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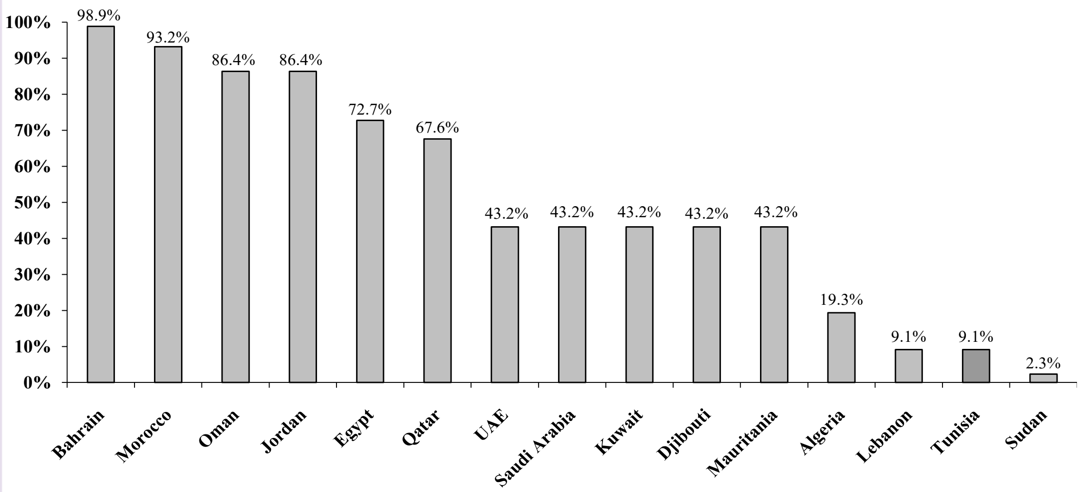
BYBLOS BANK
Economic Research & Analysis Department

LEBANON THIS WEEK

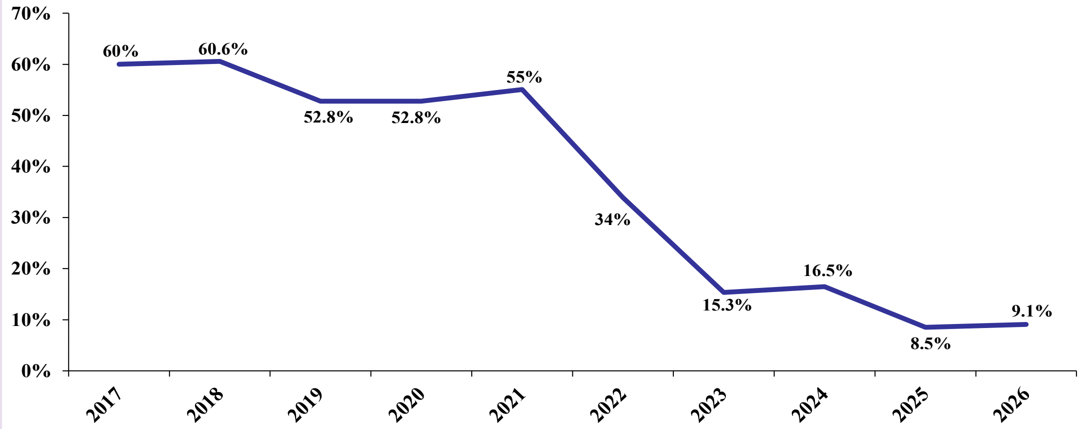
In This Issue

Chart of the Week

Percentile Rankings of Arab Countries in terms of Investment Freedom for 2026*



Percentile Rankings of Lebanon in terms of Investment Freedom



**The Heritage Foundation defines Investment Freedom as a free and open investment environment that provides maximum entrepreneurial opportunities and incentives for economic activity, greater productivity, and job creation*

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

Quote to Note

"Lebanon is likely to remain stuck in a low-growth high-risk equilibrium marked by periodic instability, rather than go through a genuine post-conflict recovery."

The Institute of International Finance, on its most plausible scenario for 2027

Number of the Week

13.5%: Tourism receipts in 2025 in percent of Lebanon's nominal GDP, according to Banque du Liban and the International Monetary Fund

Lebanon in the News

$m *(unless otherwise mentioned)*	2024*	2025*	2026*	%Change**	Mar-25	Feb-26	Mar-26
Exports	731	935	631	(32.5)	309	220	205
Imports	3,972	4,378	5,380	22.9	1,544	1,861	1,623
Trade Balance	(3,241)	(3,443)	(4,749)	37.9	(1,235)	(1,641)	(1,418)
Balance of Payments	1,608	5,368	1,666	(69.0)	2,241	1,961	(6,039)
Checks Cleared in LBP***	200	172	185	8.0	65	69	61
Checks Cleared in FC***	516	255	78	(69.4)	84	18	23
Total Checks Cleared***	716	427	263	(38.3)	149	87	84
Fiscal Deficit/Surplus	448	313	470	50.0	98	-	(47)
Primary Balance	545	352	497	41.2	111	-	(32)
Airport Passengers	1,271,456	1,254,673	1,095,390	(12.7)	403,128	410,019	139,194
Consumer Price Index	114.5	15.3	13.5	(11.8)	14.2	12.3	17.3

$m *(unless otherwise mentioned)*	Mar-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	%Change**
BdL FX Reserves	10.68	9.34	7.74	8.13	6.80	6.10	(42.9)
In months of Imports	-	-	-	-	-	-	-
Public Debt	-	-	-	-	-	-	-
Bank Assets	102.66	101.82	102.30	102.01	101.90	100.68	(1.9)
Bank Deposits (Private Sector)	88.72	87.67	87.19	86.94	86.68	86.23	(2.8)
Bank Loans to Private Sector	5.65	5.42	5.20	5.21	5.24	5.24	(7.4)
Money Supply M2	1.76	1.64	1.68	1.68	1.63	1.62	(8.3)
Money Supply M3	69.41	67.72	67.29	67.03	66.80	66.39	(4.4)
LBP Lending Rate (%)	6.41	11.42	10.90	11.76	9.74	9.80	339
LBP Deposit Rate (%)	2.00	3.25	3.68	3.66	5.13	3.66	166
USD Lending Rate (%)	4.11	5.32	3.68	4.20	3.84	4.78	67
USD Deposit Rate (%)	0.10	0.12	0.09	0.17	0.08	0.10	0

**in the first quarter of each year; **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
Solidere "B"	72.50	(3.3)	13,982	25.3%
Solidere "A"	72.40	(1.0)	13,663	38.8%
BLOM GDR	6.50	(7.1)	5,000	2.6%
Ciments Libanais	72.60	32.0	550	7.6%
Byblos Common	0.75	0.0	-	2.3%
Audi Listed	1.90	0.0	-	6.0%
BLOM Listed	7.49	0.0	-	8.6%
Audi GDR	2.18	0.0	-	1.4%
Byblos Pref. 09	29.99	0.0	-	0.3%
Byblos Pref. 08	25.00	0.0	-	0.3%

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

Sovereign Eurobonds	Coupon %	Mid Price in US$	Mid Yield %
Nov 2026	6.60	24.88	739.62
Mar 2027	6.85	24.88	318.29
Nov 2028	6.65	25.13	68.61
Feb 2030	6.65	25.25	41.43
Apr 2031	7.00	25.38	30.64
May 2033	8.20	26.50	20.26
May 2034	8.25	26.50	17.58
Jul 2035	12.00	26.13	15.35
Nov 2035	7.05	26.00	14.96
Mar 2037	7.25	26.00	12.96

Source: LSEG Workspace

	June 22-25	June 15-19	% Change	May 2026	May 2025	% Change
Total shares traded	33,195	30,319	(77.6)	228,555	2,398,966	(90.5)
Total value traded	$2,086,944	$1,770,847	(72.8)	5,450,121	48,065,990	(88.7)
Market capitalization	18.65	18.08	0.4	17.92	20.64	(13.2)

Source: Beirut Stock Exchange (BSE)

Lebanon in the News

Current account deficit widens by 64% to $9.2bn in 2025 on higher trade deficit

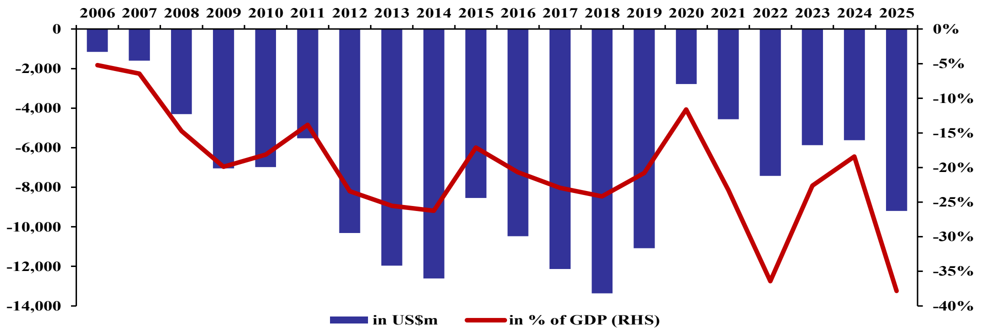
Figures released by Banque du Liban (BdL) show that the current account deficit reached $9.2bn in 2025, constituting a surge of 63.8% from a deficit of $5.6bn in 2024. The deficit was $1.5bn in the first quarter, $2.35bn in the second quarter, $1.7bn in the third quarter, and $3.6bn in the fourth quarter of 2025, representing increases of 57.7%, 52.5%, 2.7%, and 151.5%, respectively, from the corresponding quarters of the preceding year. The current account deficit reached its highest level since 2019 when it stood at $11.1bn. The current account balance consists of the trade balance, which is the exports and imports of merchandise, as well as the services balance that covers the export and import of transportation services, tourism, insurance and other services. The current account balance also includes remittance inflows, investment income, and general government transfers.

The trade deficit reached $15.9bn in 2025 and widened by 29% from $12.3bn in 2024, as it posted its third widest level since BdL started publishing detailed figures about the balance of payments in 2002, after reaching $16.1bn in 2013 and nearly $16bn in 2014. Imported goods grew by 27.7% to $20.6bn in 2025, their third highest value since 2002, after totaling $21.2bn in 2013 and $21bn in 2012; while exports increased by 23.5% year-on-year to $4.7bn last year, their highest level since 2019 when they amounted to $4.8bn.

Further, the inflows of expatriates' remittances to Lebanon stood at $6.4bn in 2025, constituting a decrease of 7.6% from $6.9bn in 2024. In addition, remittance outflows from Lebanon totaled $1.87bn in 2025 and increased by 3.8% from $1.8bn in 2024. As such, net remittance inflows to Lebanon reached $4.5bn in 2025 and decreased by 11.7% from $5.1bn in the previous year.

In addition, tourism receipts, which BdL defines as "Travel Services", stood at $4.65bn in 2025, representing an uptick of 1.7% from $4.57bn in 2024; while outbound tourism spending totaled $3.03bn last year and decreased by 13.7% from $3.5bn in 2024. As such, net tourism receipts increased by 52.8% to $1.62bn in 2025.

Current Account Balance (US$m)



Source: Banque du Liban, Byblos Research

The other components of the balance of payments show that Lebanon's capital account balance, which includes foreign grants, posted a surplus of $613.7m in 2025, down by 58.6% from a surplus of $1.48bn in 2024, and constituting its second lowest surplus since 2012 when it stood at $179.2m. The capital account posted an average surplus of $1.6bn during the 2013-18 period due to the inflow of foreign grants to support displaced Syrians and non-Syrian refugees, as well as host communities in the country. But the surplus started to regress in 2019 due to the decline in the inflows of financial aid.

In addition, the financial account balance, which includes net foreign direct investments (FDI), net portfolio investments, and other investments, posted a surplus of $6.4bn in 2025 relative to a surplus of $4.8bn the preceding year, and reached its highest level since 2020 when it stood at $9.8bn. FDI inflows totaled $2.05bn in 2025, constituting an increase of 16.4% from $1.76bn in 2024, while FDI outflows stood at $288.6m last year relative to $583.3m in 2024. As such, net FDI inflows totaled $1.76bn in 2025 and surged by 49.5% from $1.18bn in 2024. Further, net portfolio divestments amounted to $548.9m in 2025 compared to divestments of $1.3bn in 2024. Also, inflows into other investments amounted to $6.9bn in 2025 relative to inflows of $5.8bn in the previous year. Other investments consist of the component of the financial account balance that includes deposit flows to the banking sector, as well as debt arrears starting in March 2020, and reached their highest level since 2016 when they stood at $7bn.

In parallel, unrecorded transactions, or errors and omissions, stood at +$2.23bn in 2025 relative to -$705m in 2024. According to BdL, unrecorded transactions are in part due to the inadequate sources of data on some economic sectors. They include time and other adjustments for external trade, insurance services, migrants' transfers, travel services, transportation services, private sector direct investments, and portfolio investments. Finally, BdL's net foreign assets surged by $18bn in 2025 compared to an increase of $5.7bn in 2024.

Energy Ministry amends terms of reconnaissance license in Block 8 and Block 9

The Ministry of Energy and Water issued Decision No. 25 dated June 6, 2026 that amended Decision No. 25 of December 4, 2024 that granted the Norwegian company PGS Geophysical AS a non-exclusive reconnaissance license to conduct a three-dimensional seismic survey in Block 8 and in an adjacent part of Block 9 in Lebanon's offshore Exclusive Economic Zone.

Article 1 stipulated that PGS Geophysical AS can conduct either a three-dimensional seismic survey in Block 8 and in an adjacent part of Block 9, or a two-dimensional seismic survey in order to obtain and process such data, together with the re-processing of the two-dimensional seismic surveys that the Norwegian-based company TGS ASA carried out in 2000 in Lebanon's territorial waters. It added that the data acquired from the reconnaissance operations should be considered the property of the Lebanese State.

Article 2 noted that the license is for a three-year period starting from the date of its issuance on December 4, 2024. Article 5 stated that the reconnaissance activities must be carried out within 1,095 days from the date of the license's issuance. It added that the firm must obtain the necessary permits to conduct its activities, such as the required maritime permits for the survey vessel to enter the Lebanese territorial waters.

Article 6 indicated that the company has exclusive rights to process and market the data resulting from the seismic survey for a 10-year period from the date of the acquisition of the license. It noted that the firm should comply with all the provisions related to the management of seismic survey operations, required works, completed works, and technical and commercial details. It added that the company should adhere to the terms and conditions related to marketing and selling licenses, including all the provisions related to the revenue-sharing agreement with the Lebanese State originating from the sale of the licenses, as well as the marketing, training, and institutional support obligations specified in the current license.

Article 7 stipulated that PGS Geophysical AS should inform the Ministry of Energy and Water as well as the Lebanese Petroleum Administration (LPA) about the total cost of the works when it completes the survey. It noted that the company must pay the Lebanese government its share of the proceeds from the sale of data licenses related to the current license, in accordance with the revenue-sharing schedule, and should transfer the amount due to the Lebanese State to its account at Banque du Liban.

Article 9 indicated that the ministry will revoke the license and cancel all granted rights if the firm fails to fulfil any of its obligations. Article 10 stipulated that the ministry will terminate all the rights that it has extended under the current reconnaissance license, specifically those related to the two-dimensional seismic surveys, if the license-holding company does not complete the seismic survey before the term of the license or its extension expires.

Article 11 stated that the current reconnaissance license, its obligations, and its annexes are non-transferable and cannot be assigned to third parties. Article 12 said that all the obligations and annexes of the current license should be binding for the firm if any company acquires PGS Geophysical AS.

The ministry issued Decision No. 25 dated December 4, 2024 that granted the Norwegian company PGS Geophysical AS a non-exclusive reconnaissance license to conduct a three-dimensional seismic survey in Block 8 and in an adjacent part of Block 9 in Lebanon's offshore Exclusive Economic Zone, with exclusive rights to market the data and sell access licenses to global energy companies. It said that it took the decision based on the recommendation of the LPA and in accordance with the provisions of the Offshore Petroleum Resource Law 132/2010 and the relevant provisions of Decree 10289/2013. It noted that the LPA considered that the granting of the license is significant, given that the company has conducted most of the seismic offshore surveys for Lebanon, and that it has several years of experience with the Lebanese government through marketing data and promoting the first and second offshore licensing rounds for offshore oil and gas exploration.

Further, the ministry signed a contract with PGS Geophysical AS in 2011 to conduct a three-dimensional offshore seismic survey to explore the presence of petroleum in Lebanon's exclusive economic waters, as well as to market and reprocess the data, and to provide the required training for further data analysis.

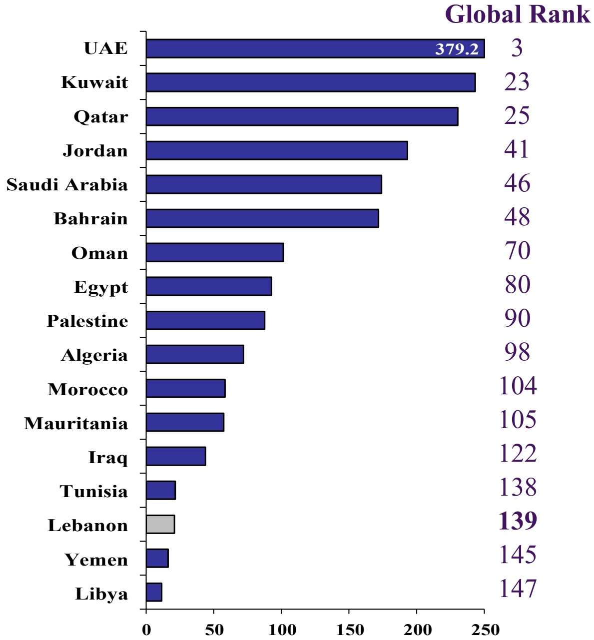
Ogero signs contracts to launch nationwide FTTH broadband services

The state-owned telecommunications services provider Ogero announced that it has signed execution contracts to operate fiber-to-the-home (FTTH) broadband services in Lebanon. It said that the initiative, funded entirely by savings from 2025, will deliver high-speed fiber-optic internet to more than 325,000 households across 25 central offices nationwide.

Further, it noted that the project could serve as an alternative to illegal telecommunications networks, as it will deliver significantly faster internet speeds, foster greater socioeconomic opportunities, and strengthen Lebanon's national digital economy. It added that this project marks the official launch of a comprehensive digital transformation for the country.

Previously, Ogero awarded a $283m project in February 2018 to the Finland-based Nokia Corporation, to the Chinese firm Huawei and to the U.S.-based Calix Inc. to replace existing copper cables with fiber optic ones. Huawei, Nokia and Calix had to implement the fiber optic cable project by 2022 in partnership with local companies Serta Channels, PowerTech and BMB, respectively, which are three providers of information and communication technology solutions. But Ogero indicated that the project had reached only 25% of its target by mid-2023.

Fixed Broadband Download Internet Speed and Rankings in Arab Countries*



**in May 2026*
Source: Speedtest, Byblos Research

Following a detailed tendering process, the three companies were selected among five pre-qualified firms based on their technical capacity and financial eligibility. Overall, the four-year project was expected to increase Internet speed to more than 50 megabits per second (Mb/s), which constitutes a significant increase from Internet speed of between 2 Mb/s and 4 Mb/s in 2018.

The fiber optic cable project was part of the five-year "Lebanon 2020 Digital Telecom Vision" that the Ministry of Telecommunications launched in July 2015 to develop the country's telecommunication infrastructure by replacing copper wire infrastructure with fiber optic cables, in order to boost Internet speed. The use of fiber optic cables, instead of copper cables, would reduce by 50% the quantity of cables needed to connect the same number of households.

A survey by Speedtest, a web service that provides Internet access performance metrics, indicated that the speed of downloading through fixed broadband Internet in Lebanon was the 139th fastest among 149 countries and territories around the world and the 15th fastest among 17 countries in the Arab region in May 2026. Globally, the speed of downloading through fixed broadband Internet in Lebanon was faster than in Kenya, Guinea, and Pakistan among economies with a GDP of $10bn or more, while it was slower than in Madagascar, Angola, and Tunisia. The survey shows that the speed of downloading through broadband in Lebanon stood at 20.86 megabytes per second (mbps) in May 2026, up from 20.33 mbps in April 2026 and 16.12 mbps in May 2025. But it came significantly lower than the simple average broadband Internet download speed of 132.7 mbps worldwide and of 116.2 mbps in Arab countries. Further, the country's broadband Internet download speed lags the Gulf Cooperation Council (GCC) countries' average of 216.7 mbps and the non-GCC Arab countries' average of 61.3 mbps.

In parallel, the survey indicated that the download speed from mobile Internet in Lebanon was the 94th fastest among 101 countries and territories around the world and the 13th fastest among 14 countries in the Arab region in May 2026. Globally, the download speed from mobile Internet in Lebanon was faster than in Panama, Pakistan, and Venezuela, while it was slower than in Mexico, El Salvador, and Bangladesh. The survey shows that the speed of downloading through mobile Internet in Lebanon stood at 36.82 mbps in May 2026, down from 36.4 mbps in April 2026 and from 47.16 mbps in May 2025. But it came significantly below the simple average mobile Internet download speed of 119.7 mbps worldwide and of 190.9 mbps in Arab countries. Further, the country's mobile Internet download speed lags the GCC countries' average of 374.7 mbps and the non-GCC Arab countries' average of 53.1 mbps.

Banque du Liban initiates forensic audit of subsidies program and foreign transfers

Banque du Liban (BdL) announced, in coordination with the Ministry of Finance and the Ministry of Justice, that it has successfully completed the bidding process under Public Procurement Law No. 244/2021 for a forensic audit of selected transactions involving BdL's foreign assets during the period between October 1, 2019 and December 31, 2023. BdL said that, following the administrative, technical, and financial evaluation of the submitted proposals, it awarded the contract to management consulting firm Alvarez & Marsal (A&M) Middle East Limited in accordance with legal regulations and standard procedures.

Further, it noted that this process is part of a joint institutional effort that aims to conduct a comprehensive financial and forensic audit that covers the period from October 2019 to the end of 2023. It added that, during this specific timeframe, BdL saw large-scale financial interventions for the benefit of public and private sector entities.

In addition, it pointed out that the audit will primarily cover the subsidies program that successive governments approved, and that involved the transfer and payments of several billions of US dollars to subsidize the import of basic goods as well as of raw materials for industry and agriculture; as well as funds that BdL placed at the disposal of public institutions and government agencies; and transactions that BdL carried out with commercial banks through international transfers to the latters' accounts abroad.

Also, it said that the primary objectives of the forensic audit are to confirm that all payments and transfers, particularly those linked to the subsidies programs, were executed under lawful mandates and received the proper authorizations; that the funds reached the clearly identified and authorized beneficiaries; and that the funds were used strictly for their designated purposes without any violations, misuse, or the exploitation of public funds.

Further, it noted that the audit will support the relevant authorities at the Ministry of Finance and at the Ministry of Justice to identify and prosecute cases where entities or individuals unlawfully obtained subsidy funds. It added that it covers instances where such funds were used in violation of the stated objectives of the subsidies programs. It said that the audit will allow BdL to form an accurate, independent, and audited view of the total volume of funds spent from October 2019 until the end of 2023. Moreover, BdL indicated that it will provide the public with regular updates on the progress of the forensic audit, in line with its commitment to transparency and disclosure. It added that, once fully completed, the final report on the subsidies program will be officially submitted to both the Ministry of Finance and the Ministry of Justice.

In November 2025, BdL announced that with the coordination with the Ministry of Finance and the Ministry of Justice, BdL will begin preparing the terms of reference to conduct an external financial and forensic audit of all the beneficiaries of the government's subsidy program for imported goods after October 17, 2019. It added that this will be done in cooperation with the two ministries and aims to launch a tender in this regard in accordance with the provisions of Law No. 244/2021. BdL indicated that this measure aims to retain a specialized firm to carry out an external financial and forensic audit that covers the subsidies program on goods that the previous governments launched. It will also cover the transfer of funds to bank accounts abroad, as well as expenditures maid on behalf of the State during the 2019-23 period, or during the timeframe of the subsidies program. It added that the audit aims to identify, recover, and rectify any illicit payments, misuse of public funds, or abuse of authority that may have occurred in the context of previous subsidy operations.

The Lebanese Parliament enacted on June 30, 2021 Law 240 that stipulates that all beneficiaries of government subsidies in foreign currencies will be subject to external accounting and forensic audits. It said that all companies, importers, merchants and non-governmental organizations, among others, that benefited from the government's mechanism of subsidizing the import of basic goods as well as of raw materials for industry and agriculture between October 17, 2019 and the date of the lifting of these subsidies will be subject to the forensic and financial audits. The subsidies mechanism consists of BdL selling US dollars at the exchange rate of LBP1,507.5 per dollar to importers of a basket of up to 300 basic consumer goods, medicine, medical instruments, as well as raw material for industry and agriculture. BdL estimated that the subsidies program drained about $800m monthly from its foreign currency reserves.

Port of Beirut processes one million tons of freight in first two months of 2026

Figures released by the Port of Beirut show that the port processed 1.04 million tons of freight the first two months of 2026, constituting an increase of 18.5% from 881,000 tons of freight in the same period of 2025. Imported freight totaled 916,000 tons in the first two months of 2026, up by 21.3% from 755,000 tons in same period last year, and accounted for 87.7% of the total processed freight in the covered period.

In addition, the volume of exported cargo reached 128,000 tons in the first two months of 2026, representing an increase of 1.6% from 126,000 tons in the same period of 2025, and accounted for 12.3% of aggregate freight in the covered period. A total of 201 vessels docked at the port in the first two months of 2026, down by 10.7% from 225 ships in the same period last year. The port handled 473,000 tons of freight in February 2026, down by 17.2% from 571,000 tons in January 2026. In addition, 103 vessels docked at the port in February 2026 compared to 98 ships in the preceding month.

In parallel, the Port of Tripoli processed 265,000 tons of freight in the first two months of 2026, representing a drop of 97,000 tons, or of 26.8%, from 362,000 tons in the same period last year. Imported freight stood at 209,000 tons in the covered period and decreased by 79,000 tons (-27.4%) from 288,000 tons in the first two months of 2025. Imports accounted for 78.9% of freight activity in the covered period.

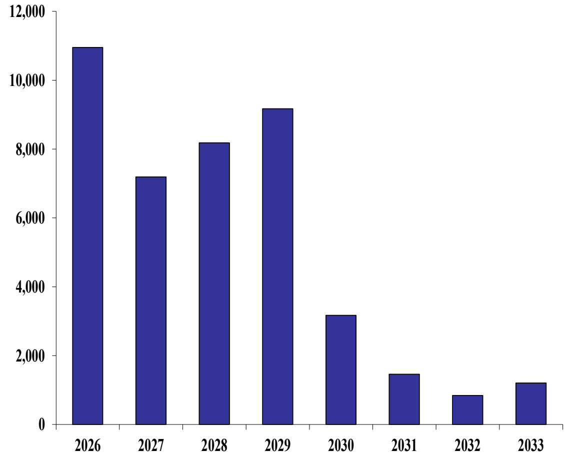
Further, the volume of cargo that was exported through the port reached 56,000 tons in the first two months of 2026, constituting a drop of 18,000 tons, or of 24.3%, from 74,000 tons in the same period of 2025, and represented 21% of aggregate freight in the covered period. A total of 94 vessels docked at the port in the first two months of 2026, constituting a decline of 26% from 127 ships in the same period of 2025. The port handled 120,000 tons of freight in February 2026, down by 17.2% from 145,000 tons in January 2026. Also, 49 vessels docked at the port in February 2026 compared to 45 ships in January 2026.

Nearly 85% of Treasury securities have seven-year maturities or longer at end-May 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 LBP42,192bn at the end of May 2026, compared to LBP47,847bn at end-2025 and to LBP60,237bn at end-May 2025. The securities were equivalent to $471.4m at the end of May 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 6.6% in May 2026 compared to 6.54% in May 2025.

Also, the distribution of outstanding Treasury securities shows that 10-year Treasury bonds totaled LBP25,340bn and accounted for 60% of aggregate securities denominated in Lebanese pounds at the end of May 2026, followed by seven-year Treasury securities with LBP8,848bn (21%), five-year Treasury bonds with LBP3,487bn (8.3%), three-year Treasury securities with LBP3,100bn (7.3%), and 15-year Treasury bonds with LBP1,417bn (3.4%). As such, 84.5% of outstanding Treasury securities have seven-year maturities or longer and 92.8% have five-year maturities or more.

Projected Maturities of Treasury Securities*
(in LBP billions)



**as at end-May 2026*
Source: Association of Banks in Lebanon, Byblos Research

In parallel, LBP1,698bn in outstanding Treasury securities denominated in Lebanese pounds matured in May 2026. The distribution of maturing securities shows that 88.4% consisted of 10-year Treasury bonds, 9.4% were of five-year Treasury securities, 2% consisted of seven-year Treasury bonds and 0.1% consisted of three-year Treasury bonds. According to the ABL, LBP10,955bn in outstanding Treasury securities in Lebanese pounds will mature in the remainder of 2026.

Electricity sector at center of fiscal and economic crisis

As part of its Diagnostic of Governance and Corruption in Lebanon, the International Monetary Fund (IMF) considered that the lack of reliable and continuous electricity supply constitutes a major problem in Lebanon, and that the opaque contracting process, weak oversight of politically-exposed persons, strong patronage networks, and the absence of accountability have exacerbated corruption risks in the electricity sector. It said that the existence of private generators was a response to the continuous failure of the authorities over decades to reform and upgrade the electricity sector, which created a gap of 37% between electricity demand and supply starting in 2018 due to inadequate energy provision. It noted that illegal private power generators follow a subscription -based model and create a complex informal economy, which is largely outside the government's regulations and oversight. It added that a 2020 World Bank study shows that fuel importers, generator dealers, and agents benefit the most from the existence of diesel generators and earned an aggregate of about $2bn in annual revenues from the informal power sector.

In addition, it pointed out that the electricity sector has long been at the center of Lebanon's fiscal and economic challenges. It said that the state-owned Electricité du Liban (EdL), the public utility company with exclusive rights to generate, transmits and distributes electricity, and has consistently operated at a deficit that has been financed through fiscal transfers since 1993. It noted that adjustments to electricity tariff and to the exchange rate of the Lebanese pound against the US dollar in 2022 and 2023 reduced EdL's operating deficit, but it noted that the latter remains far from being self-sufficient and continues to rely on state support to finance fuel imports. Also, it estimated that the government spent about $3.66bn on projects in the electricity sector between 1990 and 2019, and that international donors contributed $1.28bn in funding for electricity projects through the Council for Development and Reconstruction between 1992 and 2021.

Also, it indicated that weak operational capacities and governance structures in Lebanon allowed political and economic elites to seize control of EdL, and to further undermine its performance. It said that the authorities mismanaged for decades investments that were intended to expand and diversify power generation capacity, which has perpetuated the reliance on imported fuel oil to produce electricity and has favored politically connected cartels. It added that, in turn, this has kept electricity tariffs below cost-recovery levels; allowed the spread of illegal small-scale private generators that are often linked to political parties or local authorities; and weakened EdL's ability to reduce non-technical losses and improve collection rates. It added that the authorities adopted complex and opaque frameworks for distribution service providers but failed to enforce them; refused to implement existing legal reforms that aim to establish a market regulator, restructure EdL, and facilitate orderly private sector participation; captured EdL's management and procurement structures; blocked external audits; and tolerated large numbers of temporary workers while freezing the hiring of permanent staff.

In parallel, it noted that many Lebanese citizens have purchased and installed solar systems as an alternative solution to their limited access to electricity from EdL. It said that the market for domestic solar systems grew from the absence of installed renewable capacity in 2010 to 100 megawatt (MW) by 2019, while total installed capacity doubled to 200 MW in 2021 and to an estimated 1,300 MW by the end of 2023. It indicated that at least 17 communities across Lebanon have adopted hybrid mini-grids that combine solar panels and diesel generators to compensate for the weaknesses of the central grid. It said that these communities try to integrate solar power into pre-existing neighborhood generator grids, in order to reduce reliance on diesel and to provide consumers with cheaper and more reliable energy. But it considered that resorting to renewable energy remains unaffordable for many Lebanese citizens.

Moreover, the IMF urged the Council of Ministers to adopt a comprehensive proactive transparency policy for the electricity sector. It said that the policy should require the authorities to publish the complete text of all current and future contracts and concessions authorizing private sector entities to generate electricity for EdL; as well as the contracts and agreements with distribution service providers along with the payment formulas and amounts; fuel purchase contracts tendered by the Directorate General of Oil or any other governmental agency or body since 2015; active fuel import licenses; and semi-annual reports on financial flows between the government and EdL.

Further, it indicated that limited access to electricity has had a severe impact on the most vulnerable households in the country. It said that a Human Rights Watch survey found that households spent 44% of their monthly income on generator bills in 2023, and that households in the bottom quintile who accessed a generator spent on average 88% of their monthly income on generator bills compared to 21% for families in the top quintile.

The IMF said that it conducted the Diagnostic of Governance and Corruption from October 2022 to April 2023 at the request of the government of Prime Minister Najib Mikati at the time. It added that it shared the draft report with the authorities in March 2025 for their review and input, and presented the draft to the Prime Minister and members of the Council of Ministers on April 30, 2025. It noted that it incorporated in the report further updates based on the series of meetings held in May 2025 and on the written input from the authorities.

Nine Lebanese universities among top 109 universities in Arab world

The QS University Rankings for 2027 included nine Lebanese universities among 1,504 universities worldwide and among 109 ranked universities in the Arab region. The American University of Beirut (AUB) was the highest ranked institution in Lebanon and the eighth highest ranked in the Arab world, and came in 223rd place globally. Also, the survey ranked the Lebanese American University (LAU) in 477th place, Université Saint-Joseph de Beyrouth (USJ) in 537th place, the Lebanese University (LU) in 626th place, the Beirut Arab University (BAU) in 670th place, the Holy Spirit University of Kaslik (USEK) in the 761-770 range, the University of Balamand (UOB) in the 1001-1200 range, as well as the Islamic University of Lebanon (IUL) and Notre Dame University-Louaizé (NDU) in the 1201-1400 range each. Further, QS assigned to AUB an overall score of 53.7 points out of a maximum of 100 points, followed by LAU with 33.4 points, USJ with 30.6 points, LU with 27.7 points, and BAU with 26.3 points; while it did not provide scores to USEK, UOB, IUL and NDU.

The ranking of USJ improved by 81 spots from 2026, the standing of LAU increased by 58 notches, the rank of AUB improved by 14 spots, and the classification of BAU increased by 6 notches year-on-year; while the ranking of USEK advanced from the 771-780 range. In contrast, the ranking of LU deteriorated by 111 spots in 2026, the rankings of IUL and NDU regressed from the 1001-1200 range, and the classification of UOB was unchanged year-on-year.

The UAE and Saudi Arabia accounted each for six of the top 21 universities in the Arab world among the top 500 universities worldwide, followed by Qatar, Lebanon, Jordan and Egypt with two institutions of higher learning each, and Oman with one university among the top 500.

The rankings are based on a weighted average of 10 factors that are academic reputation with a 30% weight, followed by citations per faculty (20%), employer reputation (15%), faculty-to-student ratio (10%), as well as sustainability performance, employment outcomes, international research network, the ratio of international faculty to the total number of faculty members, the ratio of international students to the overall number of students (5% each), and international student diversity. The last factor is a non-weighted metric that measures the size of an institution's international student body, and its success at attracting students from a wide range of different countries and backgrounds. The QS University Rankings are compiled by Quacquarelli Symonds Limited, a company specializing in education and study abroad.

In parallel, AUB ranked the highest among Lebanese universities on the citations per faculty, academic reputation, employer reputation, employment outcomes, and sustainability factors. Moreover, AUB came in 12th place among Arab universities and in 412th place worldwide on the citations per faculty indicator, and in eighth place regionally and in 282nd place globally on the academic reputation factor. Also, it came in fourth place among Arab universities and in 172nd place globally on the employer reputation indicator, in second place regionally and in 18th place worldwide on the employment outcomes factor, as well as in first place among Arab universities and in 176th place globally on the sustainability factor.

Further, LAU came in first place in Lebanon, in eight place among Arab universities, and in 226th place globally in terms of its international research network, which measures the level of collaboration with institutions and researchers around the world. Further, LAU was the second highest ranked university in Lebanon on the citations per faculty, employer reputation and sustainability factors; the third highest on academic reputation; and the fourth highest in terms of employment outcomes. Moreover, LAU came in 25th place among Arab universities on the citations per faculty indicator, a in 28th place regionally on the academic reputation factor; in 12th place on the employer reputation indicator, in 31st place in the Arab world on the employment outcomes factor, as well as in fifth place on the sustainability factor.

In addition, USEK ranked first in Lebanon on the faculty-to-student ratio indicator and on the ratio of international faculty to the total number of faculty members. It came in ninth place among Arab universities and in 240th place worldwide on the faculty-to-student ratio indicator, as well as in 40th place regionally and in 136th place globally on the ratio of international faculty to the total number of faculty members.

Further, the IUL came in first place in Lebanon on the ratio of international students to the overall number of students. It ranked in 13th place among Arab universities and in 83rd place globally on the ratio of international students to the overall number of students.

Ministry of Environment amends environmental taxes on waste-generating products

The Ministry of Environment issued Decree No. 3314 dated June 15, 2026 about the amendment of environmental taxes on waste-generating products. The decree went into effect upon its issuance, following its signature by President Joseph Aoun on June 15, 2026. Article 1 revises the tax rates applied to certain products, based on the quantity or quality of waste produced during their manufacturing or usage. It imposes an environmental tax of 1% on essential goods and primary materials, including live animals, meats, dairy products, cereals, pharmaceutical products, and base metals such as aluminum, iron, nickel, and steel. Also, it levies an environmental tax of 1.5% on intermediate consumer products and processing goods, such as beverages, spirits, vinegar, paper, cardboard, glass, and electrical machinery. Further, it imposes an environmental tax of 2% on heavier industrial materials and potential environmental pollutants, including cement, mineral fuels, mineral oils, organic chemicals, diverse plastics, and carpets. Moreover, it levies an environmental tax of 2.5% on high-impact chemical and industrial commodities, including animal or vegetable fats, inorganic chemicals, rubber, raw hides, skins, leather articles, travel goods, and stone or cement manufactures. Finally, it imposes an environmental tax of 3% on hazardous, highly toxic, or heavily regulated materials, specifically tanning or dyeing extracts, explosives, pyrotechnic products, matches, arms and ammunition.

The ministry based its decision on the Environmental Protection Law No. 444 dated July 29, 2002, which established the "polluter pays" principle; on Law No. 38 dated January 5, 2026 that amended the Integrated Solid Waste Management framework, which mandates the imposition of taxes on certain products relative to the quantity or quality of waste generated during their manufacturing or resulting from their use, in application of the producer responsibility principle and in accordance with the schedule attached to the law specifying the tax rates as a percentage of the product's value; and on the legislative amendment to Law No. 80 of October 10, 2018 about the legal framework for integrated solid waste management that Parliament approved and that reaffirmed that waste management remains the responsibility of the State, which imposes additional expenditures on the Treasury that must be funded.

IMF expects economy to contract in 2026

The International Monetary Fund (IMF) indicated that Lebanon is facing very challenging economic, social and humanitarian conditions due to the resumption of the war between Israel and Hezbollah in March of this year. It said that the war resulted in damages to housing, infrastructure, and economic activity, as well as in a significant human toll. It estimated that economic activity will contract in 2026, given the war's impact on key sectors of the Lebanese economy such as tourism and agriculture, as well as due to its effect on confidence and to the prevailing uncertainties. But it noted that the full impact of the conflict will only be known over time, and will depend on the duration and intensity of the war.

In parallel, the IMF indicated that it continues to be closely engaged with the Lebanese authorities through two tracks. It said that the first track consists of helping the government identify economic policy measures that can address the immediate crisis and how these measures can be implemented to mitigate the impact of the conflict on the economy. It noted that Lebanon had strengthened its fiscal and its international reserves position prior to the conflict, which is providing some space to provide policy support to address the most pressing humanitarian needs in the country. It added that the second track consists of its discussions with the Lebanese authorities on a more comprehensive reforms plan that could be supported ultimately by an IMF program. It noted that these deliberations have mainly focused on the authorities' strategy to restructure the banking sector and on their medium-term fiscal framework.

The IMF estimated that Lebanon's real GDP grew by 4% in 2025 relative to contractions of 7.5% in 2024 and of 0.7% in 2023, and that the country's nominal GDP stood at $34.5bn in 2025 compared to $29.3bn in 2024 and $24.5bn in 2023. As such, it said that Lebanon's GDP per capita was $6,443.2 in 2025 relative to $5,480 in 2024 and $4,574.4 in 2023. Further, it said that the average inflation rate in the country was 14.6% in 2025, compared to average inflation rates of 12.9% in the Middle East and North Africa region last year.

In parallel, it indicated that the fiscal surplus increased from 0.4% of GDP in 2024 to 3.25% of GDP in 2025, relative to a deficit of 1.6% of GDP in 2023, and that the public debt level regressed from 185.8% of GDP at end-2023 to 157.9% of GDP at end-2024 and 139.4% of GDP at end-2025. In addition, it estimated that the exports of goods and services from Lebanon decreased by 2.1% in 2025 and the imports of goods and services to the country increased by 7.5% last year, compared to declines of 25% for exports and of 10.3% for imports in 2024.

Damages to buildings in South Lebanon at $1.38bn

The United Nations Development Program (UNDP), in coordination with the Lebanese National Council for Scientific Research (CNRS-L) and in collaboration with the Lebanese Armed Forces (LAF) and the United Nations Department of Safety and Security (UNDSS), announced the results of a rapid assessment of damaged buildings from the Israeli war in South Lebanon. It said that the assessment aims to provide preliminary estimates of the extent of the damage and to support the recovery and reconstruction planning efforts in the affected areas. It noted that the assessment relied on Geospatial Artificial Intelligence (GeoAI) technologies, satellite imagery analysis, and field verification exercises to ensure the accuracy and reliability of the data.

It estimated the direct damage, excluding minor damages, to buildings in the South and Nabatieh governorates at $1.38bn, with the damage in the Bint Jbeil district at $668.1m, or 49.7% of the total, followed by the Marjaayoun district with $333m in damages (24.1%), the Tyre district $with 315m (22.8%), the Nabatieh district with $32.2m (2.3%), and the Saida district with $16.1m (1.2%).

Also, it estimated that 11,095 buildings that consist of 17,891 housing units were completely destroyed; 2,242 buildings, including 5,219 housing units, were partially damaged; and that 9,311 buildings that consist of 18,282 housing units experienced minor damages in the South and Nabatieh governorates as of April 29, 2026.

It said that the Israeli strikes destroyed 14,357 units in 8,989 buildings, while they partially damaged 1,190 buildings containing 2,476 units, and caused minor damage to 8,384 units in 5,247 buildings in the Nabatieh governorate. Also, the strikes destroyed 2,106 buildings that consist of 3,534 units, partially damaged 1,052 buildings that consist of 2,743 units, and caused minor damage to 9,898 units in 4,064 buildings in the South governorate.

Further, it pointed out that the most severely affected cadasters in the Bint Jbeil district include Aaitaroun with 1,658 destroyed buildings, and the town of Bint Jbeil with 1,076 buildings; while the most severely affected cadasters in the Marjaayoun district include Meiss Ej Jabal with 969 damaged buildings and Taybe Marjaayoun with 824 destroyed buildings; and the most severely affected cadasters in the Nabatieh district include Yohmor El-Nabatiyeh with 71 affected buildings and Zaoutar Ech-Charqiyeh with 69 buildings.

Also, it said that the areas suffering the greatest damage in the Tyre district include Borj Ech Chemali with 370 destroyed buildings and Borj El-Naqoura with 216 destroyed buildings; while the most severely affected cadasters in the Saida district include Zrariyeh with 65 damaged buildings and Arzai with 62 affected buildings.

Moreover, the UNDP estimated that the damages produced approximately 3.1 million cubic meters (m^3) of debris in the South and Nabatieh governorates, with the Bint Jbeil district accounting for 1.51 million m^3, or 48.7% of the total, followed by the Marjaayoun district with 787,940 m^3 (25.4%), the Tyre district with 689,603m^3 (22.2%), the Nabatieh district with 77,538m^3 (2.5%), and the Saida district with 39,263m^3 (1.3%). Also, it pointed out that these findings provide an initial evidence base to support national authorities and partners in prioritizing and directing recovery and reconstruction efforts more effectively and in a sustainable way.

In parallel, the UNDP earlier estimated the direct damage to buildings in Beirut and Mount Lebanon at $365m with the damage in Mount Lebanon at $349.7m, or 95.8% of the total, and the damage in Beirut at $15.4m, and representing the balance of 4.2%. Also, it estimated that 146 buildings, consisting of 3,168 housing units, were completely destroyed; 264 buildings, including 4,437 housing units, were partially damaged; and 54 apartments were directly targeted by Israeli strikes.

In addition, it estimated that the damage produced approximately 648,942 cubic meters (m^3) of debris, with the Baabda District accounting for 601,384 m^3, or 92.7% of the total, followed by Beirut with 27,337 m^3 (4.2%), and the Aley District with 20,221 m^3 (3.1%).

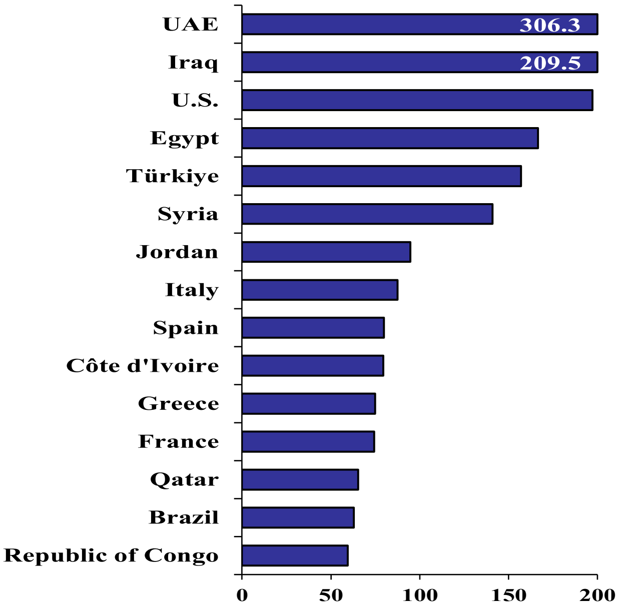
Industrial exports up 15.3% to $2.9bn in 2025

Figures released by the Ministry of Industry show that industrial exports totaled $2.9bn in 2025, constituting an increase of $386m, or of 15.3%, from $2.5bn in 2024. In comparison, industrial exports stood at $2.5bn in 2019, at $2.2bn in 2020, and at $2.55bn in 2023.

Exports of base metals reached $600.7m in 2025 and accounted for 20.7% of aggregate industrial exports last year. They were followed by the exports of machinery & electronic appliances with $560.1m (19.3%), chemical products with $509.4m (17.6%), prepared foodstuff & tobacco with $455.2m (15.7%), pearls, precious stones and metals with $229.1m (8%), plastics & rubber with $99.2m (3.4%), plant-based products with $94m (3.2%), and papers & paperboards with $78.8m (2.7%).

Further, the exports of base metals surged by $163.7m, or by 37.5%, in 2025; followed by exported pearls, precious stones and metals with $71.8m (+45.6%); chemical products with $69.3m (+15.8%); prepared foodstuff & tobacco with $35.7m (+8.5%); and machinery & electronic appliances with $30.9m (+5.8%); while the exports of fats, greases, and oils dropped by $22.1m (-24.7%); followed by exported paper & paper-board products with $4.7m (-5.7%); leather & furskin articles with $1.8m (-23.%); and articles of stone, plaster, cement, and glass with $1.3m (-4.7%).

Top Destinations of Industrial Exports in 2025 (US$m)



Source: Ministry of Industry, Byblos Research

Also, Arab countries were the destination of 40.4% of Lebanese industrial exports in 2025, followed by European economies with 19%, non-Arab African markets with 15.6%, non-Arab Asian economies with 12.4%, the Americas with 11%, and markets in Oceania with 0.8%. In comparison, Arab countries were the destination of 39.3% of Lebanese industrial exports in 2024, followed by European economies with 21%, non-Arab African markets with 16.3%, the Americas with 11%, non-Arab Asian economies with 10%, and markets in Oceania with 1%.

On a country basis, the UAE was the main destination of Lebanese industrial exports with $306.3m and accounted for 10.6% of the total in 2025, followed by Iraq with $209.5m (7.2%), the U.S. with $197.3m (6.8%), Egypt with $166.6m (5.7%), Türkiye with $157.1m (5.4%), Syria with $141m (4.9%), Jordan with $947m (3.3%), Italy with $87.6m (3%), and Spain with $79.9m (2.8%). Also, 26 non-Arab African countries, 23 European economies, 16 Arab countries, 14 non-Arab Asian economies, six countries in the Americas, and two economies in Oceania imported $1m or more each of Lebanese industrial products in 2025.

In parallel, the imports of industrial equipment and machinery reached $16rm in 2025, constituting an increase of 24.2% from $132m in 2024. China was the main source of such imports and accounted for 34.3% of the total last year, followed by Italy with 19.5%, and Germany with 11.7%. Further, the imports of industrial equipment and machinery amounted to $15.9m in December 2025, representing a surge of 46.8% from $10.8m in November 2025. China was the main source of such imports with $5.6m and accounted for 35.3% of the total in December 2025, followed by Türkiye with $2.6m (16.3%), and Italy with $2m (12.4%).

Balance sheet of investment banks at LBP91.2 trillion at end-March 2026

Figures released by Banque du Liban (BdL) show that the consolidated balance sheet of investment banks in Lebanon reached LBP91.2 trillion (tn) at the end of March 2026, or the equivalent of $1.02bn, constituting a decrease of 1.1% from LBP92.2tn ($1.03bn) at end-2025 and an increase of 9.8% from LBP83.1tn ($928m) 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 stood at LBP8.7tn ($97.7m) at the end of March 2026 and increased by 12.7% from LBP7.76tn ($86.7m) at the end of 2025 and by 50% from LBP5.8tn ($65.1m) a year earlier. Further, claims on resident customers in Lebanese pounds totaled LBP403.3bn at end-March 2026, constituting declines of 7.2% from LBP434.6bn at end-2025 and of 30.8% from LBP582.4bn at end-March 2025, while claims on resident customers in foreign currency amounted to LBP8.3tn ($93.2m) at end-March 2026 and rose by 14% in the first quarter of 2026 and by 59% a year earlier. Also, claims on non-resident customers stood at LBP841.8bn ($9.4m) at the end of March 2026 and increased by 4.3% from end-2025 and by 7.8% from end-March 2025.

Further, claims on the resident financial sector reached LBP7.7tn ($86m) at end-March 2026, as they grew by 11.2% from LBP6.92tn ($77.3m) at end-2025 and decreased by 15.4% from LBP9.1tn ($101.6m) a year earlier. Claims on the resident financial sector in Lebanese pounds amounted to LBP3.7tn at the end of March 2026 and surged by 78.8% from LBP2.07tn at end-2025 and by 11.4% from LBP3.3tn at end-March 2025, while claims on the resident financial sector in foreign currency totaled LBP4tn ($44.6m) at end-March 2026 and decreased by 17.7% from LBP4.85tn ($54.2m) at the end of the previous year and by 31% from LBP5.77tn ($64.5m).

In addition, claims on the non-resident financial sector reached LBP6.2tn ($69.4m) at the end of March 2026 and decreased by 24.7% from LBP8.25tn ($92.1m) at end-2025 and by 24.4% from LBP8.2tn ($91.7m) at end-March 2025. Also, claims on the public sector stood at LBP3.2bn at end-March 2026 compared to LBP3.3bn at end-2025 and LBP1.9bn a year earlier; while the securities portfolio, which includes Lebanese Treasury bills and Eurobonds, amounted to LBP10tn and regressed by 4.5% from LBP10.5tn at the end of 2025 and by 18.6% from LBP12.3tn at end-March 2025. In parallel, currency and deposits with local and foreign central banks reached LBP35.6tn ($397.6m) at end-March 2026 compared to LBP36tn ($402.7m) at end-2025 and to LBP31.4tn ($351m) at end-March 2025.

On the liabilities side, deposits of resident customers stood at LBP29.1tn ($325m) at the end of March 2026, constituting a decreases of 1.2% from LBP29.4tn ($328.8m) at the end of 2025 and of 3% from LBP30tn ($335m) at the end of March 2025. Deposits of resident customers in Lebanese pounds amounted to LBP2,622bn at end-March 2026 as they grew by 8.4% in the first quarter of the year and declined by 11.5% from a year earlier, while deposits of resident customers in foreign currency reached LBP26.5tn ($295.7m) at the end of March 2026 and regressed by 2% from end-2025 and by 2% from end-March 2025. Also, deposits of non-resident customers totaled LBP8.7tn ($96.9m) at the end of March 2026, as they decreased by 2.3% from LBP8.88tn ($99.2m) at the end of 2025 and increased by 8.8% from LBP7.97tn ($89m) a year earlier.

Further, liabilities to the resident financial sector amounted to LBP5.2tn ($57.7m) at end-March 2026 and rose by 9.1% from LBP4.7tn ($52.9m) at end-2025 and by 3.4% from LBP5tn ($55.8m) at end-March 2025. Liabilities to the resident financial sector in Lebanese pounds totaled LBP2,950.1bn at end-March 2026, as they increased by 6.2% in the first quarter of 2026 and regressed by 2.4% from a year earlier, while liabilities to the resident financial sector in foreign currency reached LBP2,213.1bn ($24.7m) at end-March 2026 and grew by 13.1% from LBP1,956.1bn ($22m) at end-2025 and by 12.3% from LBP1,971.3bn ($22m) at end-March 2025.

In addition, liabilities to the non-resident financial sector amounted to LBP9.2tn ($102.8m) at end-March 2026, decreasing by 10.3% in the first quarter of 2026 and increasing by 8.6% from a year earlier, while public sector deposits totaled LBP195.7bn at the end of March 2026 relative to LBP446.4bn at the end of 2025 and to LBP1,125.4bn at end-March 2025. Further, the aggregate capital account of financial institutions stood at LBP24.6tn ($275.3m) at the end of March 2026 relative to LBP25.1tn ($281m) at the end of 2025 and to LBP19.2tn ($214.5m) at end-March 2025.

International Payment Network post losses of LBP22.2bn in 2025

The audited balance sheet of the International Payment Network (IPN) sal shows that the firm had total assets of LBP64.4bn at the end of 2025 compared to LBP80.1bn at the end of 2024. On the assets side, current assets reached LBP51.6bn at end-2025 relative to LBP72.4bn a year earlier. The distribution of current assets indicates that cash and bank balances amounted to LBP41.6bn at end-2025, constituting a decline of 37.2% from LBP66.2bn at end-2024, while accounts receivable and other assets totaled LBP10bn, and grew by 60.3% from LBP6.3bn a year earlier. Also, IPN's non-current assets reached LBP12.8bn at end-2025, representing a surge of 67% from LBP7.7bn at end-2024, and consisted of LBP6.4bn in right-of-use leased assets, LBP5.2bn in intangible assets, and LBP1.2bn in machinery and equipment.

On the liabilities side, current liabilities stood at LBP29.1bn at end-2025, and regressed by 1.2% from LBP29.5bn a year earlier. Current liabilities consisted of LBP25.9bn in suppliers and other liabilities and LBP3.2bn in lease liabilities at end-2025. Also, the firm's non-current liabilities amounted to LBP24.2bn at end-2025, constituting an increase of 39.6% from LBP17.3bn at end-2024. Non-current liabilities consisted of LBP20.9bn in provisions for employees' end-of-service indemnities and LBP3.3bn in lease liabilities at end-2025.

In addition, the firm's shareholders' equity totaled LBP11.1bn at the end of 2025 relative to LBP33.3bn a year earlier, while its capital stood at LBP15bn at end-2025, unchanged from end-2024. Further, the company's legal reserves reached LBP4.1bn at end -2025 compared to LBP1.1bn a year earlier, while its other reserves amounted to LBP1.7bn, unchanged from end-2024. Further, IPN's retained earnings totaled LBP12.6bn at end-2025 relative to retained losses of LBP14.6bn at end-2024. Also, the firm's losses stood at LBP22.2bn in 2025 compared to profits of LBP30.1bn in 2024.

Established in 1996, the International Payment Network sal is a private joint-venture company owned collectively by a consortium of major Lebanese commercial banks. It provides automated teller machines (ATMs) processing and local transaction switching for a network of participant member banks across Lebanon. As such, it connects 18 major banks across 789 ATMs in the country, allowing users to conduct interbank withdrawals, cash deposits, Person-to-Person (P2P) transfers, bill payments, and inquire about their account balance, among others. The primary owning shareholders of IPN are Byblos Bank, BLOM Bank, Fransabank, Crédit Libanais, and Bank Audi.

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

Economic Research & Analysis Department
Byblos Bank Group
P.O. Box 11-5605
Beirut – Lebanon
Tel: (961) 1 338 100
Fax: (961) 1 217 774
E-mail: research@byblosbank.com.lb
www.byblosbank.com

BYBLOS BANK GROUP

LEBANON

Byblos Bank S.A.L
Achrafieh - Beirut
Elias Sarkis Avenue - Byblos Bank Tower
P.O.Box: 11-5605 Riad El Solh - Beirut 1107 2811- Lebanon
Phone: (+ 961) 1 335200
Fax: (+ 961) 1 339436

IRAQ

Erbil Branch, Kurdistan, Iraq
Street 60, Near Sports Stadium
P.O.Box: 34 - 0383 Erbil - Iraq
Phone: (+ 964) 66 2233457/8/9 - 2560017/9
E-mail: erbilbranch@byblosbank.com.lb

Sulaymaniyah Branch, Kurdistan, Iraq
Salem street, Kurdistan Mall - Sulaymaniyah
Phone: (+ 964) 773 042 1010 / (+ 964) 773 041 1010

Baghdad Branch, Iraq
Al Karrada - Salman Faeq Street
Al Wahda District, No. 904/14, Facing Al Shuruk Building
P.O.Box: 3085 Badalat Al Olwiya – Iraq
Phone: (+ 964) 770 6527807 / (+ 964) 780 9133031/2
E-mail: baghdadbranch@byblosbank.com.lb

Basra Branch, Iraq
Intersection of July 14th, Manawi Basha Street, Al Basra – Iraq
Phone: (+ 964) 770 4931900 / (+ 964) 770 4931919
E-mail: basrabranch@byblosbank.com.lb

ARMENIA

Byblos Bank Armenia CJSC
18/3 Amiryan Street - Area 0002
Yerevan - Republic of Armenia
Phone: (+ 374) 10 530362 Fax: (+ 374) 10 535296
E-mail: infoarm@byblosbank.com

NIGERIA

Byblos Bank Nigeria Representative Office
161C Rafu Taylor Close - Off Idejo Street
Victoria Island, Lagos - Nigeria
Phone: (+ 234) 706 112 5800
(+ 234) 808 839 9122
E-mail: nigeriarepresentativeoffice@byblosbank.com.lb

BELGIUM

Byblos Bank Europe S.A.
Brussels Head Office
Boulevard Bischoffsheim 1-8
1000 Brussels
Phone: (+ 32) 2 551 00 20
Fax: (+ 32) 2 513 05 26
E-mail: byblos.europe@byblosbankeur.com

UNITED KINGDOM

Byblos Bank Europe S.A., London Branch
Berkeley Square House
Berkeley Square
GB - London W1J 6BS - United Kingdom
Phone: (+ 44) 20 7518 8100
Fax: (+ 44) 20 7518 8129
E-mail: byblos.london@byblosbankeur.com

FRANCE

Byblos Bank Europe S.A., Paris Branch
15 Rue Lord Byron
F- 75008 Paris - France
Phone: (+33) 1 45 63 10 01
Fax: (+33) 1 45 61 15 77
E-mail: byblos.europe@byblosbankeur.com

ADIR INSURANCE

Dora Highway - Aya Commercial Center
P.O.Box: 90-1446
Jdeidet El Metn - 1202 2119 Lebanon
Phone: (+ 961) 1 256290
Fax: (+ 961) 1 256293