

LEBANON THIS WEEK

In This Issue

Economic Indicators.....1

Capital Markets.....1

Lebanon in the News.....2

Lebanon ranks 86th globally, 11th among Arab countries in terms of innovation

Surveyed economists estimate Lebanon's real GDP to contract by 4.7% in 2026 and project it at 5.2% in 2027

UAE and Lebanon launch AI training initiative

Non-Lebanese acquire 40 million square meters of real estate in Lebanon in past 57 years

Ministry of Finance enforces 1.5% customs escrow on non-compliant taxpayers

EU extends €505m in financial support for 2026-07 period

Economic recovery contingent on permanent ceasefire and reforms

Ministry of Finance details exemptions from inheritance tax

Government distributes Independent Municipal Fund's revenues for 2023

Amount of cleared checks in "fresh" foreign currency up 108% in first eight months of 2026

Lebanon ranks 102nd globally, 10th among Arab countries in terms of quality of life

Money supply down 15% in 12 months ending September 17, 2026

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

Government approves World Bank grant for fiscal management project

Corporate Highlights.....14

Fenicia Bank registers profits of LBP163.9bn in 2025

Crédit Libanais registers profits of LBP2,260bn in 2025

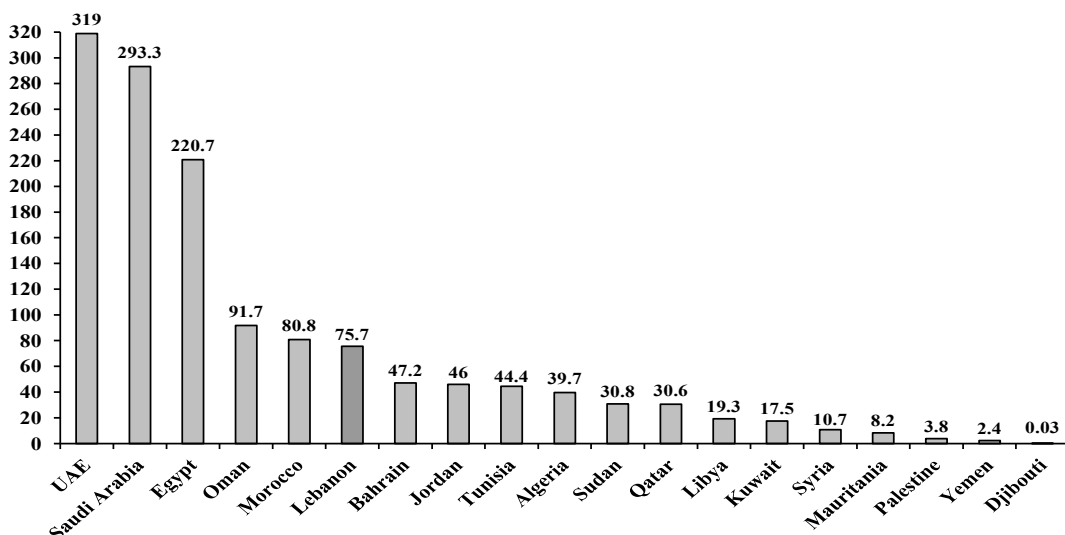
Ratio Highlights.....15

National Accounts, Prices and Exchange Rates15

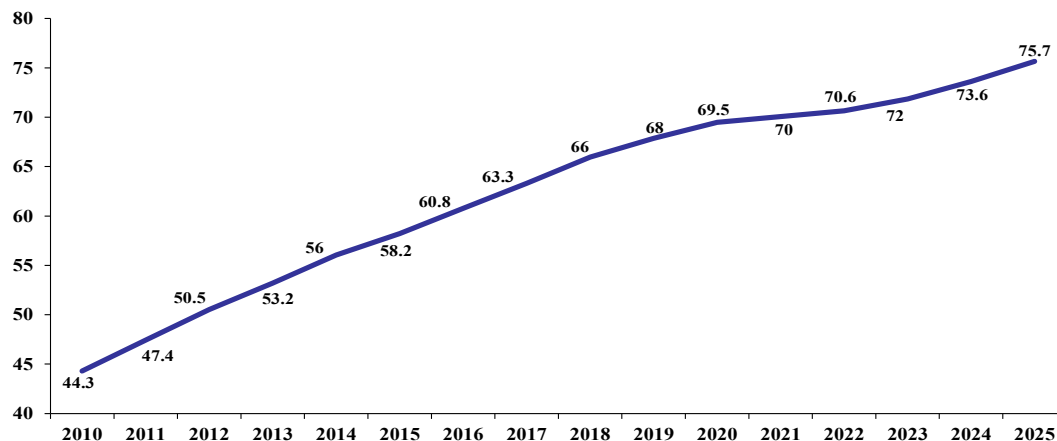
Ratings & Outlook.....15

Chart of the Week

Stock of Foreign Direct Investments in Arab Countries by end-2025 (US\$bn)



Stock of Foreign Direct Investments in Lebanon by end-2025 (US\$bn)



Source: United Nations Conference on Trade and Development, Byblos Bank

Quote to Note

"The authorities will continue to support a stable exchange rate as a central pillar of the current monetary policy framework, using it as a nominal anchor to restore confidence and contain inflation expectations."

The Institute of International Finance, on the importance of the stability of the Lebanese pound's exchange rate

Number of the Week

336,000: Number of workers and employees in the public sector, according to estimates by the Lebanese authorities and the International Monetary Fund

Lebanon in the News

\$m (unless otherwise mentioned)	2024*	2025*	2026*	%Change**	Jun-25	May-26	Jun-26
Exports	1,419	1,744	1,498	(14.1)	264	309	250
Imports	8,384	9,610	10,150	5.6	1,469	1,414	1,700
Trade Balance	(6,965)	(7,865)	(8,652)	10.0	(1,205)	(1,105)	(1,449)
Balance of Payments	2,704	8,495	(2,856)	(133.6)	352	(969)	(4,370)
Checks Cleared in LBP***	433	313	355	13.3	44	61	50
Checks Cleared in FC***	780	383	234	(38.9)	31	56	58
Total Checks Cleared***	1,213	696	589	(15.4)	75	117	108
Fiscal Deficit/Surplus****	448	313	470	50.0	-	-	-
Primary Balance****	545	352	497	41.2	-	-	-
Airport Passengers	2,998,441	2,999,426	2,027,421	(32.4)	589,808	338,990	441,895
Consumer Price Index	76.5	14.7	16.2	150bps	15.0	19.0	17.3
\$m (unless otherwise mentioned)	Jun-25	Feb-26	Mar-26	Apr-26	May-26	Jun-26	%Change**
BdL FX Reserves	11.18	6.80	6.10	5.96	6.70	6.68	(40.2)
<i>In months of Imports</i>	-	-	-	-	-	-	-
Public Debt	-	-	-	-	-	-	-
Bank Assets	103.51	101.90	100.68	100.72	100.59	100.50	(2.9)
Bank Deposits (Private Sector)	88.79	86.68	86.23	86.12	85.95	85.73	(3.4)
Bank Loans to Private Sector	5.47	5.24	5.24	5.20	5.18	5.06	(7.4)
Money Supply M2	1.65	1.63	1.62	1.56	1.51	1.55	(5.9)
Money Supply M3	68.99	66.80	66.39	66.20	65.98	65.78	(4.6)
LBP Lending Rate (%)	9.11	9.74	9.80	8.43	8.35	6.15	(296bps)
LBP Deposit Rate (%)	1.58	5.13	3.66	3.99	3.76	5.19	361bps
USD Lending Rate (%)	4.83	3.84	4.78	4.13	4.27	4.10	(73bps)
USD Deposit Rate (%)	0.04	0.08	0.10	0.11	0.09	0.10	6bps

*in the first half of each year; **year-on-year

checks figures do not include compensated checks in fresh currencies; *in the first quarter of each year

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"	72.00	0.0	37,139	40.4%	Nov 2026	6.60	28.60	1,604.90
Solidere "B"	72.95	1.3	19,015	26.6%	Mar 2027	6.85	28.95	513.68
Audi GDR	1.70	0.0	-	1.1%	Nov 2028	6.65	28.75	69.53
Audi Listed	1.64	0.0	-	5.4%	Feb 2030	6.65	28.95	39.96
Byblos Common	0.65	0.0	-	2.1%	Apr 2031	7.00	29.38	28.76
Ciments Libanais	49.45	0.0	-	5.4%	May 2033	8.20	30.75	18.61
BLOM Listed	7.97	0.0	-	9.6%	May 2034	8.25	30.75	16.07
BLOM GDR	7.02	0.0	-	2.9%	Jul 2035	12.00	31.40	13.57
Byblos Pref. 09	29.99	0.0	-	0.3%	Nov 2035	7.05	30.13	13.65
Byblos Pref. 08	25.00	0.0	-	0.3%	Mar 2037	7.25	30.13	11.79

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

Source: LSEG Workspace

	September 21-25	September 14-18	% Change	August 2026	August 2025	% Change
Total shares traded	60,150	176,620	(47.8)	305,182	2,784,318	(89.0)
Total value traded	\$4,071,402	\$5,928,757	19.0	12,233,852	22,009,475	(44.4)
Market capitalization	17.82	17.76	0.8	17.80	19.64	(9.4)

Source: Beirut Stock Exchange (BSE)



Lebanon ranks 86th globally, 11th among Arab countries in terms of innovation

The Global Innovation Index for 2026 ranked Lebanon in 86th place among 139 countries around the world, in seventh place among 35 lower middle-income countries (LMICs), and in 11th place among 13 Arab countries included in the survey. In comparison, Lebanon ranked in 90th place among 139 countries globally, in 10th place among 37 LMICs, and in 11th place among 13 Arab states in the 2025 survey, as well as in 70th place globally and in sixth place regionally on the 2016 index.

Based on the same set of countries in the 2025 and 2026 surveys, Lebanon's global rank improved by four spots, its LMICs rank advanced by one notch, while its Arab rank was unchanged from the 2025 assessment. Also, based on the same set of countries in the 2016 and 2026 surveys, Lebanon's global rank deteriorated by 15 notches and its regional rank decreased by five spots. Lebanon ranked in the 38th percentile worldwide in 2026, which means that 62% of countries have a higher level of innovation than Lebanon, while it ranked in the 15th percentile among Arab economies, which means that 85% of Arab countries have a more advanced innovation level than it does.

The index is co-published by the United Nations' World Intellectual Property Organization, the INSEAD Business School, and Cornell University. The survey said that the countries included in the index represent 95.5% of the world's population and 98% of global GDP.

The index measures innovation in a broad sense and covers scientific, social and business development. It aims to provide the tools that can assist stakeholders in tailoring policies to promote long-term economic growth, improve innovation, and support job creation. The index is a composite of 79 variables that are grouped in the Innovation Input Sub-Index and the Innovation Output Sub-Index. The survey rates the innovation level of each country on a scale from zero to 100 points, with a score of 100 points reflecting the most innovative economy.

Globally, Lebanon has a higher level of innovation than Jamaica, Belarus and Panama, and is less innovative than Egypt, Bosnia and Herzegovina, and Azerbaijan among economies with a GDP of \$10bn or more. Also, Lebanon ranked ahead of Senegal and Kyrgyzstan, while it came behind Uzbekistan and Egypt among LMICs.

Further, Lebanon received a score of 25.6 points on the 2026 index compared to 23.6 points in the 2025 survey and to 32.7 points on the 2016 index. Lebanon's score came lower than the global average score of 32.3 points and the Arab average score of 30.3 points, but was higher than the LMICs' average score of 21.8 points. Further, its score stood lower than the Gulf Cooperation Council (GCC) countries' average score of 35.4 points and the average score of non-GCC Arab countries of 26 points. Switzerland has the highest innovation level worldwide with a score of 66.7 points, while Chad is the least innovative country globally with a score of 9.5 points.

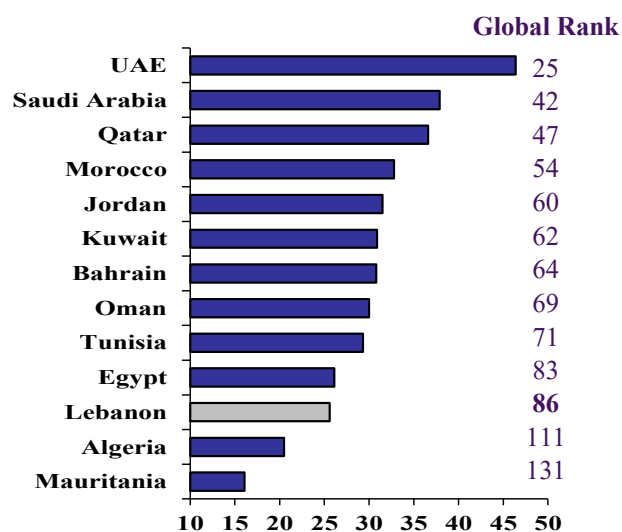
Lebanon preceded Peru, Bosnia and Herzegovina, and Madagascar, and trailed Uzbekistan, Kyrgyzstan, and Bahrain worldwide on the Innovation Output Sub-Index. This category reflects the results of innovative activities within the economy such as technology, knowledge, and creativity. Also, Lebanon ranked ahead of Kenya and Ghana, and came behind Uzbekistan and Kyrgyzstan among LMICs; while it preceded Oman, Algeria and Mauritania among Arab countries.

Components of the 2026 Global Innovation Index for Lebanon

	Global Rank	LMICs Rank	Arab Rank	Lebanon Score
Innovation Input	90	9	9	
Institutions	132	30	13	21.7
Human Capital & Research	66	5	7	34.2
Infrastructure	92	8	9	38.1
Market Sophistication	53	6	4	41.2
Business Sophistication	66	4	7	27.0
Innovation Output	81	8	10	
Knowledge & Technology Outputs	50	2	2	26.2
Creative Outputs	111	20	11	11.4

Source: INSEAD, Cornell University, WIPO, Byblos Research

Global Innovation Index for 2026 Scores & Rankings of Arab Countries



Source: INSEAD, Cornell University, WIPO, Byblos Research

Surveyed economists estimate Lebanon's real GDP to contract by 4.7% in 2026 and project it at 5.2% in 2027

Bloomberg's quarterly survey of economists and analysts about the outlook on the Lebanese economy projected economic activity to contract by 4.7% in 2026 relative to an earlier forecast of a real GDP growth rate of 3.5% in the December 2025 poll. The individual forecasts for 2026 ranged from a contraction rate of 9% to a growth rate of 5% for the current year, with a median real GDP contraction of 5% for 2026. Also, the poll indicates that the consensus forecast among 57.1% of participants is that real GDP will contract by 5% or more in 2026. Bloomberg conducted the poll in September 2026, and the survey's results are based on the opinions of seven economists and analysts based in Lebanon and abroad.

Further, participants forecast the average inflation rate in Lebanon at 16.6% in 2026 compared to a projection of 13.6% in the December 2025 survey. The opinions of surveyed analysts differed on the magnitude of the increase in consumer prices for this year, with expectations ranging from 14.9% to 18% and a median inflation rate of 16% for 2026. Also, 71.4% of participants predicted that the inflation rate would range between 16% and 18% in 2026.

In addition, surveyed analysts projected Lebanon's fiscal deficit at 0.8% of GDP in 2026 compared to a deficit of 0.4% of GDP in the December 2025 survey. The projections of polled economists for the fiscal balance ranged from a deficit of 2.4% of GDP to a surplus of 0.5% of GDP in 2026, with a median deficit of 0.6% of GDP for the year.

Further, the survey's participants forecast the current account deficit at 28.8% of GDP in 2026 compared to a projected deficit of 14.4% of GDP in the December 2025 survey. The polled analysts expected the current account deficit to range from 15% of GDP to 67.1% of GDP in 2026, with a median deficit of 16.5% of GDP for the year.

In parallel, the surveyed analysts projected the economy to post a real GDP growth rate of 5.2% in 2027 relative to an earlier forecast of 4.6% in the December 2025 survey. The individual forecasts for 2027 ranged from a growth rate of 3% to a growth figure of 8.2%, with a median real GDP growth rate of 4.3% for 2027.

Further, participants forecast the average inflation rate in Lebanon at 11.4% in 2027 compared to a projection of 11.5% in the December 2025 poll. The opinions of surveyed analysts differed on the magnitude of the increase in consumer prices in 2027, with expectations ranging from 4.5% to 15.6% and a median inflation rate of 12.3% for the year.

Also, surveyed analysts projected Lebanon's fiscal deficit at 0.6% of GDP in 2027 relative to a December forecast of a fiscal deficit of 0.2% of GDP. The projections of polled economists for the fiscal balance ranged from a deficit of 1.8% of GDP to a surplus of 1% of GDP in 2027, with a median deficit of 1% of GDP for 2027.

In addition, the survey's participants projected the current account deficit at 15.2% of GDP in 2027 compared to a previous forecast of a deficit of 12.2% of GDP in the December poll. The polled analysts expected the current account deficit to range from 14% of GDP to 16.6% of GDP in 2027, with a median deficit of 15% of GDP for the year.

UAE and Lebanon launch AI training initiative

The governments of the United Arab Emirates (UAE) and Lebanon launched the "One Million Lebanese AI Experts" initiative that aims to equip one million Lebanese citizens with practical artificial intelligence (AI) skills. The two governments indicated that the initiative, which was launched under the UAE's Government Experience Exchange Program (GEEP) in cooperation with the Lebanese government, will provide participants with fundamental and practical skills in generative AI and prompt engineering, including how to formulate instructions to guide AI tools effectively. They said that the program's objective is to help participants formulate prompts and interact more effectively with AI tools, in order to improve productivity, support new ways of working, and encourage the development of innovative solutions.

Further, they pointed out that the initiative will be open to individuals across different age groups, professional backgrounds, and roles, with the aim of broadening access to AI skills and strengthening Lebanon's readiness for digital transformation. They added that the program will equip participants with practical skills to use AI tools in their work and daily lives, including how to formulate instructions and guide AI applications to generate more accurate and effective results.

In addition, they indicated that the initiative is part of the UAE's broader GEEP efforts to share government expertise and develop partnerships that strengthen institutional and human capabilities in partner countries. They noted that the initiative adds a technology and skills component to the cooperation between the UAE and Lebanon by building practical capabilities that could help individuals and institutions increase their utilization of generative AI. The AI literacy initiative is similar to the approach the UAE and Saudi Arabia have taken to enhance knowledge and productivity at the national level.



Non-Lebanese acquire 40 million square meters of real estate in Lebanon in past 57 years

Figures compiled by the General Directorate of Land Registry and Cadastre show that 94,993 non-Lebanese companies and individuals bought 39.9 million square meters (sqm) of real estate in Lebanon between January 4, 1969 and June 30, 2026.

The distribution of real estate purchases shows that 78,502 individuals purchased about 25 million sqm, or 62.7% of the total, while 16,491 firms acquired 14.9 million sqm, or 37.3% of the total during the covered period. Also, 40,892 non-Lebanese bought 13.2 million sqm of real estate in the Mount Lebanon Governorate during the covered period; 11,812 persons purchased 343,334 sqm in Beirut; 8,691 persons acquired 2.3 million sqm in the North Governorate; 8,069 non-Lebanese individuals bought 1.8 million sqm in the South Governorate; 7,311 persons purchased 6.3 million sqm in the Bekaa Governorate; and 1,727 individuals acquired 1.02 million sqm in the Nabatieh Governorate.

Further, 6,735 firms purchased 744,041 sqm of real estate in Beirut; 5,699 companies acquired 8.2 million sqm in Mount Lebanon; 1,781 firms bought 2.8 million sqm in the Bekaa; 1,537 firms acquired 1.4 million sqm in the North; 633 non-Lebanese companies purchased 352,826 sqm in the South; and 106 companies bought 1.3 million sqm in Nabatieh.

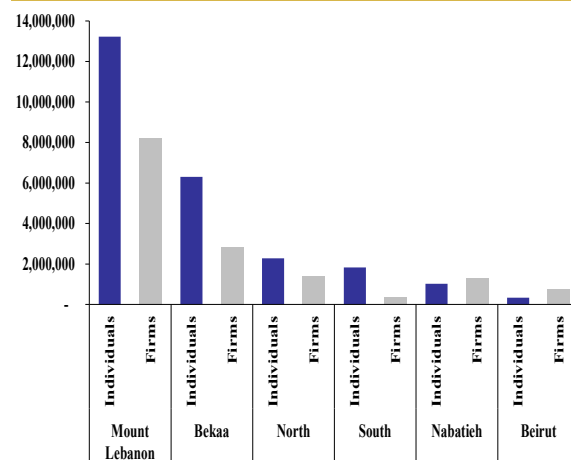
As such, non-Lebanese companies and individuals purchased 0.38% of the surface area of Lebanon, with non-Lebanese persons acquiring 0.24% and non-Lebanese firms buying 0.14% of the country's surface area during the covered period. Non-Lebanese individuals bought 1.93% of the surface area of Beirut, 0.69% of the surface area of the Mount Lebanon Governorate, 0.19% of the surface area of the South Governorate, 0.15% of the surface area of the Bekaa Governorate, 0.11% of the surface area of the North Governorate, and 0.08% of the surface area of the Nabatieh Governorate.

Also, non-Lebanese firms bought 4.2% of surface area of Beirut, 0.43% of the surface area the Mount Lebanon Governorate, 0.11% of the surface area Nabatieh Governorate, 0.07% of the surface area of the North Governorate, 0.067% of the surface area of the Bekaa Governorate, and 0.04% of the surface area of the South Governorate.

In addition, the distribution of real estate purchases by district indicates that non-Lebanese companies and individuals bought 6.07 million sqm in the Aley district or 0.32% of the district's surface area, followed by 5.08 million sqm in the Baalbek district (0.12% of the total), 4.85 million sqm in the Baabda district (0.25%), 4.72 million sqm in the Metn district (0.246%), 2.91 million sqm in the Chouf district (0.15%), 2.27 million sqm in the Zahlé district (0.05%), 1.57 million sqm in the Jbeil district (0.08%), 1.5 million sqm in Tripoli (0.07%), 1.35 million sqm in the Marjeyoun district (0.11%), 1.33 million sqm in the Keserwan district (0.07%), 1.31 million sqm in the Sidon district (0.14%), 1.17 million sqm in the Batroun district (0.06%), 1.09 million sqm in Beirut (6.1%), and 0.825 million sqm in the West Bekaa district (0.02%); while the remaining 11 districts represented 3.84 million sqm of purchased land or 0.24% of the total.

The Ministry of Finance indicated that the figures cover the officially surveyed areas and do not include the purchased real estate in areas that are not part of the computerized land registry, or the Cadastre, and the areas that have not been certified by real estate judges.

**Distribution of Real Estate Purchases by Governorates*
(in millions of sqm)**



*between January 4, 1969 and June 30, 2026

Source: Ministry of Finance, Byblos Research

Ministry of Finance enforces 1.5% customs escrow on non-compliant taxpayers

The Ministry of Finance issued Decision No. 801/1 dated September 15, 2026 about determining the modalities for implementing the provisions of Article 27 of Budget Law No. 40 of February 10, 2026.

Article 1 stipulates that the decision determines the modalities concerning the authorization granted to the Customs Administration to collect a rate of 1.5% of the value of each import transaction carried out by a taxpayer did not submit declarations related to their business results or declarations of the value-added tax (VAT), as an escrow deposit against the tax due from them.

Article 2 defines non-compliant taxpayers as any taxpayer who failed to file, within the original or extended deadlines, income tax returns or periodic VAT declarations for any fiscal year, or any quarter, during the three years preceding the import transaction. It added that the non-compliance extends to any subsequent quarters for which declarations have become due up to the exact date of the import transaction. Also, it exempts from the collection of the 1.5% rate the taxpayers who filed their overdue declarations prior to the publication date of this decision, even if those filings originally missed their legal deadlines.

Article 3 states that the Customs Administration should determine import transactions and their related amounts in accordance with customs legislation pursuant to Decree No. 4461/2000 and its amendments about Customs Law.

Article 4 stipulates that, pending the completion of the electronic integration with the Customs Administration, the Tax Administration must electronically transmit a list of non-compliant taxpayers who have failed to submit their declarations. It added that the Tax Administration must send the list at the start of the business day immediately following the expiration of either the original or extended filing deadlines, tailored to the specific type of declaration and the legal structure of the taxpayer. It added that the Tax Administration must take the same measures regarding taxpayers who, with the approval of the Tax Administration, follow a special fiscal year. Also, it states that the Customs Administration will take the necessary measures to subject the import transactions carried out by the taxpayers to the collection of the required escrow deposit amount on the transactions they execute.

Article 5 requires the Customs Administration to provide the Tax Administration electronically with the names of the taxpayers subject to the 1.5% rate collected during each month, along with their tax registration numbers, the value of the import transaction, and the amount collected from each of them, upon the completion of electronic linkage operations, and within a period of one month from the end of the month during which the collection took place.

Article 7 mandates the Tax Administration to start auditing the files of non-compliant taxpayers and assess the taxes, duties, and due penalties, immediately upon the expiration of the original or extended deadline for submitting declarations.

It added that the relevant collection departments must use the surplus of the collected amount to settle the taxes and duties due from the taxpayer to the Directorate General of Public Finance, in the event that the value of the collected escrow deposit is greater than the taxes, duties, and penalties that the audit assessed. Further, it asked the relevant collection departments to notify the taxpayer of the specific allocations used to offset outstanding taxes, duties, and penalties, as well as any remaining credit balance. It states that the taxpayer is entitled to submit a formal refund claim for the residual balance, and requires the Tax Administration to remit the refund within a maximum period of 30 days from the date of the request's submission, with any delays resulting in accrued interest on the amount in favor of the taxpayer, calculated at the prevailing rate of Treasury bills for the duration of the delay.

Article 8 stipulates that the decision goes into effect upon its publication in the Official Gazette.

EU extends €505m in financial support for 2026-07 period

The European Commission announced that it has extended €505m in financial support to Lebanon for 2026 and 2027, which constitutes the second half of the €1bn support package that the European Union (EU) announced in May 2024. It indicated that the funding aims to support reforms and the economic recovery, strengthen security and border management, maintain essential services for vulnerable segments of the population, and help Lebanon address the impact of regional instability, conflict and displacement.

First, the EU indicated that the funding will support basic services and vulnerable segments of the population by facilitating access to education, healthcare, social protection and water services. It said that the assistance includes cash disbursements to vulnerable families and persons with disabilities, as well as access to primary healthcare. It added that it will support the safe, voluntary and dignified returns of Syrian refugees, as well as help the Lebanese authorities to provide essential services in the country.

Second, it stated that the package will support Lebanon's reform agenda, including reforms related to the justice sector, to oversight and regulatory bodies, Parliament, and human rights. It added that the funding will contribute to strengthening the security sector and border management, as well as to boosting the resilience of the private sector and the economic recovery in conflict-affected areas.

Third, the EU pointed out that the package will support civil society organizations working on women's rights, youth, minorities and persons with disabilities. It added that the funding will back initiatives that promote democratic participation, transparency and the fight against corruption, as well as efforts to strengthen social cohesion and protect Lebanon's cultural heritage.

In May 2024, the EU announced a €1bn financial package for Lebanon for the 2024-27 period to support the country's socio-economic stability, strengthen basic services, advance reforms and economic recovery, and enhance security and border management. The EU adopted the first €500m tranche, which covered 2024 and 2025, in August 2024.

The EU also indicated that it has provided €100m in humanitarian aid to Lebanon in 2026 to support emergency healthcare, shelter, basic needs, protection and education. It added that it has mobilized additional assistance under the €1bn package to support the government-led emergency response, including cash assistance and support for healthcare and education.

Economic recovery contingent on permanent ceasefire and reforms

The European Bank for Reconstruction and Development (EBRD) projected Lebanon's real GDP to contract by 5% in 2026 and to shift to a growth rate of 4% in 2027, compared to a contraction of 3% in 2026 and to no growth in 2027 in its June forecast. Also, it estimated that economic activity shrank by 5% in the first half of 2026, driven by the severe impact of renewed hostilities between Israel and Hezbollah in the covered period. It expected the rebound in economic activity next year to be contingent on reaching a sustained ceasefire, which would allow the country to rehabilitate its damaged infrastructure. It added that further damage to infrastructure, especially in the south of the country, has exacerbated an already substantial reconstruction bill of about \$11bn from the conflict in 2023 and 2024.

Further, it stated that around 360,000 Lebanese remained internally displaced as at August 2026, down from a peak of 1.3 million earlier in the year. In addition, it pointed out that the resulting economic and humanitarian shock has disrupted activity across tourism and other key sectors, and fueled inflation that doubled to around 20% year on year in April 2026 before slowing to around 15.7% in July 2026. It considered that key risks to the outlook include heightened uncertainties, along with the lack of tangible progress on critical economic reforms that could restore access to finance for the private sector. In comparison, it forecast economic activity in the Southern and Eastern Mediterranean (SEM) countries, including Iraq, to contract by 0.7% this year and to shift to a growth rate of 7.1% next year and in the EBRD's member countries to increase by 2.5% this year and 4% next year.

The EBRD has €926m in cumulative pledges in Lebanon that include €775m in disbursements for 10 projects as at end-August 2026. The EBRD annual investments in Lebanon reached €20m in 2025, €8m in 2024, €8m in 2023, €5m in 2022, €6m in 2021, €28m in 2020, and €164m in 2019.

Established in 1991, the EBRD aims to support economies and promote the private sector in 40 economies in the southern and eastern Mediterranean (SEMED) region, Central and Eastern Europe, and Central Asia. The bank's member countries in the SEMED region are Egypt, Iraq, Jordan, Lebanon, Morocco, Tunisia, and the West Bank and Gaza. It added that it has invested more than €26.5bn in 489 projects in countries of the SEMED region since 2012. The bank has currently 76 shareholders that include 75 countries as well as the European Union and the European Investment Bank, and has invested in excess of €220bn in more than 7,800 projects.



Ministry of Finance details exemptions from inheritance tax

The Ministry of Finance (MoF) issued Decision No. 846/1 dated September 24, 2026 in application of Article 45 of the Budget Law for 2026, or Law No. 40. Article 1 exempts from the inheritance tax the transfer of movable and immovable assets that took place before January 1, 2007, as well as those transferred as a result of death that occurred before the same date.

Article 2 exempts from the inheritance tax the portion of a net hereditary share resulting from events between January 1, 2007 and November 15, 2022, up to a threshold of LBP120m for descendants, spouses, and parents; LBP48m for ascendants other than parents, brothers, and sisters; and LBP24m for all other heirs. Further, it stipulates that a child's exempted baseline may be supplemented by an additional LBP72m for a permanent, work-preventing disability; LBP4.8m for each year or fraction until a minor child reaches the age of 18; and a family allowance of LBP48m for a dependent spouse along with LBP24m per minor child, with the cumulative total of these statutory family and dependency add-ons strictly capped at a ceiling of LBP120m. Also, it exempts from the inheritance tax all forms of aid, assistance, and grants disbursed from public funds, as well as any donation whose value does not exceed LBP1.6m. It added that if the donation exceeds this amount, the tax should be levied on the excess amount, unless the beneficiary is a charitable foundation, or a sports, cultural, artistic, or religious organization, whereby the exemption covers an amount of LBP100m.

Also, it imposes a flat inheritance tax rate of 5 per 1,000 on all moveable and immoveable rights and property that devolve to third parties, excluding the State, municipalities, and unions of municipalities, by way of inheritance, legacy, donation, endowment, or through any other gratuitous method equivalent to its true value. It added that the additional flat tax will be due on the portion of the gross total value of the transferred rights, property, and assets that exceeds LBP40m, and it should be considered a debt and liability encumbering the total elements mentioned. Further, it stipulates that, upon the termination of the endowment, the inheritance tax becomes due on two-thirds of the total asset value of the endowment funds, which is assessed against each beneficiary's individual share after applying a statutory deduction of LBP1.6m per individual.

Article 3 exempts from the inheritance tax the portion of a net hereditary share, which results from events that took place after November 15, 2022, that does not exceed LBP2.4bn for descendants, spouses, and parents; LBP960m for ascendants other than parents, brothers, and sisters; and LBP480m for all other heirs. Further, it stipulates that a child's exempted baseline may be supplemented by an additional LBP1.44bn if the child has a permanent disability that prevent him/her from working; LBP96m for each year or fraction until a minor child reaches the age of 18; and a family allowance of LBP960m for a dependent spouse along with LBP480m per minor child, with the cumulative total of these additions capped at a ceiling of LBP2.4bn. Also, it exempts from the inheritance tax all forms of aid, assistance, and grants disbursed from public funds, as well as any donation that does not exceed LBP96m. It added that if the donation exceeds this amount, the tax should be levied on the excess amount, unless the beneficiary is a charitable foundation, or a sports, cultural, artistic, or religious organization, whereby the exemption covers an amount of LBP6bn.

Also, it imposes a flat inheritance tax rate of 5 per 1,000 on all moveable and immoveable rights and property that devolve to third parties, excluding the State, municipalities, and municipal unions, by way of inheritance, legacy, donation, endowment, or through any other gratuitous method equivalent to its true value. It added that the additional flat tax applies on the portion of the gross total value of the transferred rights, property, and assets that exceeds LBP2.4bn, and it should be considered a debt and liability encumbering the total elements mentioned. Further, it stipulates that, upon the termination of the endowment, the inheritance tax becomes due on two-thirds of the total asset value of the endowment funds, which is assessed against each beneficiary's individual share after applying a statutory deduction of LBP96m per person.

Article 4 stipulates that for the assessment of the inheritance tax involving events that took place on or after November 16, 2022, the relevant inheritance tax unit must recalculate the outstanding liabilities, including unpaid taxes and outstanding balances on approved installment plans, pursuant to the updated rules of the 2026 General Budget Law.

Article 5 states that for supplementary transactions on inheritance files involving events that took place on or after November 16, 2022, where taxes were already settled or an installment plan was approved prior to February 11, 2026, the taxes due on the additional transactions must be determined based on the specific tax bracket and rate after recalculating the prior payments under the updated provisions of the 2026 General Budget Law.

Article 6 stipulates that, in order to safeguard citizens' rights to file within the statutory deadlines, the existing manual submission and calculation mechanisms of the inheritance tax will remain in force until the electronic applications for digital declaration and payment under the 2026 General Budget Law are finalized and their specific implementing procedures are officially issued.

Article 7 states that the increased procedural tax fines of LBP2.5m enacted under Article 17 of the 2026 General Budget Law apply retroactively on all tax procedure violations that took place on or after February 11, 2026. Article 8 stipulates that this decision goes into effect upon its issuance.

Government distributes Independent Municipal Fund's revenues for 2023

The Ministry of Interior and Municipalities and the Ministry of Finance issued Decree No. 3849 dated September 11, 2026 about the distribution of the revenues of the Independent Municipal Fund (IMF) for 2023. The decree went into effect upon its publication in the Official Gazette on September 24, 2026, following its signing by President Joseph Aoun on September 11, 2026.

Article 1 stipulates that the revenues of the IMF for 2023 totaled LBP5,450bn with LBP4,796bn, or 88% of the total distributable revenues to be allocated to the municipalities, while LBP654bn, or 12% of distributable revenues, should be earmarked to the Unions of Municipalities (UofMs). It added that LBP392.4bn, or 60% of the UofMs funds will be distributed based on the number of the registered population within the jurisdiction of the UofMs, and LBP261.6bn or 40% have to be disbursed proportionally to all UofMs based on the number of municipalities in each district, and should fund development projects and feasibility studies in these UofMs.

Article 2 requires the deduction of LBP239.8bn, or 5% from the revenue share allocated to the municipalities, prior to the distribution of revenues to the municipalities, and mandates that the amount should be transferred to the account of the Independent Civil Defense Fund.

Article 3 stipulates that the remaining revenues from the municipalities' share after deducting the 5% share totaled LBP4,556.2bn, with LBP4,100.58bn, or 90% of the total distributable revenues to be allocated to the municipalities based on the registered population in the Civil Status records and on the actual collection yield of direct taxes for each municipality, including LBP3,198.5bn, or 78% of the distributable revenues that will be earmarked proportionally to the municipalities based on the registered population in the Civil Status records of each municipality and LBP902.1bn, or 22% of the distributable revenues, that will be allocated based on the actual collection yield of its direct taxes during the two years preceding the year of distribution. Also, LBP455.6bn, or 10% of the distributable revenues, will be equally allocated among all municipalities whose registered population in the Civil Status records is equal to or less than 4,000 inhabitants, and whose collected direct taxes during the two years preceding the year of distribution do not exceed LBP1bn across all districts, provided that these funds are dedicated to financing development projects in these municipalities and revitalizing the regions.

Article 4 stipulates that the distribution of the remaining balance of LBP4,100.6bn of the municipalities' share shows that Beirut will receive LBP584bn, followed by the Akkar district with LBP290.7bn, the Northern Metn district with LBP274.9bn, Baalbeck district with LBP267.9bn, the Baabda district with LBP261.9bn, the Tripoli district with LBP256bn, the Tyre district with LBP199.8bn, the Zahlé district with LBP192.9bn, the Chouf district with LBP177.6bn, the Saida district with LBP170.6bn, the Bint Jbeil district with LBP160.6bn, the Nabatieh district with LBP150.2bn, the Keserwan district with LBP144.4bn, the Aley district with LBP143.8bn, the Marjeyoun district with LBP127.4bn, the Minieh-Danieh district with LBP107.6bn, the Jbeil district with LBP90.1bn, the West Bekaa district with LBP87.3bn, the Batroun district with LBP69.2bn, the Koura district with LBP67.5bn, the Zgharta district with LBP60.5bn, the Rachaya district with LBP46.3bn, the Jezzine district with LBP46bn, the Hasbaya district with LBP45.9bn, the Hermel district with LBP41.9bn, and the Bécharré district with LBP35.3bn.

Article 5 requires the distribution of LBP711.9m to select municipalities for development projects and for regional revitalization.

Article 9 stipulates that each municipality that owes financial contributions to UofMs must comply with the provisions of Article 13 of Decree No. 1917 dated April 6, 1979 about determining the rules and regulations for distributing the funds of the IMF. It requires the municipalities to pay the amounts due to their UofM, provided that they submit a certification issued by the president of the UofMs proving this payment; otherwise, they should be deemed to have withheld payment. In this case, the Ministry of Interior and Municipalities has the right to deduct the share due to the UofMs from the amounts allocated to this municipality under this decree and pay it directly to the fund of the UofMs where it belongs.



Amount of cleared checks in "fresh" foreign currency up 108% in first eight months of 2026

The amount of cleared checks in Lebanese pounds reached LBP39,454bn in the first eight months of 2026, constituting a downturn of 0.5% from LBP39,640bn in the same period last year, while the amount of cleared checks in foreign currency was \$295m and dropped by 39% from \$484m in the first eight months of 2025. Also, there were 46,210 cleared checks in the first eight months of 2026, down by 37.2% from 73,551 checks in the same period of 2025.

In addition, the amount of cleared checks in Lebanese pounds stood at LBP2,297bn in August 2026, constituting decreases of 57.5% from LBP5,404bn in July 2026 and of 54.2% from LBP5,013bn in August 2025. Further, the amount of cleared checks in foreign currency was \$30m in August 2026, and declined by 3.2% from \$31m in the previous month and by 46.4% from \$56m in August 2025. Also, there were 3,946 cleared checks in August 2026 relative to 6,515 cleared checks in July 2026 and to 8,171 cleared checks in August 2025.

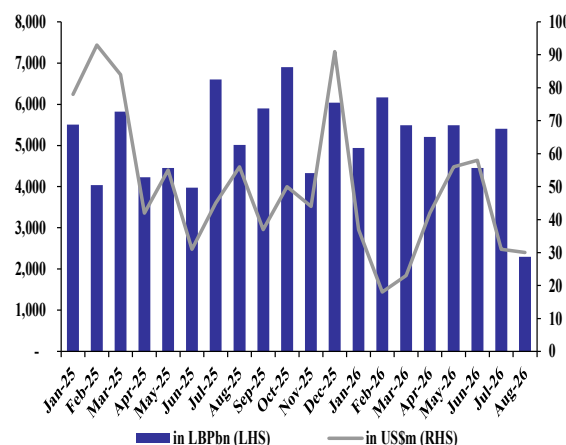
Further, the amount of cleared checks in "fresh" Lebanese pounds stood at LBP47,864bn, while the amount of cleared checks in "fresh" foreign currency was \$1.12bn in the first eight months of the year, relative to cleared checks of LBP22,986bn in "fresh" Lebanese pounds and of \$538.6m in "fresh" foreign currency in the same period of 2025. Moreover, there were 32,569 cleared checks in "fresh" Lebanese pounds and 88,862 cleared checks in "fresh" foreign currency in the covered period, compared to 13,440 cleared checks in "fresh" Lebanese pounds and 39,702 cleared checks in "fresh" foreign currency in the same period last year.

In parallel, the amount of returned checks in Lebanese pounds totaled LBP341bn in the first eight months of 2026, up by 28.7% from LBP265bn in the same period last year, while the amount of returned checks in foreign currency was \$12.7m and contracted by 85.6% from \$88.5m in the first eight months of 2025. Also, the amount of returned checks in Lebanese pounds stood at LBP32bn in August 2026, as it dropped by 83.5% from LBP194bn in July 2026 and by 65.2% from LBP92bn in August 2025. Moreover, the amount of returned checks in foreign currency was \$552,000 in August 2026, representing a decline of 39.2% from \$908,000 in the previous month and compared to \$254,000 in August 2025.

In addition, the amount of returned checks in "fresh" foreign currency stood at \$3.7m, while the amount of returned checks in "fresh" Lebanese pounds was LBP103bn in the first eight months of the year. In comparison, the amount of returned checks in "fresh" foreign currency totaled \$1.76m, while the amount of returned checks in "fresh" Lebanese pounds was LBP358bn in the same period last year. Further, there were 233 returned checks in the first eight months of 2026, representing a drop of 42% from 401 returned checks in the same period last year. Also, the number of returned checks in foreign currency reached 72 in the covered period and contracted by 53.2% from 154 checks in the first eight months of 2025, while the number of returned checks in Lebanese pounds totaled 161 and decreased by 34.8% from 247 checks from the same period last year.

In addition, there were 27 returned checks in August 2026, relative to 43 returned checks in the preceding month and to 41 checks in August 2025. Further, there were 22 returned checks in Lebanese pounds in August 2026 compared to 28 in the previous month and to 29 in August 2025, while there were five returned checks in foreign currency in August 2026 relative to 15 checks in the preceding month and 12 returned checks in August 2025. Also, there were 427 returned checks in "fresh" foreign currency and 50 returned checks in "fresh" Lebanese pounds in the first eight months of 2026. In comparison, there were 150 returned checks in "fresh" foreign currency and 54 returned checks in "fresh" Lebanese pounds in the same period of 2025.

Cleared Checks in Fresh Currencies



Source: Association of Banks in Lebanon

Lebanon ranks 102nd globally, 10th among Arab countries in terms of quality of life

CEOWORLD magazine, a global business and finance publication, ranked Lebanon in 102nd place among 196 countries and in 10th place among 20 Arab countries on its World's Best Countries to Live in for Quality of Life for 2026. It also ranked Lebanon in second place among 47 lower-middle income countries (LMICs) included in the survey.

The survey measures the quality of life and human progress across countries based on the Human Progress Index (HPI). The index evaluates 196 countries based on 23 indicators grouped into three dimensions that are Stability, Satisfaction, and Balance. It assesses the conditions that contribute to the well-being of people and their ability to lead stable and fulfilling lives. Further, it classifies countries in five situational categories of human progress that are "low", "medium", "high", and "very high". CEOWORLD normalizes the raw observations on a scale from one to 100 and gives equal weight to the indicators within each dimension.

The Stability dimension consists of eight indicators that are economic growth, indirect taxation, corporate taxation, personal income taxation, average life expectancy, earnings and job security, housing conditions and spending, and household income after taxes and transfers, and net financial wealth. The Satisfaction dimension consists of eight indicators that are safety, happiness, the quality of governance, perceptions of corruption, child and maternal mortality, infrastructure and transport, the effectiveness of the public health system, and the efficiency of the education system. The Balance dimension consists of seven indicators that are human rights, civil liberties, political rights, work-life balance, religious freedom, gender equality, and environmental care.

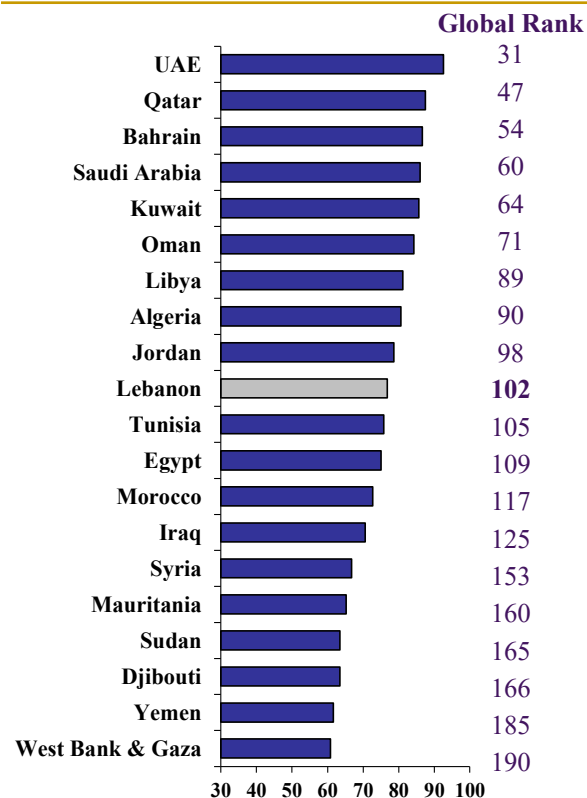
Lebanon ranked in the 48th percentile worldwide, which means that 52% of economies have a higher score on the HPI than Lebanon in 2026, while it ranked in the 50th percentile among Arab economies, which indicates that 50% of Arab countries have a higher HPI score than Lebanon.

Globally, the survey indicated that the level of human progress in Lebanon is higher than it is in Ukraine and Tunisia, and lower than it is in Uzbekistan and Vietnam among economies with a GDP of \$10bn or more. Also, Lebanon trailed only Uzbekistan among LMICs; while it preceded Tunisia, Egypt, Morocco, Iraq, Syria, Mauritania, Sudan, Djibouti, Yemen and the West Bank and Gaza in the Arab world.

Lebanon received a score of 76.8 points on the HPI for 2026, which is lower than the global average score of 78.1 points, but it came higher than the Arab average of 75.8 points and the LMICs average of 68.1 points. Also, Lebanon's score was lower than the Gulf Cooperation Council's (GCC) average score of 87.1 points, but came higher than the non-GCC Arab countries' average of 70.9 points. Singapore ranked first globally in terms of quality of life with a HPI score of 97.88 points, while Iran ranked in last place worldwide with a HPI score of 58.97 points in 2026

Further, the survey classified the level of human progress in Lebanon, along with 47 other countries worldwide, in the "high" category. Also, Lebanon was among seven Arab countries that came in the "high" segment, while six Arab states were in the "very high" category, four Arab economies fell in the "low" segment, and the remaining three Arab countries came in the "medium" segment.

**Human Progress Index for 2026
Arab Countries' Scores & Rankings**



Source: CEOWORLD magazine, Byblos Research

Money supply down 15% in 12 months ending September 17, 2026

Figures released by Banque du Liban (BdL) show that money supply M1, which includes currency in circulation and demand deposits in Lebanese pounds, reached LBP95,317.1bn on September 17, 2026, constituting an increase of 2.7% from LBP92,811bn on September 10, 2026 and a decrease of 14.8% from LBP111,863.6bn on September 17, 2025. M1 surged by LBP2,506.1bn during the week ending September 17, 2026 due to a jump of LBP2,811.9bn in demand deposits that offset a drop of LBP305.8bn in currency in circulation.

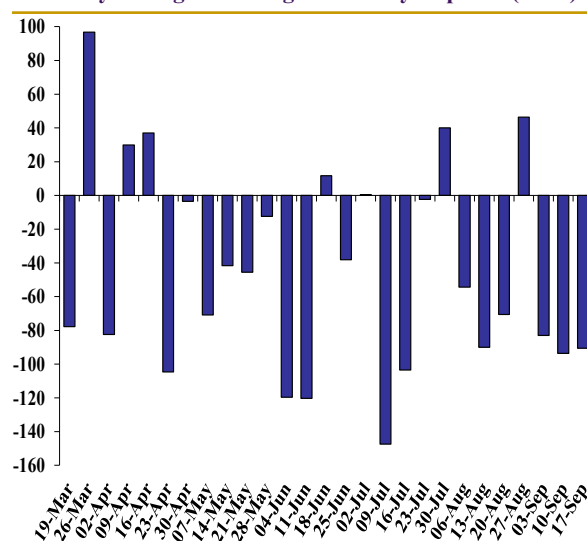
In addition, money supply M2, which includes M1 and term deposits in Lebanese pounds, totaled LBP132,730.5bn on September 17, 2026, representing a rise of LBP2,779.3bn, or of 2.1%, from LBP129,951.1bn on September 10, 2026 and a decline of 9.6% from LBP146,826.1bn a year earlier. Money supply M2 dropped by LBP14,095.7bn year-on-year. Also, term and saving deposits in Lebanese pounds increased by LBP273.3bn during the week ending September 17, 2026.

Further, broad money supply M3, which includes M2, deposits in foreign currency and debt securities issued by the banking sector, reached LBP5,800.5 trillion (tn) on September 17, 2026, and regressed by LBP5,332.3bn, or by 0.1%, during the week ending September 17, 2026, while it contracted by 5.2% from LBP6,117.4tn a year earlier. Also, BdL indicated that deposits denominated in foreign currency declined by \$90.6m in the week ending September 17, 2026.

Also, money supply M4, which includes M3 and Treasury bills held by the non-banking system, including accrued interest, stood at LBP5,804.5tn on September 17, 2026, constituting a decrease of LBP5,330.9bn (-0.1%) from LBP5,809.9tn a week earlier and a decline of 5.2% from LBP6,122.6tn on September 17, 2025. BdL stated that the Treasury bills portfolio held by the non-banking sector increased by LBP1.45bn during the week ending September 17, 2026.

BdL issued Basic Circular 167/13612 dated February 2, 2024 that asked banks and financial institutions to convert their assets and liabilities in foreign currencies to Lebanese pounds at the exchange rate of LBP89,500 per US dollar when preparing their financial positions. BdL requested banks and financial institutions, in line with the provisions of International Accounting Standard 21, to convert their foreign currency monetary assets and liabilities and non-monetary assets classified by fair value or by equity method at the exchange rate published on BdL's electronic platform at the date of the preparation of the financial statements. It added that the decision is applicable as of January 31, 2024. BdL had modified on February 1, 2023 the official exchange rate of the Lebanese pound against the US dollar from LBP1,507.5 per dollar to LBP15,000 per dollar, as part of the measures to unify the multiple exchange rates of the dollar that prevail in the Lebanese economy.

Weekly Change in Foreign Currency Deposits (USm)



Source: Banque du Liban, Byblos Research

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

The Ministry of Finance issued Decision 834/1 and Decision 835/1 dated September 18, 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 related to tax adjustments until October 31, 2026.

Article 1 reduces the verification and collection penalties imposed on the value-added tax (VAT) and the income tax, 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 VAT, the Income Tax Law and the Tax Procedures Law, 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; the fines that were not paid with the tax or fee within the specified payment period; and fines whose settlement is subject to special legal provisions.

Article 3 indicates that the settlement covers the verification fines from both self-filed tax documents and official tax bills that the Tax Administration issued, provided that taxpayers settle the reduced penalty and the tax owed in full before October 31, 2026.

Article 4 stipulates that taxpayers who owe unpaid verification fines based on the self-assessment documents starting from November 16, 2022 should benefit from the settlement, provided that the penalty is paid along with the tax before October 31, 2026.

Article 5 states that the decision reduces by 75% the proportional fines and by 60% the lump-sum or fixed fines resulting from violations that took place regarding the VAT. Also, it 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.

Article 6 reduces the collection fines related to the VAT and the income tax, 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; the fines that were not paid with the tax or fee within the specified payment period; and fines whose settlement is subject to special legal provisions.

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-October 2026. As such, it lowers by 75% the collection fines for violations that took place regarding the VAT and the income tax. It added that, regarding late payment penalties, the Tax Administration will determine the date of the violation based on 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 October 31, 2026 inclusive.



Government approves World Bank grant for fiscal management project

The Council of Ministers issued Decree No. 3833 dated September 8, 2026 about the ratification of a grant agreement that the World Bank's Lebanon Financing Facility (LFF) for Reform, Recovery and Reconstruction Multi-Donor Trust Fund to the Ministry of Finance, and the acceptance of a financial grant as additional financing for the Fiscal Management project. The decree went into effect upon its issuance, following its signature by President Joseph Aoun on September 8, 2026.

Article 1 stipulates that the agreement consists of a grant of \$7.2m, or the equivalent to LBP644.4bn, as additional financing for the Fiscal Management Project, while Article 2 states that the project's implementation period should extend until October 31, 2026.

In parallel, the agreement stipulates that the deal aims to support the Ministry of Finance's basic functions for domestic revenue mobilization and the accountable allocation and use of public resources. The project focuses on stabilizing the domestic revenue administration, restoring fiscal controls, and re-vitalizing oversight and accountability institutions. Article 3 added that the funds will help the maintenance and upgrading of hardware, software, and the information & communication technology (ICT) capacity of the tax and customs ICT systems.

Further, the accord stipulates that the agreement and all obligations will end if the deal does not enter into force within 90 days of signing. In addition, it states that the Ministry of Finance will be responsible for the implementation of the project. It mandates the ministry to maintain a Project Coordination Unit (PCU) to handle the day-to-day tasks, and a Project Steering Committee, chaired by the Minister of Finance, to provide overall strategic guidance and project oversight. Also, it indicates that the ministry must update and maintain a Project Operations Manual (POM) within two months of the effective date of the project, which outlines detailed institutional arrangements, accounting, auditing, reporting, and anti-corruption guidelines.

The LFF is a multi-donor trust fund that the World Bank, the United Nations and the European Union established in December 2020, following the launch of the Reform, Recovery and Reconstruction Framework, to pool grant resources and coordinate financing in support of the immediate socio-economic recovery of vulnerable people and businesses impacted by the explosion at the Port of Beirut. It has received contributions and pledges of \$73.6m from the governments of Canada, Denmark, France, Germany, Italy and Norway and from the European Union. The LFF financed four previous projects that address the recovery needs of micro- and small-enterprises, the social recovery needs of affected population groups and housing reconstruction, the rehabilitation of cultural and creative industries in damaged neighborhoods in Beirut, and the mitigation of the environmental and health impacts of the explosion at the Port of Beirut on affected neighborhoods and individuals.



Fenicia Bank registers profits of LBP163.9bn in 2025

The audited financial statements of Fenicia Bank sal indicate that the bank declared net profits of LBP163.9bn in 2025 compared to audited net income of LBP2,587.1bn in 2024. Net interest income reached LBP311.6bn in 2025 relative to LBP518.1bn in 2024, while its net income from fees & commissions stood at LBP227.6bn compared to LBP217.4bn in 2024. Also, net operating income stood at LBP848.8bn in 2025 compared to LBP3,152.1bn in 2024, while operating expenditures reached LBP670.6bn in 2025 relative to LBP525.3bn in 2024, with personnel cost accounting for 30.3% of the total.

Further, aggregate assets stood at LBP72.3 trillion (tn) at the end of 2025 compared to LBP74.1tn a year earlier, as net loans & advances to customers totaled LBP1,589.1bn at the end of 2025 relative to LBP3,107.4bn at end-2024, while net loans & advances to related parties amounted to LBP3.3bn at end-2025 compared to LBP3.1bn a year earlier.

Also, the bank's dues from banks and financial institutions amounted to LBP2,911.4bn compared to LBP2,518.3bn at end-2024. Further, its tangible fixed assets reached LBP3,956.6bn at end-2025 compared to LBP4,010.1bn at end-2024, while its intangible fixed assets stood at LBP129bn relative to LBP174bn at end-2024.

Further, customer deposits stood at LBP63,063bn at end-2025 compared to LBP65,021bn a year earlier, while deposits from related parties amounted to LBP1,058.5bn at the end of 2025 relative to LBP1,138.3bn at end-2024. Also, dues to banks and financial institutions totaled LBP9.5bn relative to LBP9.1bn at end-2024, while its dues to other issuing institutions reached LBP129.2bn at end-2025 compared to LBP200.7bn at end-2024.

In addition, the bank's provisions for risks and charges stood at LBP289.1bn at the end of 2025 relative to LBP175bn a year earlier, while its other liabilities totaled LBP675.6bn compared to LBP635bn at end-2024. In parallel, the bank's retained profits reached LBP2,304.1bn at end-2025 compared to LBP43.9bn at end-2024. Also, its shareholders' equity was LBP7.08tn at the end of 2025 relative to LBP6.9tn at the end of 2024.

Crédit Libanais registers profits of LBP2,260bn in 2025

The consolidated balance sheet of Crédit Libanais sal shows that aggregate assets stood at LBP421.2 trillion (tn) at the end of 2025 compared to LBP424.3tn at end-2024. Further, net loans & advances to customers totaled LBP6,979.4bn at the end of 2025 relative to LBP6,440bn at the end of 2024, while net loans & advances to related parties amounted to LBP10.2bn at end-2025 compared to LBP8.4bn at end-2024. As such, the bank's aggregate net loans & advances reached LBP6,989.6bn at end-2025 relative to LBP6,448.3bn at end-2024. Also, the bank's dues from banks and financial institutions amounted to LBP14,137.4bn compared to LBP11,288.4bn at end-2024; while its financial assets held at fair value through profits or losses totaled LBP14,482.3bn at end-2025 relative to LBP4,793.3bn at end-2024. Also, the bank's tangible fixed assets reached LBP14,335.1bn at end-2025 compared to LBP14,798.7bn at end-2024, while its intangible fixed assets stood at LBP205.8bn relative to LBP150.5bn at end-2024.

Further, customer deposits stood at LBP366,328.9bn at end-2025 compared to LBP369,869.8bn at end-2024, while deposits from related parties amounted to LBP3.1tn at the end of 2025 relative to LBP3,478.2bn at the end of 2024. As such, the bank's aggregate deposits amounted to LBP369,481bn at end-2025 compared to LBP373,348bn at end-2024. Also, dues to banks and financial institutions totaled LBP4,891.1bn relative to LBP5,304.4bn at end-2024, while its dues to Banque du Liban and other issuing institutions reached LBP1,337.8bn at end-2025 compared to LBP1,032.6bn at end-2024. In addition, the bank's provisions for risks and charges stood at LBP1,223.4bn at the end of 2025 relative to LBP1,105.9bn a year earlier, while its other liabilities totaled LBP8,022.9bn compared to LBP9,360.5bn at end-2024.

In parallel, the bank declared net profits of LBP2,260.2bn in 2025 relative to net income of LBP4,459.2bn in 2024, while its retained earnings reached LBP47.5bn at end-2025 compared to losses of LBP4,354.2bn a year earlier. Also, the bank's shareholders' equity was LBP26.1tn at the end of 2025 relative to LBP23.7tn at end-2024, while its paid in capital stood at LBP257.4bn at end-2025, unchanged from end-2024.

Ratio Highlights

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

*change in percentage points 25/24;

Source: National Accounts, Banque du Liban, Ministry of Finance, Institute of International Finance, International Monetary Fund, Byblos Research Estimates & Calculations

Note: M2 includes money in circulation and deposits in LBP, M3 includes M2 plus Deposits in FC and bonds

National Accounts, Prices and Exchange Rates

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

Source: National Accounts, Institute of International Finance

Ratings & Outlook

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

*Fitch withdrew the ratings on July 23, 2024

Banking Sector Ratings	Outlook
Moody's Ratings	Negative

Source: Moody's Ratings



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

Lebanon This Week is a research document that is owned and published by Byblos Bank sal. The contents of this publication, including all intellectual property, trademarks, logos, design and text, are the exclusive property of Byblos Bank sal, and are protected pursuant to copyright and trademark laws. No material from Lebanon This Week may be modified, copied, reproduced, repackaged, republished, circulated, transmitted, redistributed or resold directly or indirectly, in whole or in any part, without the prior written authorization of Byblos Bank sal.

The information and opinions contained in this document have been compiled from or arrived at in good faith from sources deemed reliable. Neither Byblos Bank sal, nor any of its subsidiaries or affiliates or parent company will make any representation or warranty to the accuracy or completeness of the information contained herein.

Neither the information nor any opinion expressed in this publication constitutes an offer or a recommendation to buy or sell any assets or securities, or to provide investment advice. This research report is prepared for general circulation and is circulated for general information only. Byblos Bank sal accepts no liability of any kind for any loss resulting from the use of this publication or any materials contained herein.

The consequences of any action taken on the basis of information contained herein are solely the responsibility of the person or organization that may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies that may be discussed in this report and should understand that statements regarding future prospects may not be realized.

BYBLOS BANK GROUP

LEBANON

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

IRAQ

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

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

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

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

ARMENIA

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

NIGERIA

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

BELGIUM

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

UNITED KINGDOM

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

FRANCE

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

ADIR INSURANCE

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

