

**LEBANON THIS WEEK**

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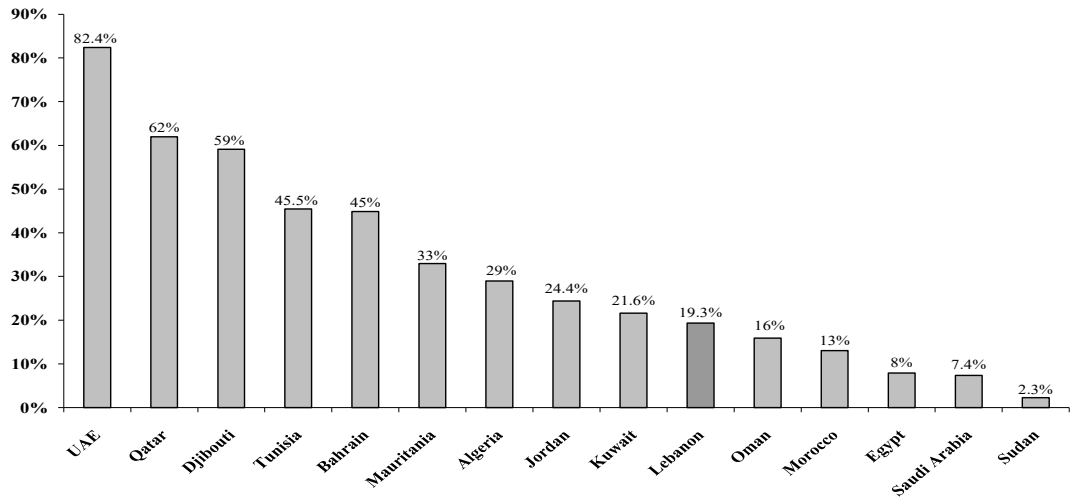
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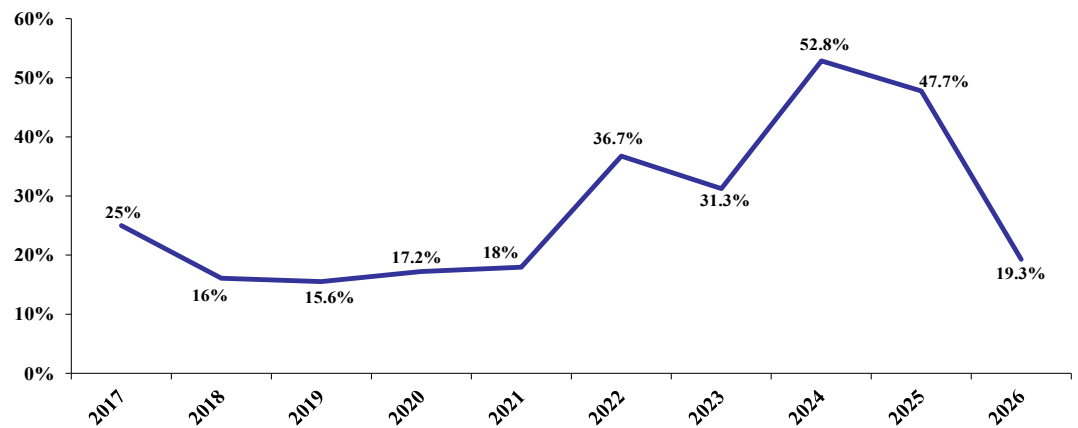
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**Chart of the Week**

**Percentile Rankings of Arab Countries in terms of Labor Freedom for 2026\***



**Percentile Rankings of Lebanon in terms of Labor Freedom**



*\*The Heritage Foundation defines labor freedom as the ability of individuals to work and businesses to hire with minimal restrictions on wage regulations, hiring and firing policies, and working hours*

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

**Quote to Note**

"The full impact of the conflict will only be known over time."

*The International Monetary Fund, on the overall cost of the war on the Lebanese economy*

**Number of the Week**

**646,107:** Number of internally-displaced persons who returned to their towns and villages as of July 2, according to the UN Office for the Coordination of Humanitarian Affairs

## 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)
<i>In months of Imports</i>	-	-	-	-	-	-	-
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	Sovereign Eurobonds	Coupon %	Mid Price in US\$	Mid Yield %
Solidere "A"	73.00	0.8	87,434	39.9%	Nov 2026	6.60	24.88	776.60
BLOM Listed	6.80	(9.2)	37,037	8.0%	Mar 2027	6.85	24.88	333.85
Byblos Common	0.70	(6.7)	15,076	2.2%	Nov 2028	6.65	25.00	69.56
BLOM GDR	6.50	0.0	10,000	2.6%	Feb 2030	6.65	25.25	41.67
Solidere "B"	72.95	0.6	7,076	25.9%	Apr 2031	7.00	25.38	30.77
Audi Listed	1.47	(22.6)	200	4.7%	May 2033	8.20	26.50	20.32
Ciments Libanais	72.60	0.0	-	7.7%	May 2034	8.25	26.50	17.63
Audi GDR	2.18	0.0	-	1.4%	Jul 2035	12.00	26.13	15.39
Byblos Pref. 09	29.99	0.0	-	0.3%	Nov 2035	7.05	25.88	15.05
Byblos Pref. 08	25.00	0.0	-	0.3%	Mar 2037	7.25	25.88	13.03

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

Source: LSEG Workspace

	June 29 - July 3	June 22-25	% Change	June 2026	June 2025	% Change
<b>Total shares traded</b>	156,823	33,195	372.4	348,367	496,525	(29.8)
<b>Total value traded</b>	\$7,271,986	\$2,086,944	248.5	18,274,616	10,857,127	68.3
<b>Market capitalization</b>	18.31	18.65	(1.8)	18.47	23.52	(21.4)

Source: Beirut Stock Exchange (BSE)



### Economic outlook contingent on improved security conditions and structural reforms

In its update on the Lebanese economy, the Institute of International Finance (IIF) projected Lebanon's real GDP to shift from a growth rate of 3.7% in 2025 to a contraction of 12% in 2026 due the renewed conflict between Israel and Hezbollah that started in March of this year. It said that the resulting shock and limited buffers present new challenges to the Lebanese authorities. But it added that the U.S.-brokered "Trilateral Framework" that the two sides signed on June 26 provides a potential roadmap towards reducing security tensions between Lebanon and Israel. It added that Lebanon's medium-term economic trajectory will depend on the implementation of the Framework and if political actors can agree on a credible path for institutional and structural reforms.

In its Scenario A of "Gradual Stabilization and Strengthened Reform Efforts" that assumes the gradual execution of the Trilateral Framework Initiative between Lebanon and Israel improvements in security conditions, and the implementation of reforms, the IIF projected Lebanon's real GDP growth rate at 6% in 2027, 6.5% in 2028, 6.8% in 2029, and 5.8% in 2030. It attributed the rebound in economic activity to a strong recovery in tourism and services, elevated spending on reconstruction, and rising public investments. Under this scenario, it considered that the Lebanese government will be able to advance reforms under an International Monetary Fund (IMF)-supported program, strengthen public financial management, and proceed with the banking sector's restructuring, which will unlock external financing from Gulf Cooperation Council (GCC) countries, Europe, multilateral institutions, and Diaspora investors. It noted, that, in turn, this will enable a faster reconstruction process supported by concessional loans, grants, and higher foreign direct investments (FDI).

In addition, it expected the fiscal surplus to increase from 0.3% of GDP in 2026 to 3.3% of GDP in 2030, as stronger real GDP growth rates, grant inflows and concessional financing will support public revenues. Also, it forecast the public debt level to decline from 141% of GDP at the end of 2026 to 69% of GDP at end-2027 in case of a debt restructuring agreement under the IMF program, and to continue to decrease to 66% of GDP by the end of 2030, despite cumulative concessional borrowing of \$12bn as nominal GDP in US dollars expands significantly. Further, it projected the current account deficit to narrow from 29.7% of GDP in 2026 to about 18% of GDP by 2030, supported by higher exports of goods and services and bilateral grants. Also, it anticipated foreign-currency reserves to increase from \$11.4bn at end-2026 to \$28.3bn at end-2030, driven by large non-resident inflows, mainly from FDI and concessional financing, which will strengthen the balance sheet of Banque du Liban and facilitate a larger settlement of frozen deposits than currently planned in the deposit recovery draft law. As such, it expected Lebanon to move towards a more stable macroeconomic environment by 2030, with stronger institutions, restored confidence, and a credible path to long-term recovery.

Under this scenario, it considered that Lebanon's recovery is likely to take place in three phases. It said that the first phase, which covers the 2027-30 period, would be driven primarily by a strong rebound in tourism and FDI, as well as by concessional financing and grants, and reconstruction spending, even if domestic financial intermediation remains weak. It added that the second phase, which encompasses the 2031-34 period, should gradually shift towards domestic private-sector-led growth, which requires renewed bank lending, stronger domestic investments, and rising exports. It noted that the third phase would depend on productivity gains, innovation, and efficient financial intermediation, as a fully functioning banking system would drive high long-term growth.

In its Scenario B of "Persistent Instability and limited Policy Progress" scenario that assumes that political divisions and security risks would prevent meaningful progress on the implementation of the Trilateral Framework or of broader reforms, the IIF projected Lebanon's real GDP growth rate at 3.4% in 2027, 2% in 2028, 1.1% in 2029, and 0.7% in 2030, as it considered that Lebanon would face prolonged weak economic activity until the restoration of political stability and the implementation of a credible reforms program. It said that, under this scenario, negotiations between the authorities and the IMF would likely stall, the banking sector's restructuring will continue to drag, and external financing from GCC countries, Europe, and multilateral institutions would remain limited. It estimated that private investments and tourism remain depressed and financial intermediation would continue to deteriorate. Also, it expected foreign-currency reserves to remain around \$11bn during the 2027-30 period.

	IIF's Medium-Term Scenarios									
	Scenario A					Scenario B				
	2026p	2027p	2028p	2029p	2030p	2027p	2028p	2029p	2030p	
Nominal GDP (US\$bn)	33.2	39.2	43.1	47.3	51.3	37.0	38.9	40.1	41.1	
Real GDP Growth, (% Change)	-12.0	6.0	6.5	6.8	5.8	3.4	2.0	1.1	0.7	
Consumer Price Index, Avge, (% Change)	15.5	7.8	4.1	3.3	3.0	7.8	4.1	3.3	3.0	
Fiscal Balance (% of GDP)	0.3	1.5	2.9	2.9	3.3	0.2	0.4	0.5	0.7	
Public Debt (% of GDP)	138.7	68.9	67.6	66.8	66.1	132.3	133.8	137.2	141.2	
Trade Balance (US\$bn)	-16.8	-17.8	-19.9	-22.0	-24.3	-16.9	-18.2	-19.4	-20.7	
Current Account Balance (% of GDP)	-29.7	-22.7	-21.8	-20.2	-18.0	-24.5	-24.9	-24.7	-24.6	
Official Foreign-Currency Reserves (US\$bn)	11.4	15.9	19.4	23.6	28.3	11.1	11.0	11.0	11.0	

Source: Institute of International Finance, July 2026

**Banque du Liban's liquid foreign reserves at \$11.6bn, gold reserves at \$37bn at end-June 2026**

Banque du Liban's (BdL) interim balance sheet shows that its total assets reached LBP8,354 trillion (tn) as at June 30, 2026, relative to LBP8,364.2tn at mid-June 2026, LBP8,321.5tn at end-May 2026, to LBP8,406.5tn at the end of 2025, and to LBP8,414tn at end-June 2025. BdL indicated that it revised its balance sheet figures starting on October 15, 2024 in accordance with international standards. It said that it changed the classification of "Foreign Assets" to "Foreign Reserve Assets" in order to present non-resident and liquid foreign assets only, while it reclassified the "other resident and/or illiquid items" to its "Securities Portfolio" or to the "Loans to the Local Financial Sector" entries.

BdL's Foreign Reserve Assets stood at \$11.55bn on June 30, 2026 compared to \$11.63bn at mid-June, to \$11.45bn at end-May, to \$11.89bn at end-2025, and to \$11.33bn on at the end of June 2025. Also, they increased by \$51.9m in January of this year, while they decreased by \$69.2m in February, by \$343.2m in March and by \$103.1m in April 2026, while they grew by \$15.4m in May 2026 and by \$106.1m in June 2026, including an increase of \$184.7m in the first half and a decrease of \$78.6m in the second half of June. As such, they decreased by \$324.8m since the end of February and by \$342.2m in the first half of the year, but they increased by \$2.98bn between the end of July 2023 and end-June 2026 despite a decline of \$530.3m in the fourth quarter of 2024. BdL said that Foreign Reserve Assets represent non-resident and liquid foreign assets. The dollar figures are based on the exchange rate of the Lebanese pound of LBP89,500 per US dollar starting on February 15, 2024, according to the BdL Central Council's Decision No. 48/4/24 dated February 15, 2024.

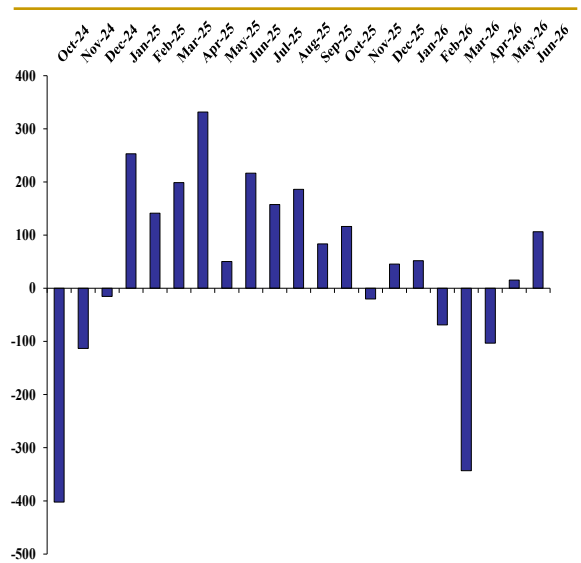
Further, the value of BdL's gold reserves reached \$37.1bn on June 30, 2026, compared to \$40bn at mid-June 2026, to \$41.7bn at end-May 2026, and to \$30.3bn at end-June 2025. Gold reserves reached a peak of \$47.7bn at the end of February 2026. Also, BdL's securities portfolio totaled LBP580,807.2bn at end-June 2026 relative to LBP581,729bn two weeks earlier and to LBP553,290bn on June 30, 2025. BdL noted that the securities portfolio includes Lebanese Eurobonds that had a market value of \$1.36bn at end-June 2026, compared to \$1.39bn at mid-June 2026 and \$1.22bn at the end of 2025. Prior to the modifications, BdL included the nominal value of its Lebanese Eurobonds.

Moreover, Deferred Open-Market Operations totaled LBP182,092.4bn at end-June 2026 relative to LBP181,166.1bn at mid-June 2026. BdL said that, based on the Central Council's decision 23/36/45 of December 20, 2023, it has started to present all deferred interest costs originating from open-market operations under this new line item. As a result, it transferred all deferred interest costs included in the "Other Assets" and "Assets from Exchange Operations" entries to the new item. Therefore, the item "Other Assets" stood at LBP18,946.7bn (\$211.7m) at end-June 2026 relative to LBP18,631.6bn (\$208.2m) two weeks earlier.

Also, the Revaluation Adjustments item on the asset side reached LBP1,662.3tn at end-June 2026 relative to LBP1,402.6tn at mid-June 2026. It consists of a special account called the "Exchange Rate Stabilization Fund", in which BdL recorded all the transactions related to foreign exchange interventions to stabilize the exchange rate starting in 2020 and that had a balance of LBP168.6tn at end-June 2026 relative to LBP168.5tn at mid-June 2026. It also consists of a special account in the name of the Treasury that stood at LBP1,493.7tn at end-June 2026 compared to LBP1,234.1tn at mid-June 2026. Further, the balance sheet shows that BdL's loans to the public sector totaled LBP1,486,772.7bn at end-June 2026 relative to LBP1,486,758.8bn two weeks earlier, and includes an overdraft of \$16.52bn as at end-June 2026, unchanged from mid-June 2026.

On the liabilities side, BdL's balance sheet shows that currency in circulation outside BdL stood at LBP58,742.1bn at end-June 2026 compared to LBP57,070.6bn at mid-June 2026, and represented a decrease of 23.5% from LBP76,803.6bn at end-June 2025. Further, the deposits of the financial sector reached LBP7,235.6tn, or the equivalent of \$80.84bn at end-June 2026, relative to LBP7,230.5tn (\$80.8bn) at mid-June 2026; while public sector deposits at BdL totaled LBP872,025.6bn at end-June 2026 compared to LBP891,930.9bn at mid-June 2026, LBP772,183.1bn at end-2025, and to LBP650,820.6bn at end-June 2025.

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



\*month-on-month change

Source: Banque du Liban, Byblos Research



### World Bank maintains Lebanon in lower middle-income category

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In its annual review of the income classifications of economies around the world, the World Bank (WB) maintained Lebanon in the lower middle-income country (LMIC) category as of July 1, 2026, the start of the bank's fiscal year.

The WB moved Lebanon from the upper middle-income country (UMIC) category to LMIC status as of July 1, 2022. It attributed its decision at the time to the decline of Lebanon's gross national income (GNI) per capita, measured in US dollars, while the country also experienced a sharp depreciation of its exchange rate in 2021. The WB classified Lebanon as an LMIC from 1987 until 1996 when its GNI per capita ranged from the \$481-\$1,940 bracket in 1987 to the \$786-\$3,115 bracket in 1996. It then upgraded Lebanon to UMIC status in 1997, where it remained until 2020 when its GNI per capita ranged from the \$3,126-\$9,655 segment in 1997 to the \$4,096-\$12,695 bracket in 2020. It noted that the GNI per capita of LMICs ranged from \$1,085 to \$4,255 in 2021 and increased to the \$1,136-\$4,495 bracket in 2024. It added that Lebanon's GNI per capita peaked at \$8,700 in 2018 before declining to \$3,730 in 2023, the latest available figure.

For operational and analytical purposes, the WB classifies 189-member countries and 28 other economies with populations that exceed 30,000 persons in income groups according to their GNI per capita. The groups consist of low-income countries that it defines as economies with a GNI per capita of \$1,175 or less; lower middle-income economies whose GNI per capita ranges from \$1,176 to \$4,635; upper middle-income countries that have a GNI per capita between \$4,636 and \$14,375; and high-income economies whose per capita GNI exceeds \$14,375. The figures for the income brackets cover the 2025 calendar year. Lebanon, along with 46 other countries, is included in the LMIC category, which includes Djibouti, Egypt, Mauritania, Morocco, Tunisia, and the West Bank and Gaza, among others. As such, the WB classified seven Arab countries in LMICs.

The WB said the economists in its country units around the world estimate the GNI per capita of a country and convert it from the latter's local currency to the US dollar using the World Bank Atlas method. It added that its demographers estimate the size of the population of each economy from a variety of sources, including the United Nation's biennial World Population Prospects. It noted that a country's income classification can change for two reasons. First, it indicated that factors such as economic growth, inflation, exchange rates and population growth, in addition to revisions to national accounts, influence the level of the Atlas GNI per capita for each country. Second, it said that in order to keep income classification thresholds fixed in real terms, it adjusts them annually for inflation using the International Monetary Fund's Special Drawing Rights deflator, which is a weighted average of the GDP deflators of China, Japan, the United Kingdom, the United States, and the Eurozone.

The WB reassigns countries to income groups on July 1 of each year, which is the start of its fiscal year, based on the estimate of their GNI per capita for the previous calendar year. It noted that a country remains in its income group for the entire fiscal year, even if it revises the GNI per capita of an economy in the meantime.

According to the WB, the Middle East, North Africa, Afghanistan and Pakistan region consists of eight high-income economies, five upper-middle income countries, seven lower-middle income economies, and three low-income countries. It grouped Bahrain, Kuwait, Malta, Oman, Qatar, Saudi Arabia, the UAE, and Israel in the high-income bracket; it placed Algeria, Iran, Iraq, Jordan, and Libya in the UMIC segment; it included Djibouti, Egypt, Lebanon, Morocco, Pakistan, Tunisia, and the West Bank & Gaza, in the LMIC category; and it put Afghanistan, Syria and Yemen in the low-income segment.



**Net foreign assets of financial sector up \$1.5bn in first five months of 2026**

Figures issued by Banque du Liban (BdL) show that the net foreign assets of the financial sector, which are a proxy for Lebanon's balance of payments, increased by \$1.5bn in the first five months of 2026, compared to increases of \$8.14bn in the same period of 2025 and of \$3.24bn in the first five months of 2024. The cumulative surplus in the first five months of 2026 was caused by increases of \$903.7m in the net foreign assets of BdL and of \$610.6m in those of banks and financial institutions.

Further, the net foreign assets of the financial sector decreased by \$968.7m in May 2026 compared to a rise of \$816.4m in April 2026 and to an increase of \$300.8m in May 2025. The May decline was caused by a decrease of \$969.6m in the net foreign assets of BdL and an uptick of \$0.9m in those of banks and financial institutions. According to BdL figures, the cumulative rise in BdL's net foreign assets in the first five months of 2026 is due mainly to increases of \$1.3bn in the value of BdL's gold reserves and of \$592.2m in its foreign securities, which outpaced the decrease of \$1.04m in its foreign currency reserves during the covered period. BdL's foreign assets include gold reserves, foreign currency reserves and foreign securities.

Also, the rise in the net foreign assets of banks in the covered period is mostly due to a decrease of \$133m in non-resident customer deposits, an increase of \$117.6m in the banks' claims on the non-resident financial sector, which were offset by a decrease of \$75.3m in claims on non-resident customers and an increase of \$16.7m in the deposits of the non-resident financial sector. In parallel, when excluding the change in the value of BdL's gold reserves, the net foreign assets of the financial sector decreased by \$165.8m in the first five months of 2026 compared to an increase of \$1.86bn in the same period last year.

BdL said that it started in January 2024 to include monetary gold, the non-resident foreign securities held by BdL, and the foreign currencies & deposits with correspondent banks and international organizations as part of its foreign assets; while it excluded the Lebanese government's sovereign bonds and its loans in foreign currency to resident banks and financial institutions from the entry. It attributed the modifications to its adoption of the IMF's methodology as stipulated in the latter's Sixth Edition of the Balance of Payments and International Investment Position Manual.

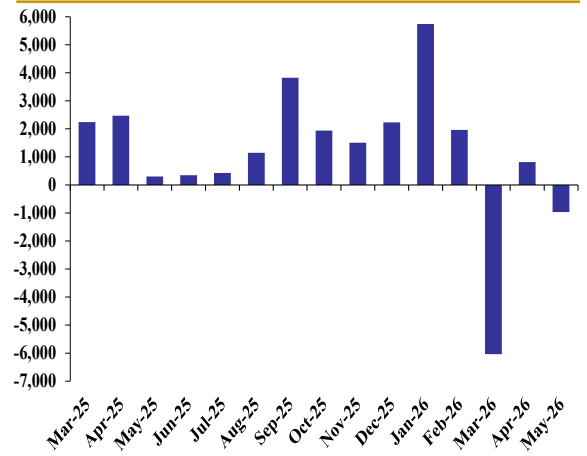
**Opened letters of credit at LBP1,181.3bn for imports in first quarter of 2026**

Figures released by Banque du Liban show that the amount of letters of credit (LCs) opened to finance imports to Lebanon totaled LBP1,181.3bn in the first quarter of 2026, or the equivalent of \$13.2m, compared to LBP1,290bn (\$14.4m) in the same quarter of 2025. The dollar figures are based on the official exchange rate of the Lebanese pound to the US dollar of LBP89,500 per dollar starting in 2024.

Further, utilized credits for imports reached LBP1,912.8bn (\$21.4m) in the first quarter of 2026 compared to LBP466.7bn (\$5.2m) in the same period last year. They were equivalent to 162% of opened LCs for imports in the first quarter of 2026. Also, outstanding import credits stood at LBP5,612.5bn (\$62.7m) at the end of March 2026 compared to LBP6,407.6bn (\$71.6m) at end-2025. In addition, the aggregate amount of inward bills for collection reached LBP6,045.3bn (\$67.6m) in the first quarter of 2026 relative to LBP5,108.4bn (\$57.1m) in the same period last year. The outstanding amount of inward bills for collection was LBP1,698.7bn (\$19m) at the end of March 2026, while it was LBP1,323.2bn (\$14.8m) at end-2025.

In parallel, the amount of documentary LCs opened to finance exports from Lebanon totaled LBP2,407.4bn (\$26.9m) in the first quarter of 2026 compared to LBP567.6bn (\$6.3m) in the same period last year. Further, utilized credits for exports reached LBP607.7bn (\$6.8m) in the first quarter of 2026 relative to LBP574.4bn (\$6.42m) in utilized credits in the same quarter of 2025. They were equivalent to 25.2% of opened LCs for exports in the covered period. Also, outstanding export credits stood at LBP6,038bn (\$67.46m) at the end of March 2026 compared to LBP5,254.7bn (\$58.7m) at the end of 2025. In addition, the aggregate amount of outward bills for collection amounted to LBP5,892.4bn (\$65.8m) in the first quarter of 2026 relative to LBP2,795.4bn (\$31.2m) in the same period of 2025. The outstanding amount of outward bills for collection reached LBP8,083.6bn (\$90.3m) at the end of March 2026, while it was LBP9,182bn (\$102.6m) at the end of 2025.

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



Source: Banque du Liban, Byblos Research



**Cost of living in Beirut is 287<sup>th</sup> highest in the world, third highest among Arab cities**

The mid-2026 Cost of Living Index, which is produced by crowd-sourced global database Numbeo, ranked the cost of living in Beirut as the 287<sup>th</sup> highest among 547 cities around the world and the third highest among 27 Arab cities. Also, the cost of living in Beirut was the highest among 60 cities in lower-middle income countries (LMICs) included in the survey. In comparison, the cost of living in Beirut was the 228<sup>th</sup> highest among 404 cities around the world, as well as the eighth highest among 25 Arab cities and the highest among 43 cities in cities in LMICs included in the mid-2025 survey.

Beirut ranked in the 52<sup>nd</sup> percentile worldwide in the mid-2026 survey, which means that the cost of living in the city is higher than in 48% of cities covered by the survey. The index is an indicator of the prices of consumer goods, such as groceries, meals and drinks at restaurants, transportation, and utilities. Numbeo benchmarks the index against New York City. It also issues a Rent Index, which is an estimate of apartment rents in a city compared to New York City rents. Numbeo relies on residents' inputs and uses data from official sources to compute the indices.

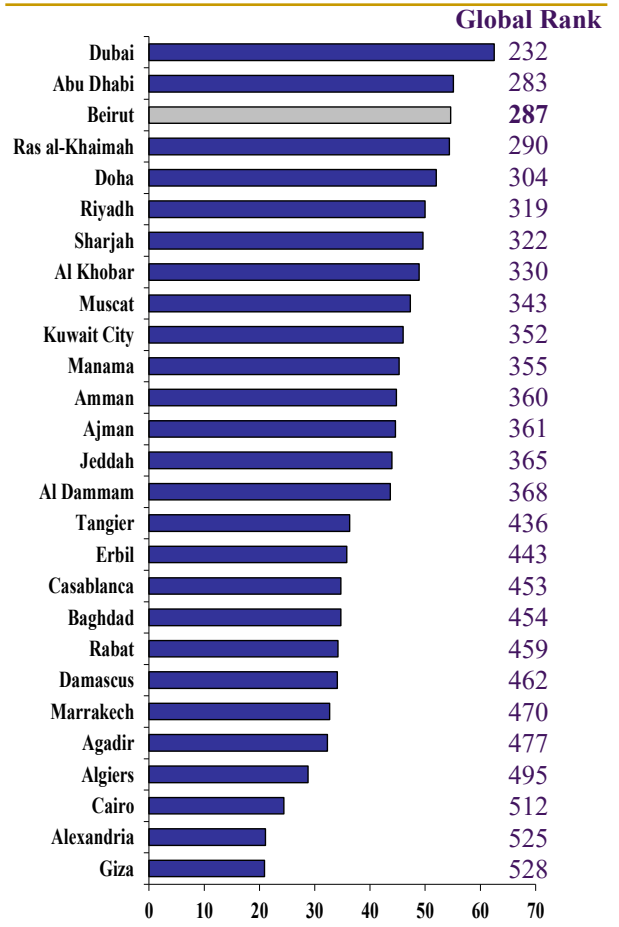
According to the Cost of Living Index, consumer goods in Beirut are costlier than they are in Taipei in Taiwan, in Catania in Italy, and in Ras al-Khaimah in the UAE; while they are less expensive than in Palermo in Italy, in Greece's Heraklion, and in Bilbao in Spain. Beirut received a score of 54.6 points on the index, which means that the prices of consumer goods in Beirut are 45.4% lower than they are in New York City. Further, the cost of living in Beirut is lower than in Ras al-Khaimah, Doha, Riyadh, Sharjah, Al Khobar, Muscat, Kuwait City, Manama, Amman, Ajman, Jeddah, Al Dammam, Tangier in Morocco, Erbil, Baghdad, Casablanca, Rabat, Damascus, Marrakech, Agadir, Algiers, Cairo, Alexandria, and Giza in the Arab world.

In parallel, the Rent Index ranked Beirut in 286<sup>th</sup> place globally, in ninth place among Arab cities, and in third place among cities in LMICs. Globally, renting an apartment in Beirut is more expensive than it is in Quebec City, in Bremen, and in Montpellier; and is less expensive than in Leipzig in Germany, in Canada's Lethbridge, and in Lille. Further, Dubai, Ajman, Abu Dhabi, Doha, Riyadh, Manama, Kuwait City, and Sharjah are the Arab cities that have more expensive rents than Beirut; while Lagos and Abidjan are the only cities among LMICs with more expensive rents. Beirut received a score of 20.8 points on the index, which means that rent in Beirut is 79.2% less expensive than it is in New York City.

Also, the Groceries Index, which is an estimate of grocery prices in a city compared to prices in New York City, ranked Beirut in 340<sup>th</sup> place globally, in fifth place among Arab cities, and in third among cities in LMICs. Globally, prices of groceries in Beirut are more expensive than they are in Muscat, in Kaliningrad in Russia, and in Cordoba in Argentina; while they are cheaper than in Kuala Lumpur in Malaysia, in Phuket in Thailand, and in Abu Dhabi. Further, groceries in Beirut are less expensive than they are in Ras al-Khaimah, Riyadh, Dubai, and Abu Dhabi in the Arab world. In addition, grocery prices in Caracas and in Accra in Ghana are higher than prices in Beirut among cities in LMICs. Beirut received a score of 47.2 points on this index, which means that groceries in Beirut are 52.8% less expensive than they are in New York City.

Finally, the Restaurant Index, which compares the prices of meals and drinks at restaurants and pubs relative to prices in New York City, ranked Beirut in 296<sup>th</sup> place globally, in fifth place among Arab cities and in first place among cities in LMICs. Globally, prices of meals and drinks at restaurants and pubs in Beirut are more expensive than they are in Kingston in Jamaica, in Gdansk in Poland, and in Zagreb in Croatia; while they are cheaper than in Palermo in Italy, in Warsaw, and in Sofia. Further, the prices of meals and drinks in Dubai, Doha, Abu Dhabi, and Kuwait City are higher than prices in Beirut. The Lebanese capital received a score of 53.3 points on the index, which means that prices at restaurants and pubs in Beirut are 46.7% less expensive than they are in New York City.

**Cost of Living Index for mid-2026 Scores & Rankings of Arab Cities**



Source: Numbeo, Byblos Research

### Purchasing Managers' Index improves in June 2026

The BLOM Lebanon Purchasing Managers' Index (PMI), an indicator of operating conditions in Lebanon's private sector, stood at 50.3 in June 2026 compared to 49.7 in May 2026, 48.2 in April 2026 and to 49.2 in June 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 posted an average score of 49.5 in the first half of 2026, relative to 49.3 in the same period of 2025, to 48.8 in the first half of 2024 and to 49.2 in the same period of 2023. Also, it came lower than the average score of 50 in 2025, but was higher than the average score of 48.1 in 2024.

The PMI's outcome in June 2026 reflects a marginal improvement in private sector activity from the preceding month. Also, the June result was the 10th highest outcome of the index since its inception. The PMI's score signals an expansion for the Lebanese private sector economy after a three-month decline. A score that exceeds 50 signals positive business activity, while a score that is lower than 50 shows a deterioration in activity.

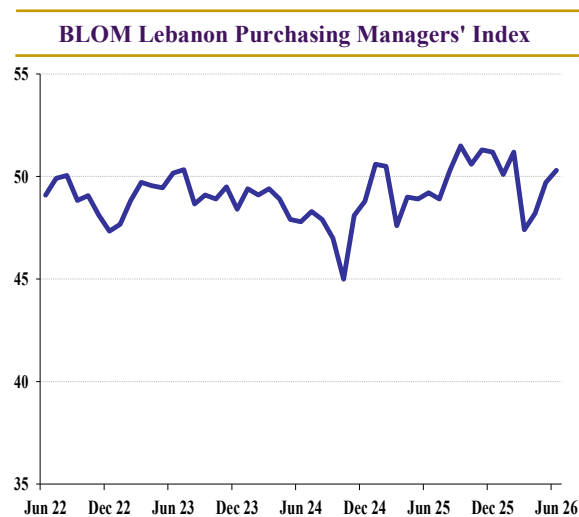
The survey's results show that the New Orders Index increased from 49.7 in May 2026 to 50.2 in June 2026, indicating a relative pick up in new business activity in the Lebanese private sector. In addition, the New Export Orders Index stood at 46.5 in June 2026 relative to 41.9 in the preceding month, signaling an increase in demand from international customers following the sharp decline that the cross-border and regional conflicts caused in the previous months. Also, the survey stated that the Output Index increased from 49.5 in May 2026 to 50.2 in June 2026, indicating a renewed recovery in output.

Further, the Employment Index stood at 49.8 in June 2026, up from 48.9 in May 2026, and remained below the 50-mark, which reflects a marginal reduction in the private sector's workforce. Moreover, the results show that the Backlogs of Work Index regressed from 51.1 in May 2026 to 50.8 in June 2026, as companies saw a decline in their level of outstanding business during the month.

In parallel, the survey pointed out that the Suppliers' Delivery Times Index stood at 48.9 in June 2026 relative to 48.6 from the previous month, and remained below the 50-mark, signaling continued delays in supplier deliveries, due to road security and international shipping issues. Also, the Stocks of Purchases Index increased from 49.6 in May 2026 to 50.5 in June 2026, as businesses noted a rise in their inventory.

Further, the Overall Input Price Index stood at 52.9 in June 2026 relative to 53.3 in May 2026 due to the softening of inflationary pressures. In addition, the results show that the Output Prices Index increased from 52.9 in May 2026 to 54.3 in June 2026, given that businesses raised their prices to offset the impact of higher 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.



Source: BLOM Bank, S&P Global Market Intelligence

Components of BLOM Lebanon Purchasing Managers' Index					
	Output	New Orders	New Export Orders	Future Output	Employment
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
May 2026	49.5	49.7	41.9	24.3	48.9
June 2026	50.2	50.2	46.5	36.7	49.8

Source: BLOM Bank, S&P Global Market Intelligence

### Ministry of Finance clarifies declaration and settlement of tax on Sayrafa profits

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The Ministry of Finance (MoF) issued Decision No. 616/1 dated June 29, 2026, in application of Article 52 of Law 40, or the budget law for 2026. First, it said that commercial banks have to aggregate the amount of all the transactions and operations that natural or legal persons carried out on BdL's Sayrafa electronic exchange platform during 2021, 2022 and 2023 and that are based on BdL Circular 161/13384 of December 16, 2021. It said that every person whose total purchases of US dollars at the exchange rate of the Sayrafa platform exceeded \$100,000 during the covered period is subject to the tax rate of 17% on the profits made from these transactions.

Second, it mandated all commercial banks operating in Lebanon to provide the tax administration electronically, within two months of the publication date of the decision, detailed information about Sayrafa transactions that natural or legal persons carried out through banks. It added that the information must include the full name of the natural person, his/her tax identification number if it exists, his/her address of residence, and the amount and date of each transaction.

Third, it stipulated that the profits that are subject to the additional exceptional tax as specified in Article 52 constitute the difference between the amount in Lebanese pounds that the person used to buy the dollars through the Sayrafa platform and the actual market value of the dollars in Lebanese pounds on the date of the transaction.

Fourth, it stated that if a natural or legal person is subject to the income tax on a real profits basis, or if a natural or legal person is subject to the income tax on the basis of lump sum profits, and if these persons have or have not shown the profits resulting from their transactions on the Sayrafa platform in their accounting entries and in their annual declaration, they must submit an independent declaration that the MoF prepared specifically for this purpose within a period of two months from the publication date of this decision. It said that natural or legal persons must include the profits that they generated from their transactions on the platform and subject them to the additional exceptional tax rate of 17%. It added that the tax paid on these profits cannot be deducted from the person's revenues for the year 2026 or for any other year. Further, it indicated that it will impose penalties on natural or legal persons who do not comply with this procedure, according to the amended Article 109 of tax procedures, and another penalty based on the amended Article 55 of tax procedures.

Fifth, it pointed out that the tax administration will audit the activities of taxpayers who did or did not include the revenues from their transactions on the Sayrafa platform in their declarations and records for the years 2021, 2022, and 2023, and will apply the taxes and fines due.

Sixth, the ministry exempted from the exceptional tax of 17% the salaries and wages differentials that resulted from dollar purchases through the Sayrafa electronic platform.

Seventh, it stipulated that natural or legal persons who have previously declared and paid the tax on profits resulting from Sayrafa operations based on Article 93 of the Budget Law for 2024 and Decision No. 647/1 dated June 4, 2024, and whose operations did not exceed \$100,000, may submit a tax refund request to the tax administration office that has jurisdiction over their place of residence or tax assessment, in accordance with the provisions of Article 54 of the Tax Procedures Law. It noted that individuals whose operations exceeded \$100,000, and who did not deduct the amounts withheld by the bank from their reported profits from purchasing US dollars through the Sayrafa platform, should have the right to recalculate the due tax on the basis of net profits and submit a request for a refund of the excess tax amount to the tax administration office that has jurisdiction over their place of residence or tax assessment, in accordance with the provisions of Article 54 of the Tax Procedures Law.

Eighth, it stated that taxpayers could pay their taxes through commercial banks, LibanPost, which is the manager of the country's postal services, or at one of the money transfer operators approved by the MoF to pay the taxes. Ninth, it repealed Decision No. 647/1 dated June 4, 2024. Tenth, it stipulated that this decision goes into effect immediately upon its publication in the Official Gazette.

### **Council of Ministers suspends amendments to environmental taxes on waste-generating products**

The Council of Ministers announced that it has decided to suspend the implementation of Decree No. 3214 of June 15, 2026 about the amendment of environmental taxes on waste-generating products, until the relevant authorities re-examine the customs' tariff grid, in light of current living conditions, the prevailing economic situation, and the repercussions of the war, given that the increase in tariffs will trigger inflationary pressures.

The Ministry of Environment issued Decree No. 3214 dated June 15, 2026 about the amendment of environmental customs tariffs on imported waste-generating products. Article 1 revised the tariffs applied to certain products, based on the quantity or quality of waste produced during their manufacturing or usage. It imposed an additional tariff 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 levied a tariff of 1.5% on intermediate consumer products and processing goods, such as beverages, spirits, vinegar, paper, cardboard, glass, and electrical machinery. Further, it imposed a tariff 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 a tariff 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 imposed a tariff 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.

### **Banque du Liban asks banks to submit details on fund transfers and deposits**

Banque du Liban (BdL) issued Intermediate Circular 770/13829 dated June 29, 2026 addressed to banks and financial institutions that modifies Basic Circular 85/7858 of June 30, 2001 about statistical data.

First, it mandates banks and financial institutions that conduct any type of external electronic funds transfers to provide, on a monthly basis, to the Economic Data and Analysis Department (EDAD) at BdL a detailed statement of all funds transferred externally and received from abroad.

Second, it requires all banks to provide the EDAD with a statement of outstanding deposits by bracket at the end of each year, classified according to the categories of depositors, in accordance with the relevant reporting form. It also mandates all banks to provide the EDAD with a statement detailing the outstanding deposits by bracket at the end of each quarter, classified according to the categories of depositors, based on the relevant reporting form.

Third, it requires banks and financial institutions to submit, on a monthly basis and within a deadline of 15 days from the end of the reporting period, detailed statements of all funds transferred externally or received from abroad through the Electronic Submission of Statistical Reporting (eSTR) project within the SEBIL system.

Fourth, it mandates banks to submit on an annual basis and no later than the end of January of each year the statement detailing the outstanding deposits by brackets in accordance with the relevant form. Also, it requires banks to submit on a quarterly basis and within a deadline of 25 days from the end of each reporting quarter the statement detailing the outstanding deposits by brackets through the eSTR project within the SEBIL system. Fifth, BdL stipulated that the circular goes into effect on June 30, 2026.



### Lebanon Humanitarian Fund disburses \$35m in 2025

The United Nations' Office for the Coordination of Humanitarian Affairs (OCHA) indicated that 14 donors contributed \$26.8m to the Lebanon Humanitarian Fund (LHF) in 2025. It pointed out that the LHF allocated \$35.1m across 68 projects to support humanitarian needs across Lebanon, as well as to address the impact of the Israeli war on the affected populations in Southern Lebanon and other parts of the country.

It stated that financial disbursements for food security reached \$10.7m in 2025, or 30.5% of the total, followed by funds to the water, sanitation and hygiene (WASH) sector with \$8.7m (24.8%), support to the healthcare sector with \$7.3m (20.8%), basic assistance with \$2.1m (6%), shelter with \$1.7m (4.8%), child protection with \$1.2m (3.4%), social protection and gender-based violence (GBV) with \$1.1m each (3.1% each), the nutrition sector and the education sector with \$0.5m each (1.4% each), and common services with \$0.2m (0.6%).

Also, it noted that 815,000 individuals received WASH assistance, 200,000 persons obtained common services, 145,000 individuals received healthcare support, 121,000 persons obtained food security support, 48,000 individuals received basic assistance, 23,000 persons obtained nutrition services, 17,000 individuals received protection support, 11,000 persons obtained shelter assistance, 10,000 individuals received GBV services, 9,000 persons obtained child protection support, and 2,000 individuals received education assistance.

Further, it indicated that non-governmental organizations (NGOs) allocated \$9.2m to humanitarian aid in the Baalbeck-Hermel governorate, followed by the South with \$7.9m, the Nabatieh governorate with \$6.3m, the Akkar governorate with \$4.6m, the Bekaa governorate with \$2.9m, Mount Lebanon governorate with \$2.3m, Beirut with \$1.2m, and the North governorate with \$0.8m.

The LHF stated that the fund launched its first Reserve Allocation program in January 2025 and earmarked \$150,000 to one project to support the establishment of the Community Accountability Platform, which aims to provide a legal and operational framework to make sure that humanitarian responses reflect the needs of affected populations. It noted that it launched its first Standard Allocation program in May 2025 and earmarked \$25m out of the \$35.1m initiative to address the humanitarian crisis in the country. It added that, in October 2025, the fund earmarked \$9.9m to deliver humanitarian assistance to vulnerable populations affected by conflict and climate-related shocks.

The distribution of the LHF contributions shows that the United Kingdom provided \$5.5m, or 20.6% of the total, in 2025, followed by Belgium with \$3.5m (13%), Canada with \$3.2m (12%), Australia with \$3.1m (11.6%), Ireland with \$2.7m (10%), Switzerland with \$2.4m (9%), Italy with \$2.3m (8.6%), Sweden with \$2m (7.5%), Spain with \$1.1m (4%), Iceland with \$0.5m (1.9%), France with \$0.3m (1.1%), Portugal and Monaco with \$60,000 each (0.2% each), and the United Nations Foundation with \$40,000 (0.1%).

It said that it allocated \$15.3m to 35 projects managed by national NGOs (NNGOS), \$19.7m to 32 projects managed by international NGOs, and \$0.15m to one project managed by a UN agency. Further, the LHF indicated that assistance reached 527,000 women and girls, or 51% of the targeted population, as well as 31,200 persons with disabilities (3%).

It added that assistance reached about 436,000 refugees who account for 42% of the targeted individuals, followed by 417,000 host communities (40.2%), 140,000 returnees to Syria (13.5%), 42,000 internally displaced persons (4%), and 3,000 migrants (0.3%).



**Private sector deposits at \$86bn at end-May 2026**

The consolidated balance sheet of commercial banks operating in Lebanon shows that total assets stood at LBP9,002.9 trillion (tn), or the equivalent of \$100.6bn, at the end of May 2026, compared to LBP9,156.1tn (\$102.3bn) at end-2025 and to LBP9,144.2tn (\$102.2bn) at end-May 2025. Loans extended to the private sector totaled LBP463.8tn at the end of May 2026, with loans to the resident private sector reaching LBP387.7tn and credit to the non-resident private sector amounting to LBP76.1tn at the end of the month. Loans extended to the private sector in Lebanese pounds reached LBP11.3tn and increased by 8% from LBP10.42tn at the end of 2025, while loans in foreign currency totaled \$5.06bn at the end of May 2026, nearly unchanged from end-2025. The figures reflect Banque du Liban's (BdL) Basic Circular 167/13612 dated February 2, 2024 that asked banks and financial institutions to convert their assets and liabilities in foreign currencies to Lebanese pounds at the exchange rate of LBP89,500 per US dollar when preparing their financial positions starting on January 31, 2024.

In nominal terms, credit to the private sector in Lebanese pounds increased by LBP835bn in the first five months of 2026 and decreased by LBP630bn from end-May 2025; while lending to the private sector in foreign currency regressed by \$26.3m in the covered period and decreased by \$306.8m from end-May 2025. Further, loans extended to the private sector in Lebanese pounds contracted by LBP16.3tn (-59.2%) and loans denominated in foreign currency dropped by \$36.05bn (-87.7%) since the start of 2019. The dollarization rate of private sector loans was 97.57% at end-May 2026 compared to 97.58% at end-May 2025. The average lending rate in Lebanese pounds was 8.35% in May 2026 compared to 9.26% a year earlier, while the same rate in US dollars was 4.27% relative to 5.53% in May 2025. Also, according to BdL, total loans and advances in "fresh" dollars stood at \$794m at the end of 2025 compared to \$816m at end-November 2025.

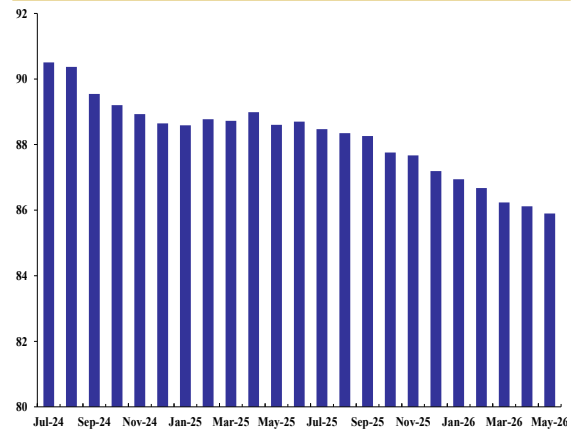
In addition, claims on non-resident financial institutions reached \$5.51bn at end-May 2026, constituting increases of \$117.6m (+2.2%) in the first five months of the year and of \$300.8m (+5.8%) from end-May 2025. Also, claims on non-resident financial institutions dropped by \$3.62bn (-39.7%) from end-August 2019 and by \$6.48bn (-54%) since the start of 2019. Further, deposits at foreign central banks totaled \$827.5m at end-May 2026, increasing by \$256.8m (+45%) in the covered period and by \$151.2m (+22.3%) from a year earlier. Also, cash in vault in Lebanese pounds stood at LBP5,786.3bn compared to LBP6,297.8bn at end-2025 and to LBP6,689.1bn at end-May 2025. In addition, the banks' claims on the public sector amounted to LBP201.2tn at end-May 2026, representing decreases of 7.4% from LBP217.3tn at end-2025 and of 4.5% from LBP210.6tn end-May 2025. Also, the banks' holdings of Lebanese Treasury bills totaled LBP7.4tn, while their holdings of Lebanese Eurobonds stood at \$2.15bn net of provisions at end-May 2026 relative to \$2.24bn a year earlier. Further, the placements of commercial banks at BdL reached LBP6,777.3tn at end-May 2026, or \$75.7bn, compared to LBP6,928.5tn (\$77.4bn) at end-2025.

In parallel, private sector deposits totaled LBP7,692.6tn, or \$86bn, at the end of May 2026. Deposits in Lebanese pounds reached LBP82.5tn at end-May 2026, constituting a decrease of 3% from LBP7,803.5tn at end-2025, and increased by 12% from a year earlier; while deposits in foreign currency stood at \$85bn and regressed by 1.4% in the covered period and by 3.1% from end-May 2025. Resident deposits accounted for 75.2% and non-resident deposits represented 24.8% of total private sector deposits at end-May 2026. According to BdL, private sector deposits include \$5bn in "fresh" funds as at the end of November 2025, with \$3.2bn consisting of eligible funds under BdL circulars 158 and 166.

In addition, private sector deposits in Lebanese pounds decreased by LBP2,441.2bn and foreign currency deposits declined by \$1.2bn in the first five months of 2026, while private sector deposits in Lebanese pounds grew by LBP8,805.7bn and foreign currency deposits dropped by \$2.76bn from a year earlier. Also, aggregate private sector deposits in Lebanese pounds increased by LBP9,727.3bn (+13.4%) and foreign currency deposits declined by \$39.2bn (-31.6%) from the end of August 2019; while total private sector deposits in Lebanese pounds grew by LBP5,334.3bn (+7%) and foreign currency deposits dropped by \$38bn (-31%) since the start of 2019. The dollarization rate of private sector deposits was 98.9% at the end of May 2026 relative to 99.1% a year earlier.

Further, the liabilities of non-resident financial institutions reached \$2.25bn at the end of May 2026, as they grew by 0.7% from \$2.23bn at end-2025 and decreased by 11.8% from \$2.55bn at end-May 2025. Also, the average deposit rate in Lebanese pounds was 3.76% in May 2026 compared to 2.08% a year earlier, while the same rate in US dollars was 0.09% in May 2026 relative to 0.1% in May 2025. In addition, the banks' aggregate capital base stood at LBP446.7tn (\$5bn) at end-May 2026 compared to LBP440.5tn (\$4.92bn) at the end of 2025 and to LBP363tn (\$4.06bn) at end-May 2025.

Private Sector Deposits (US\$bn)



Source: Banque du Liban, Byblos Research

### Stock market capitalization down 21.4% to \$18.5bn at end-June 2026

Figures released by the Beirut Stock Exchange (BSE) indicate that the trading volume reached 3.85 million shares in the first half of 2026, constituting a drop of 53.3% from 8.25 million shares traded in the same period last year; while aggregate turnover amounted to \$142m, representing an uptick of 1.1% from a turnover of \$140.5m in the first half of 2025. Also, the trading volume reached 348,367 shares in June 2026, as it surged by 52.4% from 228,555 shares traded in May 2026 and declined by 29.8% from 496,525 shares in June 2025; while aggregate turnover stood at \$18.3m in June 2026, constituting a jump of 235.3% from a turnover of \$5.5m in the preceding month and of 68.3% from \$10.9m in June 2025. The market liquidity ratio was 0.8% at the end of June 2026 compared to 0.6% a year earlier. Further, the market capitalization of the BSE stood at \$18.5bn at the end of June 2026, representing a decline of 21.4% from \$23.5bn end-June 2025 and compared to \$20.15bn at the end of 2025. Real estate equities accounted for 66.1% of the market's capitalization at end-June 2026, followed by banking stocks with 24.4%, and industrial shares with 9.4%.

In addition, banking stocks accounted for 50.8% of the trading volume in the first half of 2026, followed by real estate equities with 40.6% and industrial shares with 8.7%. Further, real estate equities represented 79.6% of the aggregate value of shares traded, followed by industrial shares with 17.4%, and banking stocks with 3%. The average daily traded volume for the first half of 2026 was 34,682 shares for an average daily amount of \$1.28m. The figures represent a decrease of 51.2% for the average daily traded volume and an increase of 5.6% for the average daily value in the covered period.

In parallel, the prices of Solidere 'A' and Solidere 'B' shares declined by 11% and 11.8%, respectively, in the first half of 2026 from the end of 2025, while the price of Ciments Libanais shares grew by 0.8% in the covered period. Further, the price of Solidere 'A' shares declined by 16.5% in January 2026, increased by 8.1% in February, regressed by 1.7% in March, by 1.3% in April and by 4% in May 2026, and expanded by 5.8% in June 2026; while the price of Solidere 'B' shares decreased by 16.3% in January, improved by 8.3% in February, contracted by 6% in March and by 0.5% in April, and grew by 1.2% in May and by 2.7% in June 2026. Also, the price of Ciments Libanais shares regressed by 1.4% in January 2026, was unchanged in February, dropped by 12.6% in March, was unchanged in April, regressed by 0.1% in May, and increased by 17.1% in June 2026.

### CLA's assets at LBP7,756.5bn at end-2025

The audited balance sheet of Credit Libanais d'Assurances et de Reassurances (CLA) sal shows that the firm had total assets of LBP7,756.5bn at the end of 2025 compared to LBP8,067.5bn at the end of 2024. On the assets side, general company investments reached LBP6,581.3bn at end-2025 relative to LBP6,884.6bn a year earlier. They included LBP5,581.1bn in cash & cash equivalent, LBP80bn in fixed income instruments, and LBP11.3m in variable securities. Further, the firm blocked LBP912.7bn in bank deposits with maturities of more than three months that include LBP3.1bn in favor of the Ministry of Economy & Trade as guarantees. Also, the reinsurance's share in technical reserves for the non-life category totaled LBP778bn at end-2025 and regressed by 4.6% from LBP815.7bn a year earlier, while reserves for the life segment reached LBP100bn and declined by 13% from LBP114.7bn the end of 2024.

On the liabilities side, technical reserves for the non-life segment stood at LBP1,520.4bn at end-2025 compared to LBP1,657bn a year earlier, while technical reserves for the life category reached LBP1,189.3bn at end-2025 relative to LBP1,380.5bn at end-2024. Non-life technical reserves included outstanding claims reserves of LBP590.8bn that decreased by 0.8%, unearned premium reserves of LBP885.4bn that declined by 12.7%, and LBP11.3bn in "reserves incurred but not reported" that rose by 88.7% from LBP6bn at end-2024. Also, provisions for risks and charges reached LBP45.8bn at end-2025 compared to LBP37.2bn at end-2024. In addition, the firm's shareholders' equity totaled LBP4,716.6bn at end-2025 relative to LBP4,624bn a year earlier. Further, CLA's profits stood at LBP106bn in 2025 compared to LBP4,239.3bn in 2024, while its retained earnings totaled LBP4,416.7bn at end-2025 relative to LBP195.2bn a year earlier.

In parallel, figures released by the Insurance Control Commission (ICC) indicate that the CLA's gross written premiums stood at LBP282.9bn in 2025, with property & casualty premiums reaching LBP153.7bn and accounting for 54.3% of the total, followed by life premiums with LBP91.8bn (32.4%), motor premiums with LBP25.5bn (9%), and health premiums with LBP12bn (4.2%). Further, the ICC figures show that the insurer ranked in 35th place in terms of gross written premiums in 2025, in 16th place in life premiums, and in 35th place in non-life premiums in 2025. CLA had a 0.2% share of the local insurance market in 2025, with a 0.2% share of the local non-life insurance market and a 0.9% share of the life insurance market last year.



## 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

Banking Sector Ratings	Outlook
Moody's Ratings	Negative

Source: Moody's Ratings

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