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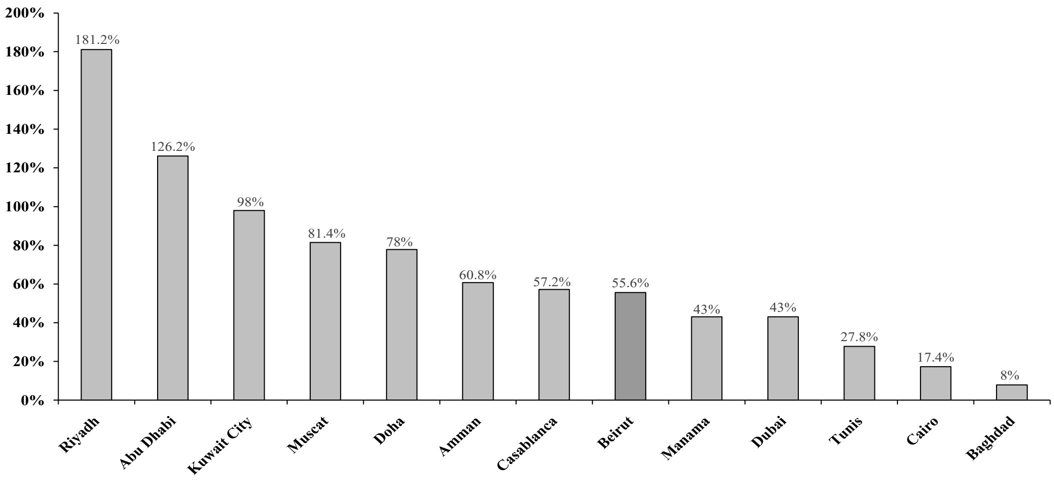
BYBLOS BANK
Economic Research & Analysis Department

LEBANON THIS WEEK

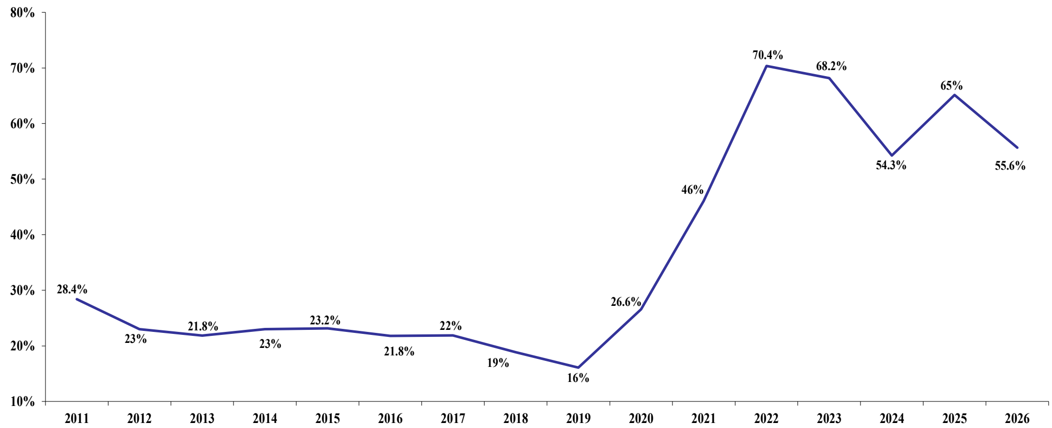
In This Issue

Chart of the Week

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



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



**at the end of June of each year*

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

Quote to Note

"Rebuilding Lebanon's statistical capacity across national accounts, fiscal reporting, external statistics, and high-frequency data is essential for reform design and institutional recovery."

The Institute of International Finance, on the need to expand and up grade the country's statistical capacity

Number of the Week

$70.6m: Aggregate amount of greenfield foreign direct investments in Lebanon during the 2020-25 period, according to fDi Markets and the UN Conference on Trade and Development

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 "A"	72.00	(2.7)	21,798	39.7%
Solidere "B"	71.00	(2.1)	7,097	25.5%
BLOM Listed	6.75	0.0	-	8.0%
BLOM GDR	7.15	0.0	-	2.9%
Audi Listed	1.47	0.0	-	4.8%
Byblos Common	0.70	0.0	-	2.2%
Ciments Libanais	72.60	0.0	-	7.8%
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	24.38	886.45
Mar 2027	6.85	24.50	369.34
Nov 2028	6.65	24.63	71.83
Feb 2030	6.65	24.75	42.84
Apr 2031	7.00	24.88	31.52
May 2033	8.20	26.13	20.68
May 2034	8.25	26.13	17.92
Jul 2035	12.00	25.63	15.69
Nov 2035	7.05	25.50	15.28
Mar 2037	7.25	25.50	13.22

Source: LSEG Workspace

	July 13-17	July 6-10	% Change	June 2026	June 2025	% Change
Total shares traded	30,695	59,844	(48.7)	348,367	496,525	(29.8)
Total value traded	$2,134,453	$2,853,116	(25.2)	18,274,616	10,857,127	68.3
Market capitalization	18.12	18.42	(1.6)	18.47	23.52	(21.4)

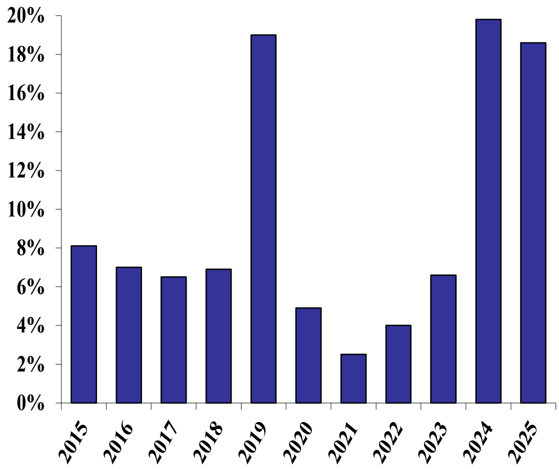
Source: Beirut Stock Exchange (BSE)

Travel and tourism industry to contribute 10.8% of GDP in 2026

The World Travel & Tourism Council (WTTC) estimated that the broad travel and tourism (T&T) industry in Lebanon contributed 18.6% of the country's GDP in 2025, compared to contributions of 19.8% of GDP in 2024 and of 19% of GDP in 2019. It also estimated that the T&T industry generated LBP628.6 trillion (tn) in revenues in 2025, constituting a decline of 6.5% from 2024, and relative to LBP890.3tn in 2019. The estimates represent the direct, indirect and induced impact of the industry on economic activity. The WTTC said that all figures are in constant 2025 prices and exchange rates.

Also, it estimated the aggregate spending by international visitors in Lebanon at LBP464.9tn in 2025 constituting a decline of 10.5% from 2024, and relative to LBP765.4tn in 2019. It added that domestic spending on T&T reached LBP46.5tn in 2025, representing a decrease of 13% from 2024, and compared to LBP72.6tn in 2019. Further, it noted that leisure spending in Lebanon reached LBP507.3tn, while spending related to business activities totaled LBP4.1tn in 2025.

Travel & Tourism Sector Contribution (% of GDP)



Source: World Travel & Tourism Council

Further, it pointed out that there were 357,100 jobs in the T&T industry in Lebanon in 2025 compared to 341,900 in 2024 and to 416,600 in 2019. As such, it said the industry accounted for 21% of total employment in Lebanon in 2025 compared to shares of 19.6% in 2024 and 23% in 2019.

In parallel, it expected the T&T industry in Lebanon to contribute to 10.8% of GDP in 2026 and 21.3% of GDP in 2036. It also forecast the T&T industry to contribute to the economy LBP380.3tn, or the equivalent of $4.2bn in 2026, and LBP978.3tn ($10.9bn) in 2036, and for the contribution of the sector to the economy to post a compound annual growth rate (CAGR) of 9.9% during the 2026-36 period.

Also, it projected the aggregate spending by international visitors in Lebanon to stand at LBP232.7tn in 2026 and LBP655.1tn in 2036 and to post a CAGR of 10.9% during the 2026-36 period. Further, it forecast domestic spending on T&T at LBP36.9tn in 2026 and at LBP72.5tn in 2036 for a CAGR of 7% in the 2026-36 period.

In addition, it anticipated the employment in the T&T industry at 334,200 jobs in 2026 and 492,400 jobs in 2036, which would account for 19.4% of aggregate jobs in Lebanon in 2026 and for 24.8% of employment in 2036.

In parallel, the WTTC pointed out that the energy mix of the T&T industry in Lebanon in 2024 consisted of 96% of fossil fuels, 2.5% of low-carbon energy, and 1.6% of biofuels and waste. It estimated that the T&T industry's tax contributions reached $2bn in 2024, equivalent to 30.8% of government revenues. Further, it estimated that the T&T industry accounted for 4.4% of total greenhouse gas (GHG) emissions in Lebanon in 2024 compared to a share of 6% in 2019.

Also, it noted that high-wage employment accounted for 30.8% of direct jobs in the industry in 2024, while female employment represented 20.8% of direct jobs in 2024, and youth employment accounted for 18.5% of such jobs.

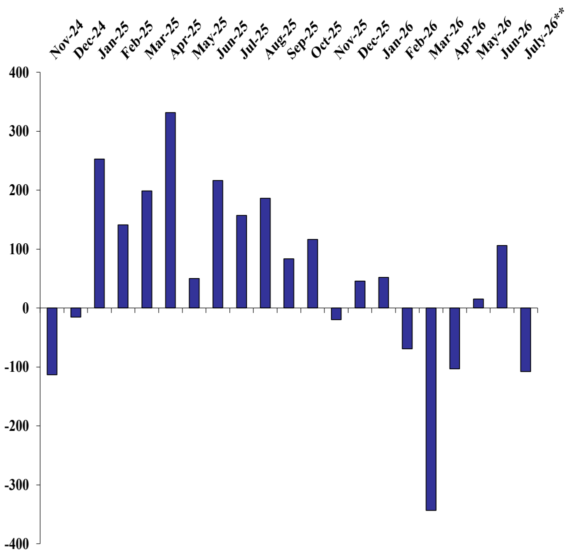
According to the WTTC, the United States accounted for 13% of incoming visitors to Lebanon in 2025, followed by visitors from France (11%), Canada (9%), and Germany and Australia (8% each), while visitors from other countries represented the remaining 50%. Also, it said that the UAE was the destination of 23% of outbound Lebanese tourists last year, followed by Egypt, Iran and Türkiye (8% each), and Kuwait (7%), while other countries accounted for 46% of outbound tourists.

Banque du Liban's liquid foreign reserves at $11.4bn, gold reserves at $37.2bn at mid-July 2026

Banque du Liban's (BdL) interim balance sheet shows that its total assets reached LBP8,3541.4 trillion (tn) as at July 15, 2026, relative to LBP8,354tn at end-June 2026, LBP8,364.2tn at mid-June 2026, to LBP8,406.5tn at the end of 2025, and to LBP8,428.6tn at mid-July 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 $11.44bn on July 15, 2026 compared to $11.55bn at end-June, to $11.63bn at mid-June, to $11.89bn at end-2025, and to $11.47bn at mid-July 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, they grew by $15.4m in May 2026, by $106.1m in June 2026, and declined by $107.8m in the first half of July 2026. As such, they decreased by $432.6m since the end of February and by $450m in the first 28 weeks of the year, but they increased by $2.87bn between the end of July 2023 and mid-July 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.

Change in Foreign Reserve Assets* (US$m)



**month-on-month change*
***as at mid-July 2026, change from end-June 2026*
Source: Banque du Liban, Byblos Research

Further, the value of BdL's gold reserves reached $37.2bn on July 15, 2026, compared to $37.1bn at end-June 2026, to $40bn at mid-June 2026, and to $31bn at mid-July 2025. Gold reserves reached a peak of $47.7bn at the end of February 2026. Also, BdL's securities portfolio totaled LBP580,534.3bn at mid-July 2026 relative to LBP580,807.2bn two weeks earlier and to LBP553,413.1bn on July 15, 2025. BdL noted that the securities portfolio includes Lebanese Eurobonds that had a market value of $1.33bn at mid-July 2026, compared to $1.36bn at end-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 LBP182,994bn at mid-July 2026 relative to LBP182,092.4bn at end-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 LBP19,936bn ($222.7m) at mid-July 2026 relative to LBP18,946.7bn ($211.7m) two weeks earlier.

Also, the Revaluation Adjustments item on the asset side reached LBP1,649.3tn at mid-July 2026 relative to LBP1,662.3tn at the end of 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 LBP168.7tn at mid-July 2026 relative to LBP168.6tn at end-June 2026. It also consists of a special account in the name of the Treasury that stood at LBP1,480.6tn at mid-July 2026 compared to LBP1,493.7tn at end-June 2026. Further, the balance sheet shows that BdL's loans to the public sector totaled LBP1,486,786.5bn at mid-July 2026 relative to LBP1,486,772.7bn two weeks earlier, and includes an overdraft of $16.52bn as at mid-July 2026, unchanged from end-June 2026.

On the liabilities side, BdL's balance sheet shows that currency in circulation outside BdL stood at LBP57,779.2bn at mid-July 2026 compared to LBP58,742.1bn at end-June 2026, and represented a decrease of 24.3% from LBP76,293.3bn at mid-July 2025. Further, the deposits of the financial sector reached LBP7,209.2tn, or the equivalent of $80.6bn at mid-July 2026, relative to LBP7,235.6tn ($80.87bn) at end-June 2026; while public sector deposits at BdL totaled LBP887,111bn at mid-July 2026 compared to LBP872,025.6bn at end-June 2026, LBP772,183.1bn at end-2025, and to LBP666,791.4bn at mid-July 2025.

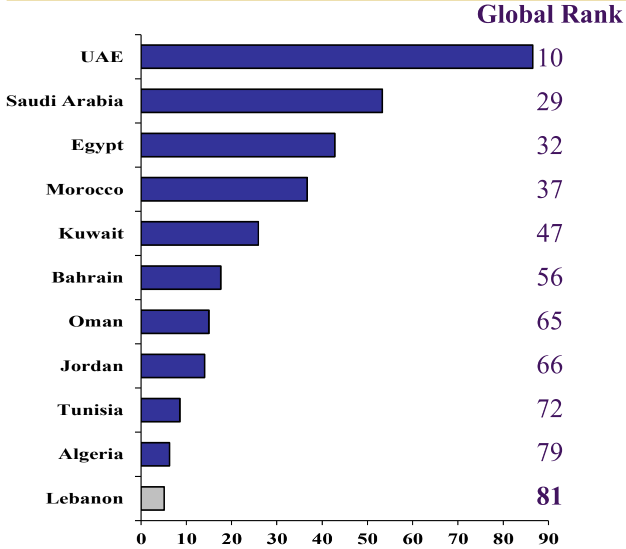
Lebanon ranks 81st globally, 11th among Arab countries on Best Countries Index for 2026

The Wharton School of the University of Pennsylvania 's Index of Best Countries for 2026 ranked Lebanon in 81st place among 85 countries around the world, and in last place among 11 Arab countries and among 11 lower middle-income countries (LMICs) included in the survey. Lebanon ranked in the fifth percentile worldwide on the 2026 index, which means that 95% of the countries have a higher level of overall performance than Lebanon.

The index measures the perceptions of countries internationally in terms of a number of qualitative characteristics that have the potential to drive trade, travel an investments, and can directly affect national economies. It evaluates individual economies based on 73 country attributes grouped into 10 equally-weighted thematic factors that are Adventure, Agility, Cultural Influence, Entrepreneurship, Heritage, Movers, Open for Business, Power, Quality of Life, and Social Purpose. A country's score ranges between zero and 100, with a score of 100 reflecting the highest possible overall performance.

Globally, Lebanon has a better performance than Ukraine, Serbia and Belarus, and a weaker performance than Bangladesh, Algeria and Ghana. Lebanon received a score of 5.1 points on the 2026 index, which is lower than the global average score of 39.9 points, the LMICs' average score of 17.2 points and the Arab average score of 28.3 points. Also, Lebanon's score was lower than the Gulf Cooperation Council (GCC) countries' average score of 39.7 points and the average score of non-GCC Arab countries that stood at 18.9 points.

Best Countries Index for 2026
Scores & Rankings of Arab Countries



Source: The Wharton School of the University of Pennsylvania

Lebanon came ahead of Sri lanka and Kenya, and trailed Iran and Peru on the Entrepreneurship factor. This variable captures the perceptions of a country's ability to foster and sustain business activity, and focuses on perceptions of technological expertise, the educational level of the workforce, the ease of access to capital, and overall business dynamism. Lebanon preceded Kenya and Tunisia and came behind Morocco and Bangladesh among LMICs. It ranked only ahead of Tunisia in the Arab region on this factor.

Further, Lebanon ranked ahead of Ukraine and Belarus, and came behind Colombia and Serbia worldwide on the Open for Business factor. This category measures how favorable a country is perceived to be for companies, investors, and entrepreneurs to operate in. It focuses on perceptions of transparency, cost efficiency, and regulatory friendliness. Lebanon only preceded Uzbekistan and trailed Ghana and Cameroon among LMICs, while it ranked behind all Arab countries on this category.

Also, Lebanon preceded Iran and Ukraine, and trailed Cameroon and Kazakhstan on the Quality of Life factor. This variable evaluates a country's ability to provide for the well-being of its citizens. It focuses on living standards, social services, and overall satisfaction with daily life. Lebanon trailed all LMICs and Arab countries on this factor.

Components of the Best Countries Index for 2026

	Global Rank	LMICs Rank	ARAB Rank	Lebanon Score	Global Avge Score	LMICs Avge Score	Arab Avge Score
Power	54	5	9	5.8	18.5	9.5	17.0
Heritage	59	5	9	15.2	34.2	25.5	24.2
Movers	60	8	6	11.8	25.0	28.3	40.1
Adventure	66	6	8	10.7	35.4	18.8	18.6
Cultural Influence	66	7	10	4.6	27.5	11.8	19.4
Agility	70	4	6	6.2	35.9	8.4	21.1
Entrepreneurship	75	5	7	2.1	28.2	5.1	17.2
Social Purpose	79	9	9	1.9	26.7	4.3	3.8
Open for Business	80	11	7	34.4	56.2	45.9	49.1
Quality of Life	83	11	7	4.1	33.9	11.7	19.8

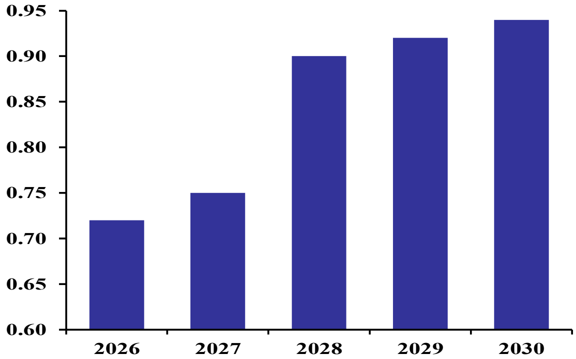
Source: The Wharton School of the University of Pennsylvania

Council of Ministers urges public sector to pay electricity dues

The Council of Ministers issued Circular No. 16/2026 dated June 25, 2026 addressed to all public administrations, public institutions, municipalities, unions of municipalities, councils, and bodies about the settlement of their electricity bills, and requested them to expedite the payment of their outstanding bills to the state-owned Electricité du Liban (EdL) for past months, within the appropriations allocated in budget laws.

As part of its Cost Recovery Plan, EdL expected power generation from its existing assets to increase from 650 megawatt (MW) in 2025 to 850 MW in 2026, 868 MW in 2027, and 1,013 MW in each of 2028, 2029, and 2030. It also anticipated the average daily supply of electricity to rise from 6.24 hours per day (h/d) in 2025 to 8.16 h/d in 2026, 8.33 h/d in 2027 and 9.72 h/d in each of 2028, 2029, and 2030.

Additional Revenues from 1% Recovery of Arrears (in US$m)



Source: Electricité du Liban

Further, it projected the total losses in the electricity system, which include technical and non-technical losses, to decline from 40.2% of total generated electricity in 2025 to 29.44% in 2030. Also, it forecast technical losses to regress from 18.15% in 2025 to 16.6% in 2030; while it expected non-technical losses to decrease from 26.9% in 2025 to 15.4% in 2030. It noted that the revised non-technical loss-reduction plan reflects the existing field conditions at the time, the expected impact of the 96,000 newly procured meters, and the expected reduction of technical and commercial losses, given the current security and logistical constraints.

In addition, it indicated that the unified model's revenue forecasts assume that all subscribers must pay their electricity dues, especially the public sector and Palestinian refugee camps, whose payment compliance is necessary to maintain EdL's financial sustainability. It said that the estimated uncollected rate for the public sector and the camps included in the model is 5.5%. It noted that the model assumed a 30% recovery rate of outstanding arrears, along with a progressive improvement in arrears recovery of 2% per year, which reflects planned improvements in enforcement operations, billing accuracy, and collection mechanisms.

Moreover, it said that the financial impact of a 1% increase in revenue collection would result in additional revenues of $8.46m in 2025, $12.35m in 2026, $12.89m in 2027, $15.46m in 2028, $15.76m in 2029, and $16.5m in 2030. It added that the financial impact of a 1% recovery in outstanding arrears would result in additional revenues of $0.49m in 2025, $0.72m in 2026, $0.75m in 2027, $0.9m in 2028, $0.92m in 2029, and $0.94m in 2030.

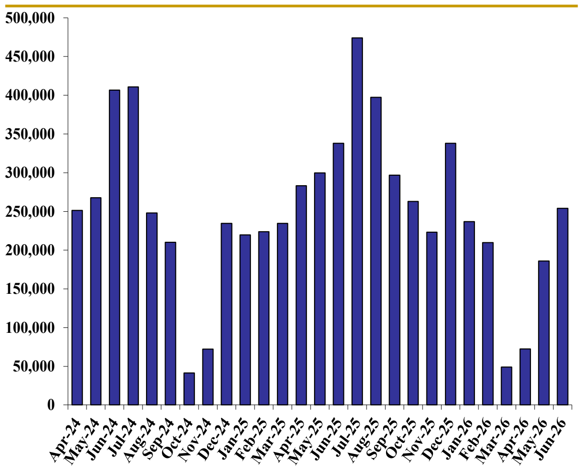
In parallel, as part of its Diagnostic of Governance and Corruption in Lebanon, the International Monetary Fund pointed out that the electricity sector has long been at the center of Lebanon's fiscal and economic challenges. It said that the EdL, the public utility company with exclusive rights to generate, transmits and distributes electricity, and has consistently operated at a deficit that has been financed through fiscal transfers since 1993. It said 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 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 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.

Number of airport passengers down 32.4% in first half of 2026

Figures released by the Beirut-Rafic Hariri International Airport (HIA) show that 2.03 million passengers utilized the airport (arrivals, departures and transit) in the first half of 2026, constituting decreases of 32.4% from 3 million passengers in the same period of 2025, of 32.38% from 2.9 million passengers in the first half of 2024, and of 36% from 3.17 million passengers in the same period of 2023. A total of 1.1 million passengers utilized the airport in the first quarter and 932,031 passengers in the second quarter of 2026. Also, 441,895 passengers utilized the airport in June 2026, representing a surge of 30.4% from 338,990 in May 2026 and a drop of 25% from 589,808 passengers in June 2025.

Number of Arriving Passengers



Source: Beirut-Rafic Hariri International Airport

The HIA received one million arriving passengers in the first half of 2026, which represented declines of 37% from 1.6 million passengers in the same period of 2025, of 34.8% from 1.5 million passengers in the first half of 2024 and of 38.2% from 1.63 million passengers in the same period of 2023. The number of arriving passengers stood at 495,586 in the first quarter and at 512,256 passengers in the second quarter of the year. Also, the number of arriving passengers stood at 253,921 in June 2026, representing an increase of 36.6% from 185,942 in May 2026 and a drop of 24.8% from 337,880 in June 2025.

Further, the number of departing passengers totaled 1,017,885 in the first half of 2026, constituting declines of 27.3% from 1.4 million passengers in the same period of last year, of 30% from 1.45 million passengers in the first half of 2024, and of 33.5% from 1.53 million passengers in the same period of 2023. The number of departing passengers stood at 598,590 in the first quarter and at 419,295 passengers in the second quarter of 2026. Further, the number of departing passengers reached 187,730 in June 2026, as they surged by 22.8% from 152,830 in May 2026 and dropped by 25.5% from 251,833 departing passengers in June 2025.

In parallel, the airport's aircraft activity totaled 18,087 take-offs and landings in the first half of 2026, representing decreases of 24.5% from 23,949 takeoffs and landings in the same period last year, of 27% from 24,815 takeoffs and landings in the first half of 2024, and of 32.5% from 26,785 takeoffs and landings in the same period of 2023. Also, the airport's aircraft activity registered 3,644 take-offs and landings in June 2026, constituting a rise of 20.2% from 3,031 take-offs and landings in May 2026 and a decline of 17% from 4,397 takeoffs and landings in the same month last year. Also, the airport's aircraft activity reached 10,064 take-offs and landings in the first quarter and 8,023 take-offs and landings in the second quarter of the year.

In addition, the HIA processed 24,050 metric tons of freight in the first half of 2026 that consisted of 17,285 tons of imported freight and 6,765 tons of exported freight. Also, the HIA processed 4,090 metric tons of freight in June 2026 that consisted of 3,013 tons of imported freight and 1,077 tons of exported freight, relative to 3,975 metric tons of freight in May 2026 that comprised of 2,874 tons of imported freight and 1,101 tons of exported freight, and to 5,071 metric tons of freight in June 2025 that consisted of 3,614 tons of imported freight and 1,457 tons of exported freight.

Moreover, National flag carrier Middle East Airlines (MEA) operated 8,963 flights in the first half of 2026 and accounted for 49.6% of the HIA's total aircraft activity in the covered period, while it had 1,635 flights in June 2026 that represented 45% of HIA's total aircraft activity during the month. Also, MEA processed 7,592 metric tons of freight in the first half that accounted for 31.6% of the freight processed through the airport, while it processed 834 metric tons of freight in June 2026 that represented 20.4% of the freight processed through the airport in the covered month.

Lebanon in the News

Registered real estate transactions down 10% to $2.6bn in first half of 2026

Figures released by the General Directorate of Land Registry and Cadastre (GDLRC) at the Ministry of Finance show that the ministry registered 23,630 real estate transactions in the first half of 2026, constituting a drop of 29% from 33,297 transactions in the same period of 2025, and compared to 16,390 transactions in the first half of 2024. In addition, the GDLRC registered 4,633 transactions in January, 3,755 real estate deals in February, 3,095 transactions in March, 3,493 real estate deals in April, 3,655 transactions in May, and 4,999 real estate deals in June 2026. As such, the ministry GDLRC registered 11,483 real estate transactions in the first quarter and 12,147 deals in the second quarter of the year.

The distribution of transactions shows that the ministry registered 5,086 real estate deals in the Baabda/Aley/Chouf area in the first half of 2026, representing 21.5% of the total, followed the North with 4,990 transactions (21.1%), the Northern Metn district with 3,397 deals (14.4%), the Keserwan/Jbeil region with 3,140 transactions (13.3%), the Bekaa/Baalbeck-Hermel region with 3,064 deals (13.0%), Beirut with 1,680 deals (7.1%), the South governorate with 1,261 transactions (5.3%), and the Nabatieh governorate with 340 deals (1.4%).

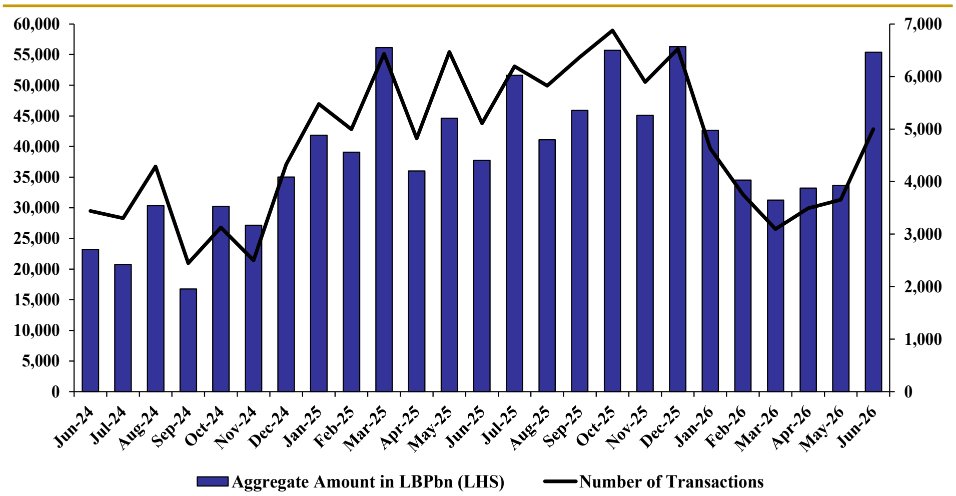
In parallel, the aggregate amount of registered real estate transactions stood at LBP230,712.7bn in the first half of 2026, constituting a decrease of 9.7% from LBP255,498.6bn in the same period of 2025. In US dollar terms, the total amount of registered real estate deals reached $2.58bn in the first half of 2026 relative to $2.85bn in the same period last year. Also, the amount of real estate transactions was LBP42,639.2bn in January, LBP34,542.5bn in February, LBP31,275.2bn in March, LBP33,203.5bn in April, LBP33,649.4bn in May, and LBP55,403bn in June 2026. As such, the aggregate amount of registered real estate transactions stood at LBP108,456.8bn in the first quarter and at LBP122,256bn in the second quarter of 2026.

Further, the value of registered real estate transactions in Beirut was LBP58,298.3bn and accounted for 25.3% of the total in the first half of 2026. The Northern Metn district followed with LBP49,077.9bn (21.3% of the total), then the Baabda/Aley/Chouf area with LBP39,234.1bn (17%), the Keserwan/Jbeil region with LBP32,833.4bn (14.2%), the North region with LBP26,791.2bn (11.6%), the Bekaa/Baalbeck-Hermel region with LBP11,025.8bn (4.8%), the South governorate with LBP10,199bn (4.4%), and the Nabatieh governorate with LBP1,136.9bn (0.5%).

In parallel, the average amount per registered real estate transaction was LBP9.8bn in the first half of 2026 and increased by 27.2% from an average of LBP7.7bn in the same period last year. Also, there were 351 real estate transactions executed by foreigners in the first half of 2026 compared to 858 deals in the same period of 2025 and to 372 transactions in the first half of 2024. The number of real estate deals by foreigners accounted for 1.5% of the registered real estate transactions in the covered period, compared to 2.6% in the first half of 2025 and relative to 2.3% in the same period of 2024. Further, there were 173 real estate transactions executed by foreigners in the first quarter and 178 deals in the second quarter of the year.

Further, the Baabda/Aley/Chouf region accounted for 24.2% of real estate transactions executed by foreigners in the first half of 2026, followed by the Northern Metn district (19%), the Keserwan/Jbeil area (14.8%), the North governorate (12.5%), Beirut (10.8%), the South governorate (10%), and the Bekaa/Baalbeck-Hermel region (8.5%).

Number and Amount of Real Estate Transactions



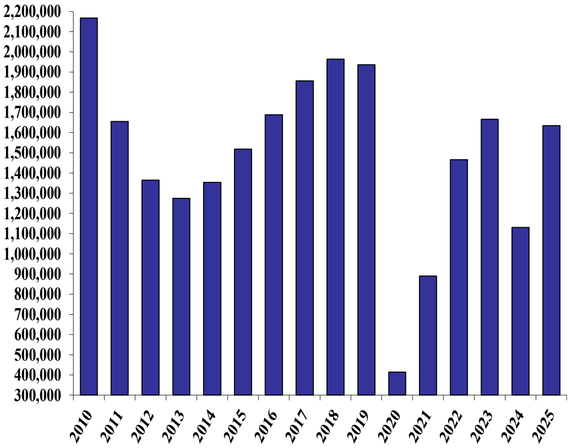
Source: Ministry of Finance, Byblos Research

Government ratifies Memorandum of Understanding with Jordan to support tourism sector

The Ministry of Tourism (MoT) issued Decree No. 3212 dated June 15, 2026 about the ratification of the Memorandum of Understanding (MoU) that the Lebanese and Jordanian governments signed last January on tourism cooperation during the 2026-29 period, following its approval by the Council of Ministers on April 4, 2026. It said the MoU aims to develop bilateral cooperation in the tourism sector, within the framework of implementing the tourism cooperation agreement that the two countries signed on September 3, 1974.

First, the MoU stipulates that the MoT and the Jordanian Ministry of Tourism and Antiquities pledge to exchange information, brochures, promotional materials, and tourism statistics; as well as to share agendas for tourist events, festivals, and exhibitions held in both nations to strengthen mutual participation. In addition, it said that the two sides will organize and promote tourism weeks in Lebanon and Jordan, while supporting the exchange of expertise in digital marketing, particularly in tourism promotion, and the establishment of joint training programs in this field.

Number of Tourist Arrivals to Lebanon



Source: Ministry of Tourism , Byblos Research

Second, the agreement indicates that two sides will work to support tourism offices in both countries and organize joint tourism packages at preferential rates. It noted that they will exchange media delegations to explore and showcase tourism capabilities in both nations, and that they will work with the relevant authorities to provide services for tourist groups during visits and stays. They also agreed to attract visitors to adventure tourism, religious tourism, eco-tourism, and tourism exhibitions and conferences. Also, they will organize workshops to highlight Jordan's expertise in medical, wellness, and educational tourism, and will host influencers and bloggers to expand visibility across social media platforms. In addition, they agreed to arrange field trips for tourism and travel agencies, complemented by joint workshops to strengthen professional collaboration. Finally, they will collaborate with airline companies to reduce ticket prices between the Beirut-Rafic Hariri International Airport and King Hussein International Airport.

Third, the MoU stipulates that the two sides will work jointly to present tourism investment opportunities, incentives, facilities, and guarantees to investors for new tourism projects in the two countries. Fourth, the agreement indicates that the two ministries will work together to exchange expertise in available tourism training fields across both countries, with particular emphasis on developing visits to tourist sites and trails; and exchange training programs, curricula, and methods for tourism and hospitality education to strengthen professional standards in both nations. Fifth, the MoU states that the two sides will exchange legislations and regulations related to active tourism services and activities in both countries.

Sixth, the agreement says that the two sides will form a follow-up team to meet periodically in order to establish timelines for executing the MoU, evaluate progress, and assess the program's capacity to achieve its goals and objectives. Seventh, the MoU indicates that the cooperation program is valid for a period of four years, unless one of the countries notifies the other in writing of its desire to terminate it at least six months before the expiration of the current term.

Figures compiled by the Ministry of Tourism indicate that the number of incoming visitors to Lebanon totaled 1.64 million tourists in 2025, constituting an increase of 44.6% from 1.13 million tourists in 2024 and a decrease of 2% from 1.67 million visitors in 2023.

Visitors from European countries totaled 749,063 tourists and accounted for 45.8% of incoming visitors to Lebanon in 2025, followed by those from Arab countries with 360,771 tourists (22.1%), the Americas with 310,401 visitors (19%), Africa with 75,727 tourists (4.6%), Oceania with 70,624 tourists (4.3%) and Asia with 68,777 visitors (4.2%). The figures exclude Syrian and Palestinian arrivals. Further, the number of visitors from Europe jumped by 61.1% in 2025 from 2024, followed by the number of tourists from Oceania (+53.6%), from Arab countries (+34.5%), from the Americas (+34.2%), from Africa (+33%), and from Asia (+8.5%).

Ministry of Finance reduces fines on late payments of taxes and fees

The Ministry of Finance issued Decision 742/1 dated July 1, 2026 about the settlement of the fines on the verification and collection of taxes imposed under tax laws pursuant to tax assessment documents issued as of November 16, 2022. The decision granted rebates on tax penalties on tax adjustments until December 30, 2026.

Article 1 reduces the verification and collection penalties imposed on taxes and fees administered by the Directorate General of Finance, pursuant to direct and indirect tax laws, based on tax assessment documents issued as of November 16, 2022, irrespective of the date of the violation.

Article 2 reduces the fines on the verification of taxes under the provisions of the Income Tax Law. It said that the reduction applies to the income tax, the built property tax, the inheritance tax, the value-added tax (VAT), indirect taxes and fees, as well as to taxes imposed under the Tax Procedures Law, among others, in accordance with the provisions of Articles 4 and 5 of this decision. It said that the fines on the verification of taxes cover proportional fines and lump-sum or fixed fines. It stated that it excluded from the settlements the fines that are less than LBP200,000, or $3, or €3 for taxes and fees that may be imposed and collected in foreign currency; and the fines that were not paid with the tax or fee within the specified payment period.

Article 3 indicates that the settlement covers the verification fines imposed under the tax assessment tables, or tax notifications, or self-assessments specified in Article 2 of this decision, provided that the taxpayer pays the reduced fine with the due tax or fee in accordance with the provisions of this decision and within the specified deadline.

Article 4 states that taxpayers subject to verification penalties as of November 16, 2022 can benefit from the settlement, whether pursuant to tax assessment documents issued prior to the publication of this decision and that are still unpaid, or those issued thereafter until the expiration of the settlement decision, provided that taxpayers settle the penalty in full before December 30, 2026.

Article 5 stipulates that the decision reduces by 50% the proportional fines and by 60% the lump-sum or fixed fines resulting from violations that took place regarding the income tax and the VAT, while it lowers by 85% the proportional and fixed fines resulting from other tax violations.

Article 6 reduces the collection fines related to direct and indirect taxes, including fiscal stamp duties, if the taxpayer pays the due tax and penalties within the specified deadlines, and if the delay in paying the due tax and penalties occurred before or after its effective date, with respect to tax assessment documents issued as of November 16, 2022. It stated that it excluded from the settlements the fines that are less than LBP200,000, or $3, or €3 for taxes and fees that may be imposed and collected in foreign currency; and the fines that were not paid with the tax or fee within the specified payment period.

Article 7 reduces the late payment fines in Article 6 of this decision, provided that the taxes and verification and collection fines are paid by end-2026. As such, it lowers by 50% the collection fines for violations that took place regarding the income tax and VAT, while it reduces by 75% the collection fines resulting from other tax violations. It added that, for purposes of late payment penalties, the date on which the violation is deemed to have occurred will be determined in accordance with Article 55 of the Tax Procedures Law and its amendments.

Article 10 stipulates that the Tax Administration is authorized to grant the taxpayer the benefit of reducing the verification and collection penalties without requiring the payment of the due tax, only in cases where the tax is forcibly deducted or withheld.

Article 13 stipulates that the authorization to settle any assessment or collection penalty resulting in a reduction that exceeds LBP60bn for taxes and fees collected in Lebanese pounds, or that exceeds $667,000 or its equivalent in other currencies for taxes and fees collected in foreign currency, requires the prior approval of the Council of Ministers. It states that the calculation of the reduction in such cases will be carried out for each tax period separately and independently of other tax periods, with both verification and collection penalties calculated together. It added that in instances of multiple violations within a single tax period, the reduction of each resulting assessment penalty, along with its related collection penalty, will be determined separately for each violation.

Article 14 states that the decision goes into effect starting from its issuance until December 30, 2026 inclusive.

Nearly 60% of Lebanese workers are confident about job stability

A survey by the International Labor Organization (ILO) about the impact of the military conflict on the labor market in Lebanon revealed that the war triggered substantial employment losses across the Lebanese private sector. It stated that, at the time of the survey in May 2026, 67% of respondents were employed, 28.2% were unemployed, and 4.7% were outside the labor force.

The survey found that 89.5% of respondents stated that the war in Lebanon was the main reason for their job loss, while 7.6% cited both the war and the implications of the regional conflict, and 2.9% pointed to other reasons for their job loss. In parallel, 80.3% of respondents stated that the closure of companies was the main reason for losing their job, while 28.7% cited reduced demand, and 19.8% pointed to direct damages from the conflict.

Also, it said that 33% of respondents were no longer employed by May 2026, including 28.2% who were unemployed and 4.7% who had stopped working and were not seeking employment. It stated that displacement was a major driver of unemployment, as more than two thirds of displaced workers were out of work at the time of the survey. It said that job losses were particularly severe in conflict-affected governorates, with unemployment reaching 76.5% among the residents of the Nabatieh governorate, 43.2% in the South, 25.5% in Mount Lebanon, 22% in Beirut, 19.2% in Baalbeck-Hermel, 17% in the Bekaa, 13.7% in Akkar, and 7.8% in the North governorates.

Also, the results show that 58.3% of respondents in Nabatieh governorate were unemployed and 18.2% were outside the labor force, compared to 35.5% and 7.7% respectively in the South governorate, 25.5% and 1.1% in the Mount Lebanon governorate, 22% and 1.2% in the Beirut governorate, 19.2% and 0.6% in the Baalbek-Hermel governorate, 17% and 2.1% in the Bekaa governorate, 13.7% and 0% in the Akkar governorate, and 7.8% and 1.2% in the North governorate. It added that, by place of work, unemployment reached 59.3% in Nabatieh and 36.2% in the South, while it was 27.6% in Mount Lebanon, 18.1% in the Bekaa, 18.7% in Baalbek-Hermel, 17.8% in Beirut, 12.1% in Akkar, and 8.3% in the North.

It added that prior to the conflict, 68.8% of the sampled workers were wage earners and 31.2% were self-employed, including 64.6% of males who were employees and 35.4% who were self-employed, as well as 78.6% of females who were wage earners and 21.4% who were self-employed.

Further, the results show that 27.9% of the main breadwinners and 29.4% of non-main breadwinners in households were unemployed at the time of the survey. Also, 24.6% of the main breadwinners who are males and 24.1% of non-main breadwinners were unemployed; while 3.5% and 4.2%, respectively, were outside the labor force. It added that 39.7% of the main breadwinners who are females and 33.5% of non-main breadwinners were unemployed, while 5% and 10.3%, respectively, were outside the labor force.

In addition, the survey pointed out that the unemployment rate reached 39.4% among individuals in the 15 to 24 year-old bracket; 26.8% among persons between 25 and 54 years old; 32.3% among individuals in the 55 to 64 year-old segment; and 25.8% among those who are 65 years or older. Also, the survey noted that the unemployment rate of Syrian workers in Lebanon was 38.8%, relative to 26.2% among Lebanese workers, 17.7% among Palestinians, and 22.5% among other nationalities.

The results indicated that 7.4% of employed respondents reported being “very confident” about their job stability, 59.1% were “confident”, while 33.5% were “not confident at all”. Also, it noted that 8.8% of Lebanese workers were “very confident” about their job stability, 60.9% were “confident”, and 30.3% were “not confident”; while, 5% of Syrian workers were “very confident” about their job stability, 52.5% were “confident”, and 42.6% were “not confident”. Also, 1.3% of Palestinian workers were “very confident”, 50% were “confident”, and 48.7% were “not confident” about their job stability.

The survey found that 57.4% of respondents remained in the same job and governorate, 4.8% retained their jobs but relocated, and 4.8% changed jobs altogether. In addition, it said that the average l salaries among those who remained employed fell by 14.8%, with the earnings of males declining by 15.5%, those of females decreasing by 12.4%, and the wages of workers with disabilities dropping by 29.2%.

The ILO conducted the survey between May 9 and May 19, 2026 in partnership with the General Confederation of Lebanese Workers (CGTL) and the National Federation of Workers and Employees Trade Unions in Lebanon (FENASOL). It covered 2,485 private sector workers who were employed prior to the start of the conflict in March 2026 and targeted both employees and self-employed individuals. The survey reported that, prior to the conflict, 29.4% of surveyed workers were based in the Mount Lebanon governorate, followed by 15.7% in the South governorate, 15.3% in the Nabatieh governorate, 10.2% in the Beirut governorate, 9.8% in the North governorate, 7.6% in the Bekaa governorate, 6.3% in the Baalbeck-Hermel governorate, and 5.9% in the Akkar governorate. Also, Lebanese workers accounted for 71.9% of the sample, Syrian refugees represented 20.1% and Palestinian refugees 3.9% of the total.

Lebanon in the News

LCEC extends deadline for feasibility of solar PV and battery energy storage system

The Lebanese Center for Energy Conservation (LCEC) extended the submission deadline for offers in response to the Request for Proposal (RFP) for consultancy services to develop a utility-scale solar photovoltaic (PV) plant in the Baalbek-Hermel region, along with a battery energy storage system, until August 5, 2026. It said that feasibility study represents an essential step toward upscaling the use of solar PV systems with battery storage in Lebanon.

It pointed out that the objective of the RFP is to procure consultancy services for the development of a Solar PV and Battery Energy Storage System (BESS) plant in the Baalbek-Hermel area, under a contract agreement. Also, the LCEC stated that it completed Phase 1 of the feasibility study for the development of a Concentrated Solar Power (CSP) in the same area, and that the results of Phase 1 concluded that the Solar PV and BESS represent the most suitable alternative technology within the feasibility study's context.

It noted that the intent is to award the contract to a single qualified bidder, with applications open to either an individual consultancy firm or a consortium of companies. It said that the consultant will be tasked with assessing the feasibility of installing and operating a Solar PV and BESS plant in the Baalbek-Hermel region. It indicated that the contract scope covers the detailed studies, including financial and economic viability analyses, procurement analysis, implementation and operations & maintenance (O&M) planning, a proportional environmental and social impact assessment (ESIA), and the preparation of detailed tender documents. It further noted that the World Bank is currently supporting the Lebanese government through the Lebanon Renewable Energy and System Reinforcement Project.

Also, it indicated that the consultant has to study the feasibility of at least 175 megawatt-peak (MWp) and 550 megawatt-hours (MWh) plant in the Baalbek-Hermel region to enhance the national energy security through a renewable and sustainable energy source.

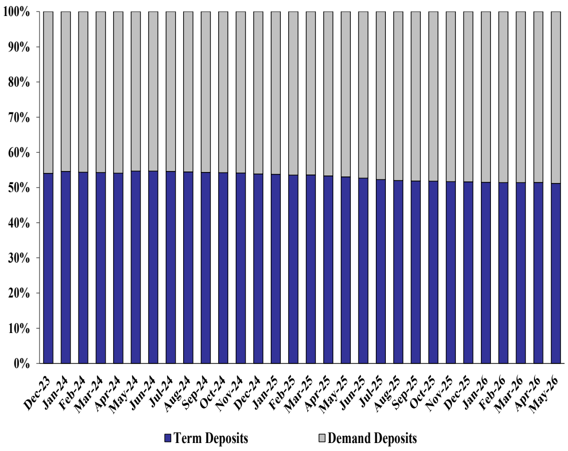
In addition, the LCEC stated that the evaluation of proposals will follow a four-stage procedure, as it will assess the technical proposal before opening or comparing any financial offer. It said that, in Stage 1, the evaluation committee will review proposals for administrative and technical qualification on a pass/fail basis and rejects any submission that does not meet all criteria. It noted that, in Stage 2, the committee will score the qualified proposals on capability and technical merit while keeping financial offers sealed. It indicated that only companies that achieve a minimum technical score of 650 out of 1000 advance to Stage 3. It pointed out that, in Stage 3, the committee will opens and compares the financial proposals and automatically disqualifies any bidder whose financial offer exceeds €126,000. As such, it said that, in Stage 4, the committee will negotiates with the selected bidder. It noted that, if the winning bidder does not sign the contract within 30 days of the award announcement, the LCEC disqualifies the bidder, forfeits its bid deposit, and awards the contract to the next qualified candidate.

Term deposits account for 51.2% of customer deposits at end-May 2026

Figures issued by Banque du Liban (BdL) about the distribution of bank deposits at commercial banks in Lebanon show that aggregate deposits, which include demand deposits and term deposits, stood at LBP7,951.1 trillion (tn) at the end of May 2026, or the equivalent of $88.8bn, compared to LBP8,071.1tn ($90.2bn) at end-2025 and to LBP8,223.9tn ($91.9bn) at end-May 2025.

Total deposits include private sector deposits that reached LBP7,692.6tn, deposits of non-resident financial institutions that amounted to LBP201tn, and public sector deposits that stood at LBP57.6tn at the end of May 2026. The figures reflect BdL's Basic Circular 167/13612 dated February 2, 2024 that asked banks and financial institutions to convert their assets and liabilities in foreign currency to Lebanese pounds at the exchange rate of LBP89,500 per US dollar when preparing their financial positions starting on January 31, 2024.

Breakdown of Deposits at Commercial Banks (%)



Source: Banque du Liban, Byblos Research

Term deposits in all currencies reached LBP4,068.6tn and accounted for 51.2% of total deposits in Lebanese pounds and in foreign currency at the end of May 2026, relative to 53% at end-May 2025. Further, the term deposits in Lebanese pounds of the public sector dropped by 76% from end-2025, followed by a decrease of 12.4% in foreign currency-denominated term deposits of the public sector, a decline of 3.5% in term deposits of the non-resident financial sector, a decrease of 2.2% in the foreign currency-denominated term deposits of the resident private sector, and a contraction of 1.7% in the term deposits of non-residents. In contrast, the term deposits in Lebanese pounds of the resident private sector increased by 1% from end-2025.

In addition, the foreign currency-denominated term deposits of the resident private sector reached $31.8bn and accounted for 35.8% of aggregate deposits at the end of May 2026 relative to 37.6% a year earlier. Term deposits of non-residents followed with $11.9bn or 13.4% of the total, then the term deposits of the non-resident financial sector with $1.14bn (1.3%), term deposits in Lebanese pounds of the resident private sector with LBP36.5tn (0.5%), term deposits of the public sector in foreign currency with $131.3m (0.1%), and term deposits of the public sector in Lebanese pounds with LBP3tn (0.04%).

In parallel, demand deposits in all currencies at commercial banks stood at LBP3,882.6tn at the end of May 2026 compared to LBP3,861.3tn a year earlier, and accounted for 48.8% of aggregate deposits at end-May 2026 relative to 47% at end-May 2025. Demand deposits of non-residents grew by $69m in the first five months of 2026, followed by an increase of $58.1m in demand deposits of the non-resident financial sector and an uptick of $39.8m in the public sector's demand deposits in foreign currency. In contrast, foreign currency-denominated demand deposits of the resident private sector declined by $348.5m, followed by a decrease of LBP3,151.8bn in demand deposits in Lebanese pounds of the public sector and a contraction of LBP3,074bn in demand deposits in Lebanese pounds of the resident private sector in the covered period.

In comparison, demand deposits of non-residents jumped by $373m in the 12 months ending May 2026, followed by a rise of LBP5,056.5bn in demand deposits in Lebanese pounds of the resident private sector. In contrast, foreign currency-denominated demand deposits of the resident private sector dropped by $122.8m from end-May 2025, followed by a decline of $62m in demand deposits of the non-resident financial sector, a decrease of LBP477.4bn in demand deposits in Lebanese pounds of the public sector, and a reduction of $2.5m in the public sector's demand deposits in foreign currency.

Also, demand deposits in foreign currency of the resident private sector totaled $31.8bn and accounted for 35.8% of aggregate deposits at end-May 2026, relative to 37.6% a year earlier. Demand deposits of non-residents followed with $9.37bn (10.5%), then demand deposits of the non-resident financial sector with $1.11bn (1.2%), demand deposits in Lebanese pounds of the resident private sector with LBP42.5tn (0.5%), demand deposits in foreign currency of the public sector with $357.5m (0.4%), and demand deposits in Lebanese pounds of the public sector with LBP10.9tn (0.1%).

BLC Bank posts net profits of LBP889bn in 2025

BLC Bank sal, one of six listed banks on the Beirut Stock Exchange, announced audited consolidated net profits of LBP888.8bn in 2025 compared to net losses of LBP112.6bn in 2024. The bank's net interest income amounted to LBP899.4bn in 2025 relative to LBP752.2bn in the previous year, while its revenues from net fees & commissions reached LBP1,202.2bn last year compared to LBP824.5bn in 2024. Also, net interest and other losses on investment securities at fair value through profits or losses totaled at LBP1,820.1bn in 2025 relative to net interest and other profits of LBP1,791.1bn in 2024. Further, its net write-back for expected credit losses stood at LBP1,929.8bn last year compared to an allowance of LBP4,358.6bn in 2024. As such the bank's net operating income totaled LBP2,234.6bn in 2025 relative to LBP1,721.4bn in the preceding year.

In parallel, net gains on the disposal of property and equipment and assets acquired in satisfaction of loans reached LBP190.5bn in 2025 compared to LBP110.4bn in 2024, write-back for risks and charges totaled at LBP264.2bn last year relative to provision of LBP207.5bn in 2024, and staff costs stood at LBP948bn in 2025 compared to LBP955.5bn in the preceding year. Also, general and administrative expenses reached LBP671.9bn last year relative to LBP686.5bn in 2024, while depreciation and amortization totaled at LBP178.4bn in 2025 compared to LBP91.7bn in the preceding year. As such, the bank's operating expenditures stood at LBP1,535.6bn in 2025 compared to LBP1,941.6bn in 2024, with staff expenses accounting for 61.7% of the total.

In addition, total assets stood at LBP173,887.4bn at the end of 2025 compared to LBP173,398bn a year earlier, while loans & advances to customers amounted to LBP3,862bn at end-2025 relative to LBP5,637bn at end-2024. The bank's cash and balances with central banks reached LBP122,298.3bn at end-2025 relative to LBP118,758bn a year earlier, while its provisions totaled LBP619.6bn at end-2025 compared to LBP806.8bn at end-2024. Also, the bank's investment securities amounted to LBP22,793bn at end-2025 relative to LBP27,352.6bn a year earlier, while its property and equipment stood at LBP4,781.5bn at end-2025 compared to LBP4,952.1bn at end-2024.

On the liabilities side, customer deposits totaled LBP154,883.6bn at the end of 2025 relative to LBP156,569bn a year earlier, while deposits from banks and financial institutions amounted to LBP995.5bn at the end of 2025 compared to LBP718bn at end-2024. In addition, its other liabilities totaled LBP2,348.5bn relative to LBP2,510.6bn at end-2024. Further, the bank's total shareholders' equity stood at LBP14,717bn at end-2025 relative to LBP12,323.4bn at end-2024.

Also, the bank's aggregate capital reached LBP13,047.8bn at end-2025 compared to LBP1,897bn at end-2024, which consist of LBP11,399bn in Common Equity Tier One capital, LBP1,496bn in Tier 2 capital and LBP152.8bn in additional Tier One capital. In addition, the bank’s risk weighted assets and risk-weighted off-balance sheet items totaled LBP144,682.7tn at end-2025 relative to LBP159,025.5tn a year earlier. As such, the bank's capital adequacy ratio stood at 9.02% at the end of 2025 compared to 1.19% at end-2024; while its Tier One capital ratio reached 7.98% at end-2025 relative to 0.4% a year earlier and its Equity Tier One capital ratio was 7.88% at end-2025 compared to 0.3% at end-2024.

In parallel, the bank's external auditors indicated that "the accompanying consolidated financial statements do not present fairly the consolidated financial position of the Group as at December 31, 2025", nor the Group's "consolidated financial performance and its consolidated cash flows for the year that ended in accordance with International Financial Reporting Standards." They added that the bank and its subsidiaries did not apply the requirements of International Accounting Standard (IAS) 29 in the consolidated financial statements for 2025, which is an auditing requirement for economies that suffer from hyperinflation.

Ratio Highlights

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

**change in percentage points 25/24;*
Source: National Accounts, Banque du Liban, Ministry of Finance, Institute of International Finance, International Monetary Fund, Byblos Research Estimates & Calculations
Note: M2 includes money in circulation and deposits in LBP, M3 includes M2 plus Deposits in FC and bonds

National Accounts, Prices and Exchange Rates

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

Source: National Accounts, Institute of International Finance

Ratings & Outlook

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

**Fitch withdrew the ratings on July 23, 2024*

Banking Sector Ratings	Outlook
Moody's Ratings	Negative

Source: Moody's Ratings

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