban extends deadline for banks to liquidate excess foreign currency positions

Banque du Liban (BdL) issued Intermediate Circular 762/13816 dated May 8, 2026 addressed to banks, financial institutions and auditors that amended Basic Circular 32/6568 of April 24, 1997 about foreign exchange operations at banks and financial institutions.

First, it considered that a bank that has a net long foreign currency open position that exceeds 1% of its total net core capital is in violation of the rules. As such, it granted banks up until December 31, 2026 to liquidate any excess in their net long foreign currency positions. Also, it mandated banks that still have a long foreign currency open position that exceeds 1% of their core capital to deposit at BdL special reserves in Lebanese pounds equivalent to three times the excess amount, based on the exchange rate of the US dollar used in transactions between banks and BdL, for a one-month period for each day that the bank exceeds the set ceiling after December 31, 2026.

Second, it stipulates that banks that surpass the maximum permissible limit for their net long foreign currency open position may submit a justified request to BdL in order to seek approval for an additional special long credit foreign currency position. Third, it states that that the circular goes into effect upon its issuance.

Previously, BdL issued Intermediate Circular 730/13703 dated February 20, 2025 addressed to banks, financial institutions and auditors that amended Basic Circular 32/6568 of April 24, 1997 about foreign exchange operations at banks and financial institutions.

First, it considered that a bank that has a net long foreign currency open position that exceeds 1% of its total net core capital is in violation of the rules. As such, it granted banks up until the end of 2025 to liquidate any excess in their open foreign currency positions. Also, it mandated banks that still have a long foreign currency open position in excess of 1% of their net core capital to deposit at BdL special reserves in Lebanese pounds equivalent to three times the excess amount, based on the exchange rate of the US dollar used in transactions between banks and BdL, for a one-month period for each day that the bank exceeds the set ceiling after December 31, 2025. Second, it considered that a bank that has a net short foreign currency open position is in violation of the rules and must liquidate any excess in its net short foreign currency open position by December 31, 2025. Also, it mandated banks to deposit at BdL special reserves in Lebanese pounds equivalent to three times the excess amount, based on the exchange rate of the US dollar used in transactions between banks and BdL, for a one-month period for each day that the bank exceeds the set ceiling after December 31, 2025.

Banque du Liban tightens rules on “fresh funds” coverage

Banque du Liban (BdL) issued Intermediate Circular 764/13818 dated May 8, 2026 addressed to banks that modifies Basic Circular 150/13217 of April 9, 2020 about Exceptional Exemptions for Banks from Reserve Requirements and from Mandatory Placements at BdL. The circular asks banks to deposit in cash an amount equivalent to 100% of the value of "fresh funds" in foreign currencies that depositors transferred from abroad and/or that the banks received in the form of foreign-currency banknotes after October 17, 2019, in an account that is free from any obligations, either at the banks or at their correspondent banks abroad, or in their "fresh funds" account at BdL as stipulated in Basic Circular 165/13548 of April 19, 2023. It also asked banks to constitute this amount separately from the external liquidity ratio that they must keep as stipulated in Basic Circular 154/13262 dated August 27, 2020 about Exceptional Measures to Reactivate the Work of Banks Operating in Lebanon. Further, it exempts the branches of foreign banks in Lebanon from complying with the required “fresh funds” coverage of 100%, provided that the parent bank commits to covering any obligations related to "fresh funds" for its branch in Lebanon.

BdL identified several items that banks must include within the calculation of the “fresh funds” coverage amount: first, it cited the value of the bonds classified at fair value specified in Basic Circular 62/7274 dated April 15, 1999. The bonds consist of sovereign bonds issued by the Group of 10 countries; as well as bonds rated in the 'BBB' and above category that are issued by entities with an equivalent rating, provided their total value does not exceed 50% of the concerned bank or financial institution’s own funds, and provided that this percentage is reduced by an amount equal to the sum of the nominal value of the operations performed on the structured financial instruments and of foreign deposits of one-year maturity or more. Second, it included the value of the portfolio of Lebanese Eurobonds classified at fair value. It stated that banks may sell Lebanese Eurobonds, provided that the resulting amounts from the sale process are used to secure liquidity to meet the requirements of 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, for a period of one year, and then to finance their commercial, investment, and operations activity, such that they are not used to finance their operational expenses.

In addition, it states that banks that are in violation of the provisions of this circular must retain Lebanese Eurobonds whose value is equivalent to twice the shortfall of the required percentage to cover this deficit, and that they should not sell or dispose of the Eurobonds throughout the duration of this deficit. It stipulates that funds deposited in “Special Accounts: opened under Basic Circular 154/13262 of August 27, 2020 about Exceptional Measures to Reactivate the Work of Banks Operating in Lebanon, are exempt from this obligation and remain governed solely by the provisions of the same Basic Circular under which they were established. Also, it states that that the circular goes into effect upon its issuance.

Balance sheet of financial institutions at LBP45.7 trillion at end-March 2026

Figures released by Banque du Liban show that the consolidated balance sheet of financial institutions in Lebanon totaled LBP45.7 trillion (tn) at the end of March 2026, or the equivalent of \$510.2m, constituting increases of 2.7% from LBP44.5tn (\$496.8m) at the end of 2025 and of 6.3% from LBP43tn (\$480.1m) at end-March 2025. The figures reflect Banque du Liban's 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.

On the assets side, claims on resident customers amounted to LBP21.2tn (\$236.6m) at the end of March 2026, and increased by 6.4% from LBP19.9tn (\$222.3m) at the end of 2025 and decreased by 15.4% from LBP25tn (\$279.6m) at end-March 2025. Claims on resident customers in Lebanese pounds totaled LBP1,522.7bn at end-March 2026, constituting increases of 176.2% from LBP551.2bn at end-2025 and of 175.5% from LBP552.6bn at end-March 2025; while claims on resident customers in foreign currency amounted to \$219.6m and grew by 1.6% from \$216.2m at end-2025 and dropped by 19.7% from \$273.5m at end-March 2025. Also, claims on non-resident customers stood at \$20.7m at end-March 2026, as they surged by 40% from \$14.8m at end-2025 and by 11.2% from \$18.6m a year earlier. In addition, claims on the resident financial sector reached LBP7.6tn (\$84.6m) at end-March 2026, down by 12.8% from LBP8.7tn (\$97m) at end-2025 and by 22% from LBP9.7tn (\$108.6m) at end-March 2025. Further, claims on the resident financial sector in Lebanese pounds amounted to LBP338.6bn at the end of March 2026, constituting decreases of 5.4% from LBP358bn at end-2025 and of 19.7% from LBP421.9bn at end-March 2025; while claims on the resident financial sector in foreign currency totaled \$80.8m at end-March 2026, and dropped by 13% from \$93m at the end of 2025 and by 22.2% from \$104m a year earlier. Also, claims on the non-resident financial sector reached \$31.8m at the end of March 2026, as they declined by 12.7% in the third quarter of the year and increased by 20.7% from a year earlier.

Moreover, claims on the public sector stood at LBP85.8bn at the end of March 2026 and rose by 25.6% from LBP68.3bn from end-2025 and by 81.5% from LBP47.3bn from end-March 2025; while the securities portfolio, which includes Lebanese Treasury bills and Eurobonds, amounted to LBP1,230bn at end-March 2026 and increased by 18.6% in the third quarter of the year and by 13.6% from a year earlier. In parallel, currency and deposits with local and foreign central banks reached LBP3.1tn (\$34.1m) at end-March 2026 relative to LBP2.6tn (\$28.7m) at the end of 2025 and to LBP2.2tn (\$24.6m) a year earlier.

On the liabilities side, deposits of resident customers stood at LBP12.7tn (\$141.4m) at the end of March 2026, constituting increases of 25.4% from LBP10.1tn (\$112.8m) at end-2025 and of 13% from LBP11.2tn (\$125.2m) at end-March 2025. Deposits of resident customers in Lebanese pounds amounted to LBP1,197.1bn at end-March 2026 and jumped by 272.3% from LBP321.5bn at end-2025 and by 314% from LBP289.1bn at end-March 2025, while the deposits of resident customers in foreign currency totaled \$128m at end-March 2026 and grew by 17.2% from \$109.2m at end-2025 and by 5% from \$122m a year earlier. Also, deposits of non-resident customers reached \$6.1m at the end of March 2026, as they regressed by 0.6% from \$6.14m at end-2025 and increased by 47.7% from \$4.2m at end-March 2025.

Further, liabilities to the resident financial sector amounted to LBP4tn (\$43.8m) at the end of March 2026, constituting decreases of 45% from LBP7.1tn (\$79.5m) at end-2025 and of 58.3% from LBP9.4tn (\$105.2m) a year earlier. Liabilities to the resident financial sector in Lebanese pounds totaled LBP365.1bn at end-March 2026 and surged by 42.3% in the third quarter of the year and by 81.5% from a year earlier, while liabilities to the resident financial sector in foreign currency reached \$39.8m at end-March 2026 and dropped by 48% from \$76.7m at end-2025 and by 61.4% from \$103m at end-March 2025.

In addition, liabilities to the non-resident financial sector amounted to \$37.1m at the end of March 2026 and increased by 15% from \$32.3m at the end of 2025 and by 8.8% from \$34.1m a year earlier. Also, public sector deposits totaled LBP62.9bn at end-March 2026 relative to LBP61bn at end-2025 and LBP388 at end-March 2025, while issued debt securities stood at LBP2,589.3bn at end-March 2026, relative to LBP1,148.7bn at end-2025 and to LBP1,998.3bn a year earlier. Further, the aggregate capital account of financial institutions was LBP6.9tn (\$76.8m) at end-March 2026 relative to LBP13tn (\$145.6m) at end-2025 and to LBP8.3tn (\$93m) at end-March 2025.

Launch of Lebanese Angel Investor Network

B&Y Venture Partners, a Dubai-based firm, launched the Lebanese Angel Investor Network (LAIN) with the aim to connect Lebanese and Diaspora-founded startups with investors, mentors, and strategic partners. It considered that the initiative, which is supported by the Office of the Minister of State for Information Technology and Artificial Intelligence (MITAI), represents a significant step towards strengthening Lebanon's early-stage startup ecosystem.

It indicated that the LAIN focuses on advancing Lebanon's knowledge economy, and targets startups in Artificial Intelligence, financial technology, Software as a Service (SaaS), and high-tech manufacturing. It pointed out that the network is structured as a \$5m fund domiciled in Luxembourg and is seeking to attract individual investors with a minimum commitment of \$25,000. Further, it noted that the fund secured commitments surpassing its initial target, which reflects strong interest from both local and Diaspora investors.

It stated that the LAIN aims to provide capital to support entrepreneurs during the high-risk early stages of business development by requiring upfront commitments from its Limited Partners. It added that the network unveiled its first cohort of startup opportunities that consist of four curated founders identified through Lebanon's entrepreneurial and Diaspora communities. It added that the fund operates with institutional-grade standards, including a four-year investment period, a two percent management fee, a one-time 1.5% setup fee, and a 20% performance-based carried interest.

In addition, it indicated that the initiative is backed by a multi-stakeholder alliance that consists of Endeavor Lebanon that provides entrepreneurs access to a global network of mentors; LEBNET, which leverages the expertise of the Lebanese Diaspora in North America's technology industry; the Beirut Digital District that serves as the physical and community hub for the LAIN's operations.; and IM Fndng that provides due diligence services and investor training. Established in 2015, B&Y Venture Partners backs early stage firms through capital, mentorship and access to global networks.

In parallel, figures released by the Wamda and Digital Digest platforms show that investments in startups in Lebanon reached \$2.8m in 2025 and account for 0.04% of investments in startups in the Middle East and North Africa (MENA) region during the year, while there were 10 investments in Lebanese startups in 2025 and represented 1.5% of total transactions in the region. Also, investments in startups in Lebanon stood at \$3m in one deal in the first quarter of 2026 and accounted for 0.3% of total investments in startups in the MENA region in the covered quarter.



Ratio Highlights

| (in % unless specified) | 2023 | 2024 | 2025 | Change* |
|---------------------------------------|--------|--------|--------|---------|
| Nominal GDP (\$bn) | 25.9 | 30.5 | 36.1 | 5.6 |
| Gross Public Debt / GDP | 246.2 | 215.0 | 191.9 | (23.1) |
| Trade Balance / GDP | -56.01 | -46.55 | -48.30 | (1.8) |
| Exports / Imports | 17.1 | 16.0 | 17.3 | 1.3 |
| Fiscal Revenues / GDP | 12.0 | 12.8 | 17.9 | 5.1 |
| Fiscal Expenditures / GDP | 13.6 | 12.6 | 14.8 | 2.2 |
| Fiscal Balance / GDP | (1.6) | 0.1 | 3.1 | 3.0 |
| Primary Balance / GDP | (1.0) | 1.4 | 3.7 | 2.3 |
| Gross Foreign Currency Reserves / M2 | 143.5 | 689.4 | 461.7 | (227.7) |
| M3 / GDP | 51.7 | 227.2 | 185.8 | (41.4) |
| Commercial Banks Assets / GDP | 76.6 | 338.4 | 282.5 | (55.8) |
| Private Sector Deposits / GDP | 62.9 | 290.8 | 240.8 | (50.0) |
| Private Sector Loans / GDP | 5.5 | 19.5 | 14.4 | (5.1) |
| Private Sector Deposits Dollarization | 96.3 | 99.1 | 98.9 | (0.2) |
| Private Sector Lending Dollarization | 90.9 | 97.8 | 97.8 | 0.0 |

*change in percentage points 25/24;

Source: National Accounts, Banque du Liban, Ministry of Finance, Institute of International Finance, International Monetary Fund, 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

| | 2023 | 2024 | 2025e |
|---|---------|---------|---------|
| Nominal GDP (LBP trillion) | 2,257.8 | 2,728.4 | 3,241.0 |
| Nominal GDP (US\$ bn) | 25.9 | 30.5 | 36.1 |
| Real GDP growth, % change | -0.5 | -5.2 | 3.7 |
| Private consumption | 3.50 | 0.30 | 2.4 |
| Public consumption | -1.00 | 4.10 | 11.4 |
| Private fixed capital | -18.60 | -10.20 | -4.0 |
| Public fixed capital | 81.0 | 35.4 | 23.1 |
| Exports of goods and services | -4.2 | -14.5 | -3.6 |
| Imports of goods and services | 3.1 | 0.0 | 6.4 |
| Consumer prices, %, average | 221.3 | 45.2 | 14.6 |
| Official exchange rate, average, LBP/US\$ | 15,000 | 89,500 | 89,500 |
| Parallel exchange rate, average, LBP/US\$ | 86,362 | 89,700 | 89,700 |
| Weighted average exchange rate LBP/US\$ | 87,043 | 89,474 | 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

| Banking Sector Ratings | Outlook |
|------------------------|----------|
| Moody's Ratings | Negative |

Source: Moody's Ratings

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