

LEBANON THIS WEEK

In This Issue

Economic Indicators.....1
Capital Markets.....1
Lebanon in the News.....2

Greenfield foreign direct investments at \$16.2m in 2023

Surveyed economists project Lebanon's real GDP growth rate at 0.4% in 2024

Banque du Liban's liquid foreign reserves at \$9.9bn, gold reserves at \$21.4bn at mid-June 2024

Market accessibility of Beirut Stock Exchange needs improvement in several areas

Number of internally displaced persons from South Lebanon exceeds 95,000

More than 64% of Treasury securities in Lebanese pounds have seven-year maturities or longer at end-May 2024

Consumer Price Index up 52% year-on-year in May 2024

Currency in circulation down 7% in 12 months ending April 2024

Unemployment rate at 19% among resident non-Lebanese in 2022-23 period

Ministry of Finance issues detailed procedure for paying tax on Sayrafa transactions

Corporate Highlights.....10

Term deposits account for 54% of customer deposits at end-April 2024

Holcim posts net profits of LBP874bn in 2023

Net income of Syrian affiliates of Lebanese banks at SYP12.7bn in 2023

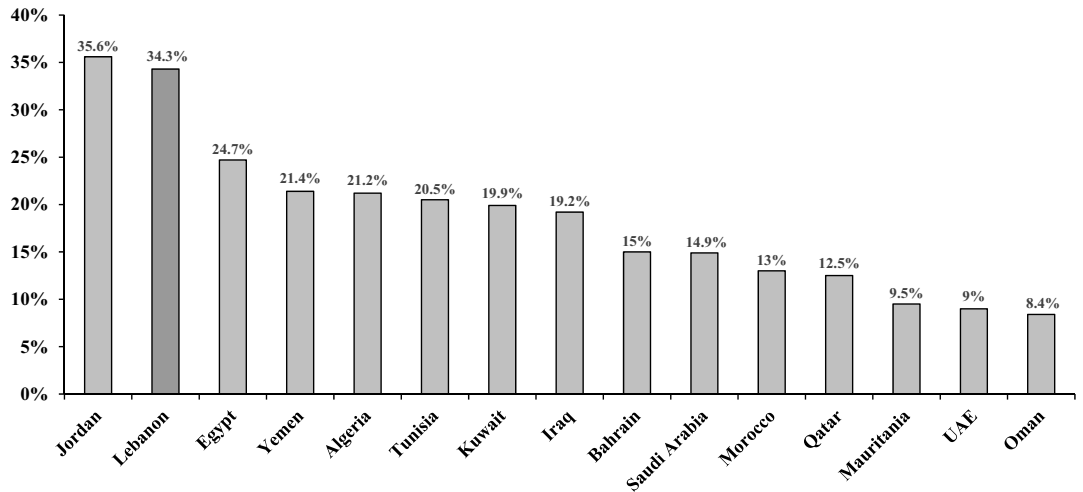
Ratio Highlights.....12

National Accounts, Prices and Exchange Rates12

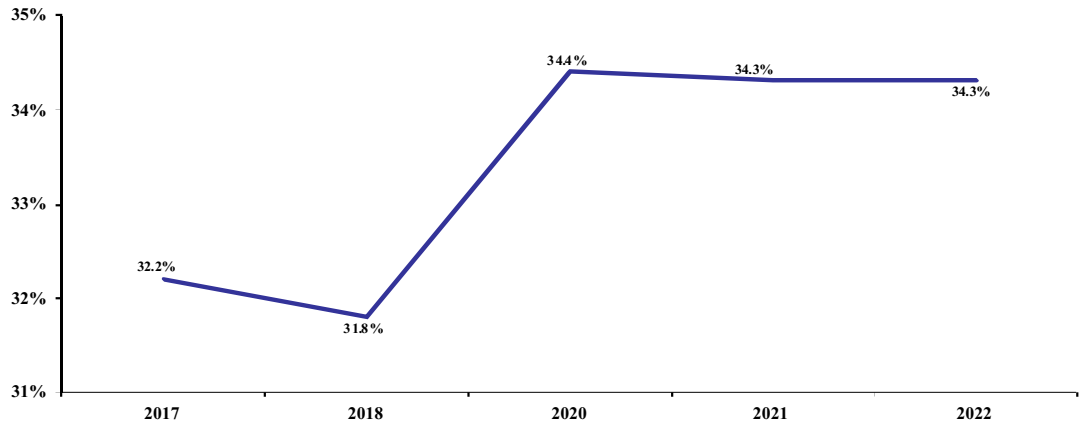
Ratings & Outlook.....12

Charts of the Week

Age-standardized Prevalence of Tobacco Use in Arab Countries (%)*



Age-standardized Prevalence of Tobacco Use in Lebanon (%)*



*The percentage of the population aged 15 years and older who currently use any tobacco product on a daily or non-daily basis, 2022 estimates

Source: World Health Organization, Byblos Bank

Quote to Note

"Fully retiring the \$31.3bn face value of Eurobonds would extinguish a larger share of Banque du Liban's foreign currency reserves than implied by current market prices."

Bank of America, on one of the risks that the Lebanese government would incur if it decides to buy back its Eurobonds

Number of the Week

35%: The affluent and middle-class in Lebanon as a percentage of the total Lebanese population in the 2022-23 period, according to the World Bank

Lebanon in the News

\$m (unless otherwise mentioned)	2021	2022	2023	% Change*	Dec-22	Nov-23	Dec-23
Exports	3,887	3,492	2,995	-14.2%	272	290	240
Imports	13,641	19,053	17,524	-8.0%	1,251	1,253	1,303
Trade Balance	(9,754)	(15,562)	(14,529)	-6.6%	(979)	(963)	(1,063)
Balance of Payments	(1,960)	(3,197)	2,237	-170.0%	17	186	591
Checks Cleared in LBP**	18,639	27,146	4,396	-83.8%	3,686	359	404
Checks Cleared in FC**	17,779	10,288	3,109	-69.8%	577	106	183
Total Checks Cleared**	36,418	37,434	7,505	-80.0%	4,263	465	587
Fiscal Deficit/Surplus	2,197	-	-	-	-	-	-
Primary Balance	5,009	-	-	-	-	-	-
Airport Passengers	4,334,231	6,360,564	7,103,349	11.7%	551,632	323,523	481,470
Consumer Price Index	154.8	171.2	221.3	5,014bps	122.0	211.9	192.3

\$bn (unless otherwise mentioned)	Dec-22	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	% Change*
BdL FX Reserves	10.40	8.82	8.91	9.14	9.37	9.64	-7.3%
In months of Imports	-	-	-	-	-	-	-
Public Debt	101.81	-	-	-	-	-	-
Bank Assets	169.06	113.72	112.69	112.25	112.58	115.25	-31.8%
Bank Deposits (Private Sector)	125.72	95.59	95.17	94.64	94.97	94.75	-24.6%
Bank Loans to Private Sector	20.05	8.92	8.69	8.58	8.53	8.32	-58.5%
Money Supply M2	77.34	6.64	6.77	6.48	6.78	6.72	-91.3%
Money Supply M3	152.29	78.38	78.10	77.42	77.74	77.75	-48.9%
LBP Lending Rate (%)	4.56	3.77	4.36	3.34	3.29	3.97	20
LBP Deposit Rate (%)	0.60	0.41	0.49	1.02	1.41	0.55	14
USD Lending Rate (%)	4.16	2.40	3.15	3.70	3.08	1.95	(45)
USD Deposit Rate (%)	0.06	0.03	0.03	0.05	0.05	0.03	0

*year-on-year

**checks figures do not include compensated checks in fresh currencies

Source: Association of Banks in Lebanon, Banque du Liban, Ministry of Finance, Central Administration of Statistics, Byblos Research

Capital Markets

Most Traded Stocks on BSE*	Last Price (\$)	% Change*	Total Volume	Weight in Market Capitalization	Sovereign Eurobonds	Coupon %	Mid Price \$	Mid Yield %
Solidere "A"	69.50	(0.7)	31,293	41.8%	Nov 2024	6.25	7.00	3,707.64
Byblos Common	0.70	9.4	28,700	2.4%	Jun 2025	6.25	7.00	594.54
Audi Listed	1.50	(3.8)	9,468	5.3%	Nov 2026	6.60	7.00	146.28
Solidere "B"	69.00	(0.1)	9,407	27.0%	Mar 2027	6.85	7.00	124.67
Audi GDR	1.11	(0.9)	5,000	0.8%	Nov 2028	6.65	7.00	85.49
BLOM GDR	3.25	0.3	3,000	1.4%	Feb 2030	6.65	7.00	52.86
BLOM Listed	2.90	(33.6)	100	3.8%	Apr 2031	7.00	7.00	43.02
HOLCIM	62.00	(1.5)	62	7.3%	May 2033	8.20	7.00	32.25
Byblos Pref. 08	27.00	0.0	-	0.3%	Nov 2035	7.05	7.00	24.85
Byblos Pref. 09	29.99	0.0	-	0.4%	Mar 2037	7.25	7.00	21.99

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

Source: Refinitiv

	Jun 19-21	Jun 10-14	% Change	May 2024	May 2023	% Change
Total shares traded	87,030	78,447	10.9	495,504	817,904	(39.4)
Total value traded	\$2,887,867	\$4,150,754	(30.4)	\$25,233,203	\$29,115,048	(13.3)
Market capitalization	\$16.62bn	\$17.01bn	(2.3)	\$17.12bn	\$18.93bn	(9.5)

Source: Beirut Stock Exchange (BSE)



Greenfield foreign direct investments at \$16.2m in 2023

Figures compiled by fDi Markets and released by the United Nations Conference on Trade and Development (UNCTAD) show that greenfield foreign direct investments (FDIs) in Lebanon totaled \$16.5m in 2023 compared \$11.5m in 2022 and \$0.2m in 2021, while there were seven greenfield FDI projects in 2023 relative to five projects in 2022 and one project in 2021. In comparison, Lebanon attracted \$27.1m in greenfield FDI in 2020 (four projects), \$286.8m in 2019 (12 projects), \$121.2m in 2018 (seven projects), \$69.7m in 2017 (11 projects), \$39.4m in 2016 (10 projects), \$34.6m in 2015 (seven projects), \$1.13bn in 2014 (10 projects), and \$69m in 2013 (16 projects).

The FDI figures cover cross-border greenfield projects that lead to the direct creation of jobs and capital investment. They include joint ventures when these transactions lead to a new physical greenfield operation. The figures exclude mergers and acquisitions and other equity investments. fDi Markets is a database that tracks cross-border greenfield investments across the world, and is owned by the Financial Times Group.

Lebanon was the fifth smallest recipient of greenfield FDI in nominal terms among 147 economies with a GDP of \$10bn or more and the smallest recipient among 17 Arab countries. Also, Lebanon was among 99 countries globally that registered an increase in the amount of inward greenfield FDI in 2023. In comparison, the amount of inward greenfield FDI to Arab economies declined by 13.3% to \$176.9bn in 2023, while greenfield FDI to West Asian economies increased by 19.5% to \$91.5bn last year.

In parallel, Lebanon attracted the 31st lowest number of greenfield FDI projects globally in 2023, similar to Angola, Bolivia, Laos and Moldova. Also, Lebanon was among 81 countries worldwide that registered an increase in the number of greenfield FDI projects in 2023. In comparison, the number of greenfield FDI projects to Arab economies increased by 20% to 2,203 projects last year and greenfield projects to West Asian economies rose by 15.5% year-on-year to 2,202 projects in 2023.

Further, the amount of greenfield FDI in Lebanon accounted for 0.009% of total greenfield FDI in Arab countries last year relative to 0.006% in 2022. It also represented 0.018% of total flows to West Asian countries compared to 0.015% in 2022. Also, greenfield FDI in Lebanon were equivalent to 0.09% of GDP in 2023, the lowest such ratio in the Arab. In comparison, they were equivalent to 0.06% of GDP in 2022, 0.001% of GDP in 2021, 0.11% of GDP in 2020, and 0.54% of GDP in 2019.

Surveyed economists project Lebanon's real GDP growth rate at 0.4% in 2024

Bloomberg's quarterly survey of economists and analysts about the outlook on the Lebanese economy projected economic activity to grow by 0.4% in 2024 relative to an earlier forecast of a real GDP growth rate of 1.3% in the March 2024 survey. The individual forecasts for 2024 ranged from a contraction of 1% to a growth rate of 2% for the current year, with a median real GDP growth rate of 0.2% for 2024. Also, the poll indicates that the consensus forecast among 33.3% of participants that real GDP will improve by more than 1.4% this year. Bloomberg conducted the poll in June 2024, and the survey's results are based on the opinions of nine economists and analysts based in Lebanon and abroad.

Further, participants forecast the average inflation rate in Lebanon at 81% in 2024 compared to a projection of 95% in the March 2024 survey. The opinions of surveyed analysts differed on the magnitude of the increase in consumer prices in 2024, with expectations ranging from 30% to 150% and a median inflation rate of 79.3% for 2024. Also, 55.6% of participants predicted that the inflation rate would range between 48% and 90% this year.

In addition, surveyed analysts projected Lebanon's fiscal deficit at 2.1% of GDP in 2024 compared to a previous forecast of 2.2% of GDP in the March 2024 survey. The projections of polled economists for the fiscal balance ranged from a deficit of 5.5% of GDP to a deficit of 0.4% of GDP in 2024, with a median deficit of 0.5% of GDP. Further, the survey's participants forecast the current account deficit at 15.1% of GDP in 2024 compared to a previous forecast of a deficit of 16.3% of GDP in the March 2024 survey. The polled analysts expected the current account deficit to range from 9.5% of GDP to 21.8% of GDP in 2024, with a median deficit of 13.7% of GDP for the year.

Greenfield FDI in Arab Countries (US\$m)			
	2023	2022	Change (%)
Egypt	41,904.17	108,071.92	-61.2%
Mauritania	34,000.00	55.00	61,718.2%
Saudi Arabia	28,834.25	13,871.13	108.0%
Morocco	20,361.76	15,589.88	30.6%
Iraq	17,358.50	1,044.50	1,562.0%
UAE	15,589.00	11,589.72	34.5%
Jordan	11,013.86	383.00	2,775.7%
Libya	2,083.20	6,360.10	-67.2%
Oman	2,026.86	10,217.53	-80.2%
Djibouti	1,634.70	2,469.00	-33.8%
Algeria	691.30	240.00	188.0%
Bahrain	473.50	2,281.60	-79.2%
Tunisia	412.00	407.45	1.1%
Qatar	247.50	30,276.17	-99.2%
Kuwait	192.50	612.37	-68.6%
Palestine	64.20	26.10	146.0%
Lebanon	16.20	11.50	41.0%
Sudan	-	174.10	-
Yemen	-	357.00	-
Total	176,903.50	204,038.10	-13.3%

Source: fDi Markets, UNCTAD, Byblos Research

Banque du Liban's liquid foreign reserves at \$9.9bn, gold reserves at \$21.4bn at mid-June 2024

Banque du Liban's (BdL) interim balance sheet shows that its total assets reached LBP8,404.6 trillion (tn) on June 15, 2024, relative to LBP8,397tn at the end of May 2024 and to LBP8,385tn at mid-May 2024. Assets in foreign currency stood at \$15.15bn at mid-June 2024, compared to \$15.1bn at end-May 2024, to \$14.97bn at mid-May 2024 and to \$14.41bn at mid-June 2023. 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.

According to BdL, assets in foreign currency include \$5.216bn in Lebanese Eurobonds as at mid-June 2024, relative to \$5.215bn at end-May 2024. Further, BdL's liquid foreign currency reserves stood at \$9.93bn at mid-June 2024 compared to \$9.87bn on May 31, 2024, to \$9.32bn at the end of 2023, and to \$8.57bn at end-July 2023. As such, liquid foreign currency reserves increased by \$1.36bn from the end of July 2023.

Further, the value of BdL's gold reserves reached \$21.4bn at mid-June 2024, relative to \$21.6bn at end-May 2024, to a peak of \$21.9bn at mid-May 2024 and to \$17.85bn at mid-June 2023. Also, the securities portfolio of BdL totaled LBP128,155.2bn at mid-June 2024 relative to LBP129,082.4bn on May 31, 2024. In addition, loans to the local financial sector stood at LBP14,226.3bn at mid-June 2024 compared to LBP14,377bn at end-May 2024.

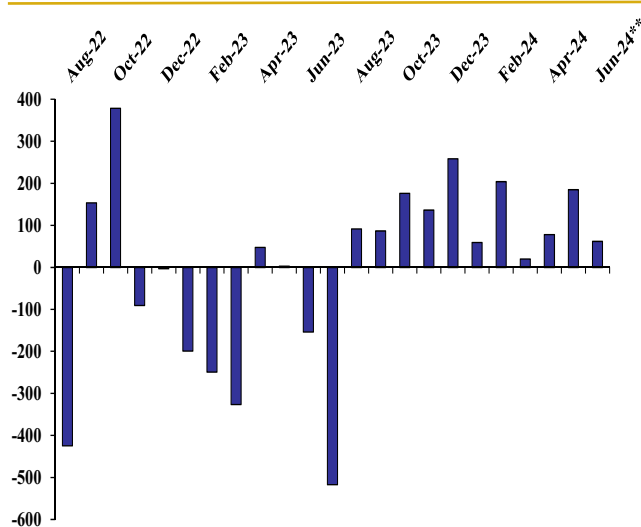
Moreover, Deferred Open-Market Operations stood at LBP145,574.5bn at mid-June 2024 relative to LBP142,991.4bn at end-May 2024 and to LBP118,971.3bn at end-2023. BdL said that, based on the Central Council's decision 23/36/45 of December 20, 2023, it has started to present all deferred interest costs 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 LBP12,994.8bn at mid-June 2024 relative to LBP11,448.5bn two weeks earlier.

Also, the Revaluation Adjustments item on the asset side reached LBP3,348,029.3bn at mid-June 2024 relative to LBP3,327,599bn at end-May 2024. It consists of a special account called the "Exchange Rate Stabilization Fund", in which it recorded all the transactions related to foreign-exchange interventions to stabilize the exchange rate starting in 2020 and that had a balance of LBP161.95tn at mid-June 2024 relative to LBP161.52tn at end-May 2024. It also consists of a special account in the name of the Treasury that stood at LBP3,186.1tn at mid-June 2024 compared to LBP3,165.8tn at end-May 2024. The account includes the differences between the countervalue, at the official exchange rate, of BdL's gold and currency holdings, and the value of these holdings at the market exchange rate, as well as the profits or losses on BdL's gold and currency holdings from the modification of the official exchange rate of the Lebanese pound or of a foreign currency exchange rate.

Further, the balance sheet shows that BdL's loans to the public sector totaled LBP1,486,758bn at mid-June 2024 relative to LBP1,486,745bn two weeks earlier.

On the liabilities side, BdL's balance sheet shows that currency in circulation outside BdL stood at LBP60,182.8bn at mid-June 2024 compared to LBP58,987.2bn at end-May 2024, and represented a decrease of 24.3% from LBP79,501bn at mid-June 2023. Further, the deposits of the financial sector reached LBP7,788.3tn or the equivalent of \$87.02bn at mid-June 2024, relative to LBP7,793tn or \$87.07bn at end-May 2024, and to LBP1,343tn or \$89.5bn at mid-June 2023; while public sector deposits at BdL stood at LBP436,335bn at mid-June 2024 compared to LBP426,931.2bn at end-May 2024 and to LBP104,693bn at mid-June 2023. BdL noted that, starting on March 15, 2019, it has offset loans with their corresponding deposits in Lebanese pounds that have the same maturities, according to the criteria in International Accounting Standard 32 and as per International Financial Reporting Standard 7 on offsetting financial assets and liabilities. As such, loans that were offset against financial sector deposits stood at LBP29.47tn as at June 15, 2024 compared to LBP36.24tn two weeks earlier. In parallel, BdL stated that it is currently working on changing its accounting policy in line with international practices.

Change in Gross Foreign Currency Reserves* (US\$m)



*month-on-month change

**as at mid-June 2024, change from end-May 2024

Source: Banque du Liban, Byblos Research



Market accessibility of Beirut Stock Exchange needs improvement in several areas

In its annual assessment of the market accessibility of 86 developed, emerging and frontier equity markets, global portfolio analytics and indices provider MSCI, Inc. indicated that Lebanon falls in the "Standalone Markets" category, following its reclassification from "Frontier Market" status in February 2021. It evaluated the country's stock market based on five accessibility criteria that are openness to foreign ownership, ease of capital inflows and outflows, efficiency of the operational framework, the availability of investment instruments, and the stability of the institutional framework. It said that the five criteria reflect the views of international institutional investors, which generally put a strong emphasis on the equal treatment of investors, the free flow of capital, the cost of investment, unrestricted use of stock market data, and country-specific risks.

In terms of openness to foreign ownership, MSCI said that there are no constraints on foreign ownership of stocks listed on the Beirut Stock Exchange, except for Israeli nationals who are prohibited from investing in Lebanese companies. It noted that Lebanon could improve equal rights to foreign investors, as company-related information is not always readily available in English. As such, it said that Lebanon is the only standalone market with a "no major issues" rating in terms of investor qualification requirements, as the remaining countries have a "no issues" rating. It added that it is one of eight standalone markets with a "no major issues" rating in terms of equal economic and voting rights to foreign investors. Further, it noted that Lebanon is one of 13 standalone markets with a "no issues" rating in terms of foreign room level, which mainly reflects the limit to foreign ownership in locally-listed companies. It is also one of 12 markets with a "no issues" rating in terms of foreign ownership limit.

Regarding capital inflows and outflows, the review said that, since October 2019, Lebanese authorities have put in place restrictions on the repatriation of funds outside Lebanon, and added that these measures have impacted the ability of foreign investors to transfer funds from investments on the local equity market. As a result, MSCI indicated that Lebanon's ease of capital flows metric has an "improvements needed" rating. It also noted that there is no offshore currency market and that there are constraints on the onshore currency market, as foreign investors are not allowed to hold accounts denominated in Lebanese pounds and transactions in foreign currency must be linked to security transactions. As such, it placed Lebanon among seven markets with an "improvements needed" rating in this area.

Regarding the efficiency of the operational framework, the assessment considered that the market entry process needs to improve, as the registration of foreign investors is mandatory and may take up to five days. Further, it said that not all market regulations are available in English, and that the flow of information can be enhanced, as detailed stock market information is not always disclosed in English. Lebanon is among eight standalone markets that received a "no major issues" rating in terms of market regulations, and one of seven markets to get the same rating in terms of information flow.

In addition, the survey noted that almost all market infrastructure indicators need improvement, except for trading, where Lebanon has a "no issues" rating. In terms of clearing and settlement procedures, the review said that there is no functioning nominee status as well as no omnibus structures, while overdraft facilities are prohibited. In terms of custody, it indicated that segregated custody and trading accounts are required in order to mitigate for the risk that derives from local brokers having unlimited access to trading accounts. It added that foreign investors do not have access to global custodians in the Lebanese market. In terms of registry and depository, it stated that not all listed shares are dematerialized, and that there is no central registry, with some securities registered at the issuer level. In terms of transferability, it said that in-kind transfers and off-exchange transactions are prohibited. Also, it noted that Lebanon is among 12 standalone markets that received a "no issues" rating on the availability of investment instruments category.

Finally, the review has an "improvements needed" rating on the stability of Lebanon's institutional framework, which reflects the political situation in the country. Lebanon's rating on this category is similar to the ratings of Argentina, Nigeria, Palestine, Ukraine, and Zimbabwe. Lebanon, along with Argentina, Bosnia & Herzegovina, Botswana, Bulgaria, Jamaica, Malta, Nigeria, Palestine, Panama, Trinidad & Tobago, Ukraine, and Zimbabwe, are the only countries worldwide that fall under MSCI's definition of Standalone Markets.

In November 2007, MSCI included Lebanon in its MSCI Frontier Markets Index, a fully investable index for frontier equity markets. The index contains stocks from 25 developing markets in Asia Pacific, Emerging Europe, the Middle East & Africa, and the Americas.

Number of internally displaced persons from South Lebanon exceeds 95,000

Figures compiled by the United Nations' Office for the Coordination of Humanitarian Affairs (OCHA) show that 95,228 persons have been displaced from South Lebanon as at June 11, 2024 due to the ongoing hostilities that erupted along Lebanon's border with Israel on October 8, 2023, constituting increases of 1,347 individuals, or 1.4% from 93,881 as at May 14, 2024, of 2.8% from 92,621 as at April 16, 2024, of 9.6% from 86,874 as at January 23, 2024, of 28% from 74,471 as at December 27, 2023, and of 105.6% from 46,325 displaced persons as at November 14, 2023.

It indicated that about 82% of displaced individuals are currently living with host families, 14% are renting houses, 2% have relocated to secondary residences, and around 2% are housed in 18 collective shelters. It added that the shelters are providing accommodation for 1,498 Internally Displaced Persons (IDPs), with seven shelters located in Hasbaya, five in Tyre, four in Nabatieh, one in Saida, and one in the Bekaa region. It stated that 96% of IDPs originate from the Bint Jbeil, Marjayoun, and Tyre districts. Further, it added that 72 schools in South Lebanon are partially or fully closed, which is impacting around 20,000 children, while six Primary Health Care Centers (PHCCs) in the Bint Jbeil and Marjayoun districts are currently closed. Moreover, it indicated that 10 water facilities have been partially or fully destroyed, which has impacted more than 100,000 residents, and that 1,680 hectares of agricultural land have been damaged. Also, the latest figures issued by the Ministry of Public Health show that a total of 414 persons have been killed and 1,272 wounded as at June 13, 2024 as a result of the hostilities along Lebanon's southern border with Israel. The fatalities include 30 women, 12 children, 21 healthcare workers and 3 journalists.

According to OCHA, the food assistance distributed since the eruption of hostilities consisted of 541,200 meals and 37,775 food parcels, as well as micronutrient supplements to 9,165 children. It added that core relief included the distribution of 225,939 items in the South and Nabatieh governorates, and of 14,200 gas heaters, kitchen sets, and solar lamps in the impacted areas. It noted that the one-time cash assistance consisted of cash disbursements to 18,600 Lebanese households registered with the Ministry of Social Affairs' social safety nets databases, as well as to 16,500 Syrian refugees households and 290 farmers in border areas. Further, hygiene support included 427,200 liters of bottled water, as well as 43,375 hygiene kits, which included 34,487 family hygiene kits, 4,155 dignity kits, 2,053 menstrual hygiene kits, and 1,667 baby kits. It added that 28 PHCCs satellite units provided 69,034 health services, including 15,313 reproductive healthcare services. Further, it indicated that 3,254 women and girls participated in targeted gender equality and empowerment activities, while 1,191 received awareness sessions on protection from sexual exploitation and abuse, and 1,322 females at risk of gender-based violence received individual case management and psychosocial support. Also, it pointed out that about 15,000 students are receiving daily nutritious in-school snacks schools, around 4,200 children received financial support to reduce barriers to education, and about 4,500 displaced children who are not registered in schools obtained non-formal education opportunities in learning centers.

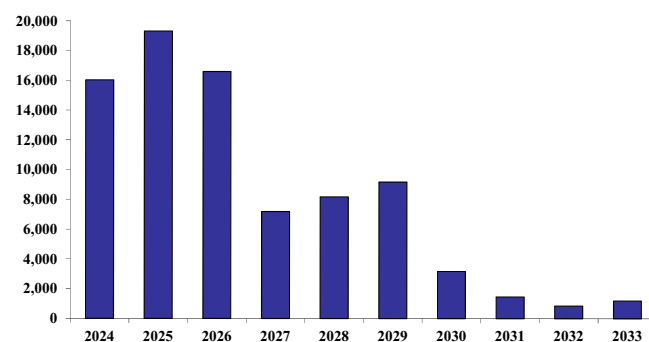
More than 64% of Treasury securities in Lebanese pounds have seven-year maturities or longer at end-May 2024

Figures released by the Association of Banks in Lebanon show that the face value of outstanding Treasury securities denominated in Lebanese pounds stood at LBP83,197bn at the end of May 2024 compared to LBP84,980bn at end-April 2024 and to LBP88,385m at end-May 2023. The securities were equivalent to \$929.6m at the end of May 2024 based on the exchange rate of LBP89,500 per US dollar, according to the BdL Central Council's Decision No. 48/4/24 dated February 15, 2024. The weighted interest rate on Lebanese Treasury securities was 6.39% in May 2024 compared to 6.34% in May 2023.

Also, the distribution of outstanding Treasury securities shows that 10-year Treasury bonds totaled LBP32,951bn and accounted for 39.6% of aggregate securities denominated in Lebanese pounds at the end of May 2024, followed by seven-year Treasury securities with LBP16,179bn (19.4%), five-year Treasury bonds with LBP11,339bn (13.6%), one-year T-bills with LBP6,816bn (8.2%), three-year Treasury securities with LBP6,558bn (7.9%), two-year Treasury bonds with LBP4,810bn (5.8%), 12-year Treasury securities with LBP3,076bn (3.7%), 15-year Treasury bonds with LBP1,417bn (1.7%), and six-month Treasury bills with LBP51bn (0.1%). As such, 64.5% of outstanding Treasury securities have seven-year maturities or longer and 78.1% have five-year maturities or more.

In parallel, LBP1,783bn in outstanding Treasury securities denominated in Lebanese pounds matured in May 2024. The distribution of maturing securities shows that 40.7% consisted of one-year T-bills, 28% were two-year Treasury bonds, 13.7% consisted of six-month Treasury securities, 9.1% were five-year Treasury bills, 8.2% consisted of seven-year Treasury bonds, and 0.3% were three-year Treasury securities. According to ABL, LBP16,032bn in outstanding Treasury securities in Lebanese pounds will mature in the remainder of 2024.

Projected Maturities of Treasury Securities in LBP* (LBP billions)



*as at end-May 2024

Source: Association of Banks in Lebanon, Byblos Research

Consumer Price Index up 52% year-on-year in May 2024

The Central Administration of Statistics' Consumer Price Index increased by 85.8% in the first five months of 2024 from the same period of 2023. In comparison, it grew by 224% and by 215.2% in the first five months of 2023 and 2022 from the corresponding periods of the previous years, respectively.

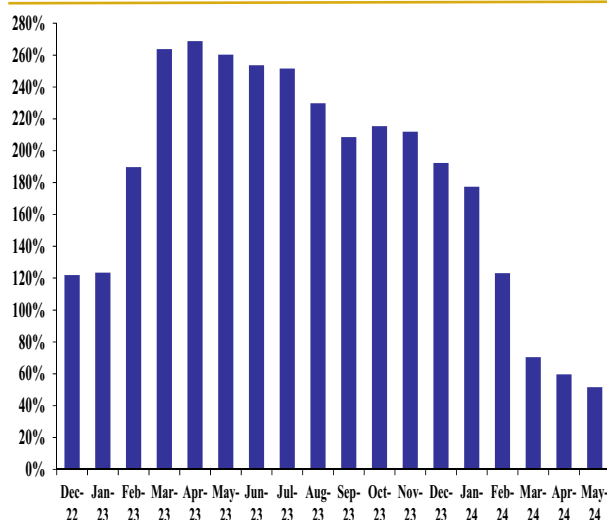
The CPI rose by 51.6% in May 2024 from the same month of 2023 and registered its third double-digit increase since July 2020, following a 70.4% year-on-year rise in March 2024 and a 59.7% increase in April 2024 from the same month of 2023. The slowdown of the inflation rate from triple-digit increases is due in part to the widespread dollarization of consumer goods and services in the economy, and to the stabilization of the exchange rate of the Lebanese pound against the US dollar since July 2023. However, the cumulative surge in the inflation rate is due in part to the repeated increase in customs tariffs, to the rise of telecommunications rates and electricity tariffs, and to the inability of the authorities to monitor and contain retail prices. It is also due to the impact of rising transportation costs and insurance rates on imported goods in the wake of the war in the Gaza Strip.

The cost of education surged by 6.9 times in May 2024 from the same month in 2023, followed by imputed rent (+1.7 times), actual rent and the cost of water, electricity, gas & other fuels (+1.6 times each), as well as healthcare costs, the cost recreation & entertainment, and the prices of miscellaneous goods & services (+1.5 times each). In addition, the prices of food and non-alcoholic beverages rose by 31.7% year-on-year in May 2024, followed by the cost of communication services (+31.2%), the prices of clothing & footwear (+25.7%), the rates at restaurants & hotels (+23.5%), the cost of alcoholic beverages & tobacco (+19.3%), and transportation costs (+10%). In contrast, the prices furnishings & household equipment decreased by 6.5% in the covered period. Also, the distribution of actual rent shows that new rent surged by 87.7% and old rent increased by 20.6% in May 2024 from the same month of 2023.

In parallel, the CPI expanded by 0.02% in May 2024 from the previous month, compared to a month-on-month growth of 1.7% in April 2024. The prices of water, electricity, gas and other fuels increased by 2.8% in May 2024 from April 2024, followed by rates at restaurants & hotels (+2%), imputed rent (+1.8%), actual rent (+1.5%), the cost of alcoholic beverages & tobacco (+1%), the prices of miscellaneous goods & services (+0.8%), the cost of healthcare (+0.3%), and the cost of transportation and communication (+0.1% each). In contrast, the prices of furnishings & household equipment declined by 9.5% in May 2024 from the preceding month, followed by the cost of recreation & entertainment (-2.5%), the prices of food & non-alcoholic beverages and, (-1.3%), and the prices of clothing & footwear (-0.1%). Also, the cost of education was unchanged from the previous month. Further, the distribution of actual rent shows that new rent increased by 1.8% and old rent grew by 1.1% in May 2024 from April 2024.

Further, the CPI increased by 1.83% in Mount Lebanon and by 0.27% in in the South in May 2024 from April 2024. However, the CPI regressed by 3.04% in the Nabatieh, by 2.66% in the North, by 1.47% in Beirut, and by 1.06% in the Bekaa in May 2024 from the previous month. In parallel, the Fuel Price Index declined by 4.15%, while the Education Price Index remained unchanged month-on-month in May 2024.

Annual Change in Consumer Price Index* (%)



*from the same month of the previous year

Source: Central Administration of Statistics, Byblos Research



Currency in circulation down 7% in 12 months ending April 2024

Figures released by Banque du Liban (BdL) show that money supply M1, which includes currency in circulation and demand deposits in Lebanese pounds, reached LBP90,080bn at the end of April 2024, constituting an increase of 5.4% from LBP85,449.6bn at the end of 2023 and a decline of 1% from LBP90,916.2bn at end-April 2023. Currency in circulation stood at LBP50,462.5bn at the end of April 2024, as it decreased by 0.3% from LBP50,599.7bn at end-2023 and by 7% from LBP54,274bn at end-April 2023.

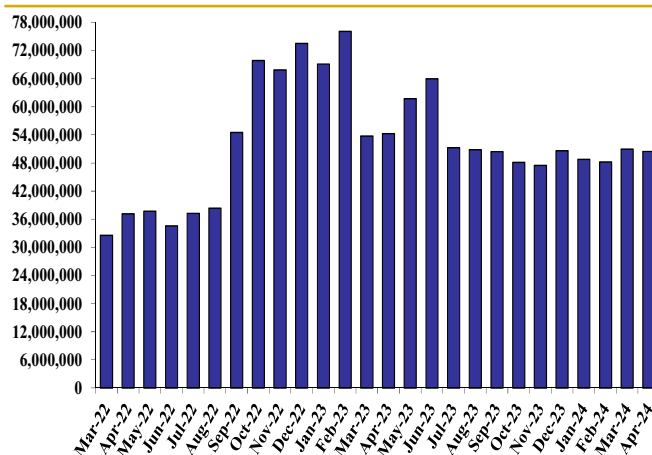
Also, demand deposits in local currency stood at LBP39,617.5bn at the end of April 2024, and increased by 13.7% in the first four months of 2024 and by 8% from end-April 2023. Money supply M1 grew by 1% in April from LBP89,164.2bn at end-March 2024, with currency in circulation contracting by 1% and demand deposits in local currency growing by 3.8% month-on-month.

In addition, money supply M2, which includes M1 and term deposits in Lebanese pounds, reached LBP105,728.7bn at the end of April 2024, constituting an increase of 5% from LBP100,787.3bn at end-2023 and a decrease of 2.2% from LBP108,137bn a year earlier. Term deposits in Lebanese pounds stood at LBP15,648.7bn at the end of April 2024 and improved by 2% from LBP15,337.7bn at end-2023, while they declined by 9% from LBP17,220.5bn at end-April 2023. Money supply M2 rose by 1.5% in April from LBP104,155.5bn at end-March 2024, while term deposits in local currency expanded by 4.4% month-on-month.

Further, broad money supply M3, which includes M2, deposits in foreign currency and debt securities issued by the banking sector, reached LBP6,352.1 trillion (tn) at the end of April 2024, with deposits in foreign currency totaling LBP6,223.3tn and debt securities of the banking sector amounting to LBP23,110bn at end-April 2024. In parallel, M3 increased by LBP5,186tn in the first four months of 2024 due to a jump of LBP3,843tn in claims on the public sector, a rise of LBP1,500.5tn in the net foreign assets of deposit-taking institutions and a surge of LBP492,670bn in claims on the private sector, which were offset by a decline of LBP650,231.3bn in other items. The surge in M3 is due to the impact of the new exchange rate of the Lebanese pound that went into effect on January 31, 2024. BdL indicated that the change in its net foreign assets during the covered period includes the net flow of the internationally traded net Lebanese Government's sovereign bonds in foreign currencies that BdL bought during the same year only.

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.

Currency in Circulation (LBP millions)



Source: Banque du Liban, Byblos Research

Unemployment rate at 19% among resident non-Lebanese in 2022-23 period

A survey conducted by the World Bank, in partnership with the World Food Program and the United Nations High Commissioner for Refugees, indicated that the proportion of non-Lebanese individuals in the country, who are mostly Syrians, in the 'affluent' category decreased from 7% in 2012 to 1% in 2023, those in the 'middle class' regressed from 21% of the non-Lebanese population in Lebanon in 2012 to 3% in 2023, the proportion of non-Lebanese individuals in the 'vulnerable' category shrank from 40% in 2012 to 15% in 2023, while the percentage of non-Lebanese residing in the country that the bank categorized as 'poor' grew from 33% of the non-Lebanese population in 2012 to 81% in 2023.

It noted that the economic classification of an 'affluent' resident of Lebanon is a person that spends more than LBP157.7m per month, while an individual in the 'middle class' spends between LBP91.6m and LBP157.7m monthly, a 'vulnerable' person in Lebanon spends between LBP53.4m and LBP91.6m per month, and a 'poor' individual residing in Lebanon spends up to LBP53.4m monthly based on the unofficial exchange rate of the US dollar in January 2023. It estimated the poverty rate among Syrians in Lebanon at 87% in 2022, with the highest rate in Akkar at 96%, followed by the North (89%), the Bekaa region (88%), Mount Lebanon (81%), and Beirut (79%).

Further, the distribution of the income of the top 60% to 80% quintile of Syrian households in Lebanon shows that wages accounted for 62% of the income of these households, followed by self-employment with 24%, and social transfers by humanitarian organizations and remittance inflows with 7% each. Also, wages accounted for 58% of the income of households in the top 40% to 60% quintile, followed by social transfers (27%), self-employment (12%), and remittance inflows (2%). Further, wages and social transfers accounted for 45% each of the income of Syrian households in the 20% to 40% quintile, followed by self-employment (8%) and remittance inflows (2%). In addition, social transfers by humanitarian organizations accounted for 54% of the income of Syrian households in the bottom 20% quintile, followed by wages (36%), self-employment (9%), and remittances (2%). It added that 5% of the income of the poorest quintile of Syrians in Lebanon was in US dollars, followed by 4% for the second poorest quintile, 12% for the third poorest quintile, and 13% for the second richest quintile. It noted that it excluded data about the richest quintile of Syrians in Lebanon due to the unavailability of data.

Further, it indicated that the unemployment rate among non-Lebanese individuals in the country stood at 19% in 2022-23, relative to 2% in the 2011-12 timeframe and 8% in the 2018-19 period, with the unemployment rate at 19% each for non-Lebanese males and females in the 2022-23 timeframe. It added that the unemployment rate among poor Syrian households in Lebanon was 22% in the 2022-23 period, as it reached 22% among Syrian males and 20% among Syrian females in this segment.

It added that the labor force participation rate (LFPR) among the non-Lebanese population in Lebanon stood at 41% in the 2022-23 timeframe compared to 80% in the 2011-12 period, and that the LFPR among poor Syrian males residing in the country was 65% in the 2022-23 period.

In addition, it stated that the share of non-Lebanese people working in the informal sector increased from 62% in the 2018-19 period to 65% in the 2022-23 timeframe, with 76% of poor Syrians working in the Lebanese informal sector. It noted that 25% of poor Syrians in Lebanon work in agriculture, 17% are in construction, around 9% work in trade, about 7% are employed in industry, 5% work in hospitality and transportation, while 31% are employed in other services.

Also, it mentioned that 63% of 'poor' Syrian households in Lebanon have access to electricity through public grids, followed by 52% of households that get electricity through generators, 6% through private grids, and 3% through solar panels. Also, it noted that 57% of children who are six to 17-years old in 'poor' Syrian households in Lebanon have access to education.

The World Bank collected data for the survey between December 2022 and May 2023 from 4,200 households in Lebanon, compared to an initial target of 8,000 households. It noted that it collected data from the Akkar, Bekaa, Beirut, Mount Lebanon, and North Lebanon governorates, which cover around 60% of Lebanon's population. It added that it was not allowed to conduct the survey in the Baalbek-Hermel, South and Nabattiyeh governorates, which together account for about 40% of Lebanon's population.

Ministry of Finance issues detailed procedure for paying tax on Sayrafa transactions

The Ministry of Finance (MoF) issued Decision No. 647/1 dated June 4, 2024, in application of Article 93 of Budget Law 324 that was published in the Official Gazette on February 12, 2024.

First, it said that commercial banks have to aggregate the amount of all the transactions and operations that natural or legal persons carried out on Banque du Liban's (BdL) Sayrafa electronic exchange platform during 2021, 2022 and 2023 and that are based on BdL Circular 161/13384 of December 16, 2021. It said that every person whose total purchases of US dollars at the exchange rate of the Sayrafa platform exceed \$15,000 during the covered period is subject to the tax rate of 17% on the profits made from these transactions, as stipulated in Article 93 of Budget Law 324.

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

Third, it stipulated that the profit subject to the additional exceptional tax as specified in Article 93 constitutes the difference between the amount in Lebanese pounds that the person used to buy the dollars through the Sayrafa platform, and the actual value of the dollars in Lebanese pounds on the date of the transaction.

Fourth, it stated that if a natural or legal person is subject to the income tax on a real profits basis, or if a natural or legal person is subject to the income tax on the basis of lump sum profits, and if these persons have or have not shown the profits resulting from their transactions on the Sayrafa platform in their accounting entries and in their annual declaration, they must submit an independent declaration that the MoF specifically prepared for this purpose within a period of two months from the date of publication of this decision. It said that natural or legal persons must show the profits that they generated from their transactions on the Sayrafa platform and subject them to the additional exceptional tax rate of 17%. It added that the tax paid on these profits cannot be deducted from the person's revenues for the year 2024 or for any other year. Further, it indicated that it will impose penalties on natural or legal persons that do not comply with this procedure, according to the amended Article 109 of tax procedures, and another penalty based on the amended Article 55 of tax procedures.

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

Sixth, the MoF exempted from the exceptional tax of 17% the salaries and wages differentials that resulted from dollar purchases through the Sayrafa electronic platform, as well as the differentials that natural and legal persons who are not subject to tax on profits generated, except for holdings firms and offshore companies.

Seventh, it said that the natural or legal persons must submit their tax declaration forms exclusively to LibanPost, the manager of the country's postal services.

Eighth, it stated that taxpayers could pay their taxes through commercial banks, LibanPost, or any other money transfer operator approved by the MoF to pay taxes and fees.



Term deposits account for 54% of customer deposits at end-April 2024

Figures issued by Banque du Liban about the distribution of bank deposits at commercial banks in Lebanon show that aggregate deposits, which include demand deposits and term deposits, stood at LBP8,418 trillion (tn) at the end of April 2024, or the equivalent of \$94.05bn, compared to LBP8,426.6tn (\$94.2bn) at end-March 2024. Total deposits include private sector deposits that reached LBP8,116tn, deposits of non-resident financial institutions that amounted to LBP237.8tn, and public sector deposits that stood at LBP62.2tn at the end of April 2024. The figures reflect Banque du Liban's Basic Circular 167/13612 dated February 2, 2024 that asked banks and financial institutions to convert their assets and liabilities in foreign currencies to Lebanese pounds at the exchange rate of LBP89,500 per US dollar when preparing their financial positions starting on January 31, 2024.

Term deposits in all currencies reached LBP4,554tn and accounted for 54% of total deposits in Lebanese pounds and in foreign currency at the end of April 2024, nearly unchanged from the end of 2023 and relative to 55.6% at end-April 2023. Further, the foreign currency-denominated term deposits of the public sector declined by 28.5% from end-2023, followed by a decrease of 8% in the term deposits of the non-resident financial sector, a contraction of 2.7% in foreign currency-denominated term deposits of the resident private sector, and a downturn of 1.7% in the term deposits of non-residents. This was offset by an increase of 117% in the term deposits in Lebanese pounds of the public sector and an uptick of 0.3% in the term deposits in Lebanese pounds of the resident private sector from the end of 2023. Aggregate term deposits declined by \$115.6bn since the end of September 2019, based on the new exchange rate, due to the migration of funds from term to demand deposits and to cash withdrawals, amid the confidence crisis that started in September 2019.

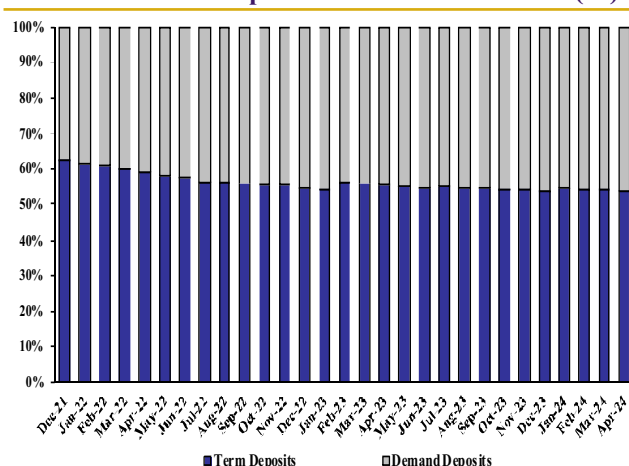
In addition, the foreign currency-denominated term deposits of the resident private sector reached \$36bn and accounted for 38.3% of aggregate deposits at the end of April 2024, relative to 37.4% at end-2023 and 38.7% at end-April 2023. Term deposits of non-residents followed with \$12.7bn or 13.5% of the total, then the term deposits of the non-resident financial sector with \$1.66bn (1.8%), term deposits of the public sector in foreign currency with \$221.2m (0.24%), term deposits in Lebanese pounds of the resident private sector with LBP15.05tn (0.18%), and term deposits of the public sector in Lebanese pounds with LBP11.5tn (0.1%).

In parallel, demand deposits in all currencies at commercial banks stood at LBP3,864tn at the end of April 2024 compared to LBP3,854.6tn at end-March 2024. They accounted for 46% of aggregate deposits at end-April 2024, almost unchanged from end-2023, and compared 44.4% at end-April 2023. Foreign currency-denominated demand deposits of the resident private sector decreased by \$196.5m from end-2023, followed by a decline of \$85.8m in demand deposits of the non-resident financial sector, and a contraction of \$17.2m in demand deposits in foreign currency of the public sector. This was partly offset by a surge of LBP4,171.6bn in demand deposits in Lebanese pounds of the resident private sector, an increase of \$43.4m in demand deposits of non-residents, and a rise of LBP1,333.5bn in demand deposits in Lebanese pounds of the public sector.

Also, demand deposits in foreign currency of the resident private sector totaled \$33.1bn and represented 35.2% of deposits at end-April 2024, relative to 33.7% at end-2023 and to 32.4% at the end of April 2023. Demand deposits of non-residents followed with \$8.26bn (8.8%), then demand deposits of the non-resident financial sector with \$1bn (1.1%), demand deposits in Lebanese pounds of the resident private sector with LBP38.4tn (0.5%), demand deposits in foreign currency of the public sector with \$315.3m (0.3%), and demand deposits in Lebanese pounds of the public sector with LBP4.7tn (0.06%).

Based on the latest available figures, Beirut and its suburbs accounted for 66.2% of private-sector deposits and for 53% of the number of depositors at the end of September 2023. Mount Lebanon followed with 14.7% of deposits and 16.7% of beneficiaries, then South Lebanon with 7.4% of deposits and 10.5% of depositors, North Lebanon with 6.6% of deposits and 11.9% of beneficiaries, and the Bekaa with 5.1% of deposits and 8.1% of depositors.

Breakdown of Deposits at Commercial Banks (%)



Source: Banque du Liban, Byblos Research

Holcim posts net profits of LBP874bn in 2023

Cement producer Holcim (Liban) sal posted audited net profits of LBP873.5bn in 2023 compared to net income of LBP97bn in 2022. The firm's sales reached LBP5,690.1bn in 2023, relative to LBP1,714.7bn in 2022; while its cost of goods sold totaled LBP3,138bn last year compared to LBP1,099.8bn in 2022. This resulted in gross profits of LBP2,552.1bn in 2023 relative to LBP614.8bn in 2022. As such, the firm's gross profits margin was 45% in 2023 relative to 36% in 2022. Further, the company's assets totaled LBP4,060.5bn at the end of 2023 compared to LBP1,356.7.8bn at the end of 2022; while its inventory reached LBP1,656.1bn in 2023 relative to LBP470.7bn as at end-2022. Also, the firm's current ratio, which is a measure of the company's ability to meet its short-term obligations, was 2.2x at the end of 2023 relative to 1.9x a year earlier. Moreover, Holcim's shareholders equity stood at LBP1,043.6bn at the end of 2023 and LBP304.5bn a year earlier. As such, the company's debt-to-equity ratio was 28% at the end of 2023 compared to 345.6% at end-2022. Further, the dividends that the company received from its subsidiaries stood at LBP387.9bn in 2023 relative to LBP68bn in 2022. The firm produces and sells cement and other related products. Holcim's share price closed at \$62 on June 21, 2024, up by 4.2% from \$59.5 at the end of 2023.

In parallel, the company's external auditors indicated that "the financial statements do not present fairly the financial position of the company as at December 31, 2023, and its financial performance and its cash flows for the year that ended in accordance with International Financial Reporting Standards", since the financial statements do not take into account the impact of hyperinflation on the revenues stream. It said that "the company did not use an appropriate exchange rate for the translation of foreign currency transactions and did not re-translate all monetary assets and liabilities stated in foreign currencies at the appropriate exchange rate at the reporting date."

Net income of Syrian affiliates of Lebanese banks at SYP12.7bn in 2023

Financial results issued by the affiliates of five Lebanese banks in Syria show that their aggregate net profits reached SYP3,039.4bn in 2023 compared to net earnings of SYP140bn in 2022. The depreciation of the Syrian pound from SYP3,015 against the US dollar at the end of 2022 to SYP12,562 per dollar at the end of 2023 resulted in unrealized foreign exchange gains on the banks' structural positions of SYP3,026.8bn in 2023. As such, the net profits of the five banks in US dollar terms totaled \$14.2m in 2023 compared to net earnings of \$18.8m in 2022. When excluding foreign exchange gains on structural positions, the earnings of the five banks shift to net gains of SYP12.7bn, or \$1.6m, in 2023.

The profits of Banque BEMO Saudi Fransi surged by SYP1,124.2bn in 2023, followed by an increase of SYP573.5bn in the net income of Byblos Bank Syria, a growth of SYP481.1bn in the profits of Bank of Syria & Overseas, a rise of SYP422.8bn in the net income of Fransabank Syria, and an upturn of SYP297.8bn in the profits of Bank Al-Sharq, the affiliate of Banque Libano-Française.

The net interest income of the five banks totaled SYP114.4bn in 2023, constituting an increase of 113.8% from SYP53.5bn in 2022; while their net fees & commission income reached SYP288bn, representing a rise of 224% from the preceding year. Further, the aggregate operating income of the five banks stood at SYP3,503.6bn in 2023 and surged by 442.4% from SYP646bn in 2022; while their aggregate operating expenses amounted to SYP489.5bn, up by 2.7 times from SYP184.1bn in 2022.

In parallel, the banks' aggregate assets reached SYP12,320.1bn at the end of 2023 compared to SYP3,506.7bn at end-2022. The growth in assets was due to a surge of 322% in the assets of Bank Al-Sharq (+SYP705.3bn), a rise of 306.3% in those of Bank of Syria and Overseas (+SYP1,722.2bn), a growth of 261.3% in the assets of Byblos Bank Syria (+SYP921.5bn), an increase of 241.6% in those of Fransabank Syria (+SYP1,151.3bn), and an uptick of 227.5% in the assets of Banque Bemo Saudi Fransi (+SYP4,314bn). In US dollar terms, the assets of the five banks stood at \$980.8m at end-2023, constituting a decrease of 15.7% from \$1.16bn at the end of 2022.

Also, the banks' total loans amounted to SYP790.4bn at end-2023 relative to SYP506.3bn at the end of 2022. Further, the banks' customer deposits totaled SYP6,901.8bn at the end of 2023 compared to SYP2,268.2bn at end-2022. The ratio of the banks' loans-to-customer deposits stood at 11.5% at the end of 2023 relative to 22.3% at end-2022. In parallel, the aggregate shareholders' equity of the five banks stood at SYP3,895bn at end-2023 and rose by 361% from SYP844.8bn at end-2022.

Results of Affiliates of Lebanese Banks in Syria in 2023 (SYPbn)

	Banque BEMO Saudi Fransi	Bank of Syria & Overseas	Fransabank Syria	Byblos Bank Syria	Bank Al-Sharq
Net Profits	1,187.0	493.4	448.0	598.7	312.3
Total Assets	6,210.2	2,284.4	1,627.8	1,274.2	924.3
% Change*	227.5%	306.3%	241.6%	261.2%	322.0%
Loans	395.5	43.8	152.6	116.0	82.5
% Change*	29.5%	10.6%	88.3%	157.5%	133.5%
Customer Deposits	4,017.6	1,394.3	745.0	391.0	354.0
% Change*	193.1%	257.0%	204.4%	152.0%	230.7%

*Change from end-2022

Source: Banks' financial statements



Ratio Highlights

(in % unless specified)	2020	2021	2022	Change*
Nominal GDP (\$bn)	24.7	20.5	21.8	1.3
Public Debt in Foreign Currency / GDP	56.8	188.1	189.8	1.7
Public Debt in Local Currency / GDP	93.8	302.1	277.7	(24.4)
Gross Public Debt / GDP	150.6	490.2	467.5	(22.7)
Trade Balance / GDP	(8.1)	(4.7)	(2.8)	1.9
Exports / Imports	31.3	28.5	18.3	(10.2)
Fiscal Revenues / GDP	16.0	9.8	6.3	(3.4)
Fiscal Expenditures / GDP	20.3	8.7	11.3	2.5
Fiscal Balance / GDP	(4.3)	1.1	(4.9)	-
Primary Balance / GDP	(1.0)	2.4	(4.3)	-
Gross Foreign Currency Reserves / M2	41.5	26.0	13.4	(12.6)
M3 / GDP	209.0	96.9	41.8	(55.2)
Commercial Banks Assets / GDP	296.2	127.1	46.4	(80.7)
Private Sector Deposits / GDP	219.2	94.1	34.5	(59.6)
Private Sector Loans / GDP	57.0	20.1	5.5	(14.6)
Private Sector Deposits Dollarization Rate	80.4	79.4	76.1	(3.3)
Private Sector Lending Dollarization Rate	59.6	56.3	50.7	(5.6)

*change in percentage points 22/21;

Source: Banque du Liban, Ministry of Finance, Central Administration of Statistics, 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

	2020	2021e	2022f
Nominal GDP (LBP trillion)	95.7	196	480
Nominal GDP (US\$ bn)	24.7	18.0	18.3
Real GDP growth, % change	-25.9	-8.4	-2.5
Private consumption	-70	1.2	1.5
Public consumption	-4	-45.7	-9.8
Gross fixed capital	-63	-16.2	21.8
Exports of goods and services	-34.2	8.7	6.6
Imports of goods and services	-33.4	-1.1	10.6
Consumer prices, %, average	84.9	154.8	171.2
Official exchange rate, average, LBP/US\$	1,507.5	1,507.5	1,507.5
Parallel exchange rate, average, LBP/US\$	6,705	16,821	30,313
Weighted average exchange rate LBP/US\$	3,878	10,876	26,222

Source: Central Administration of Statistics, Institute of International Finance- May 2023

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	-	CC	C	Negative

Source: Rating agencies

Banking Sector Ratings	Outlook
Moody's Ratings	Negative

Source: Moody's Ratings



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