

LEBANON THIS WEEK

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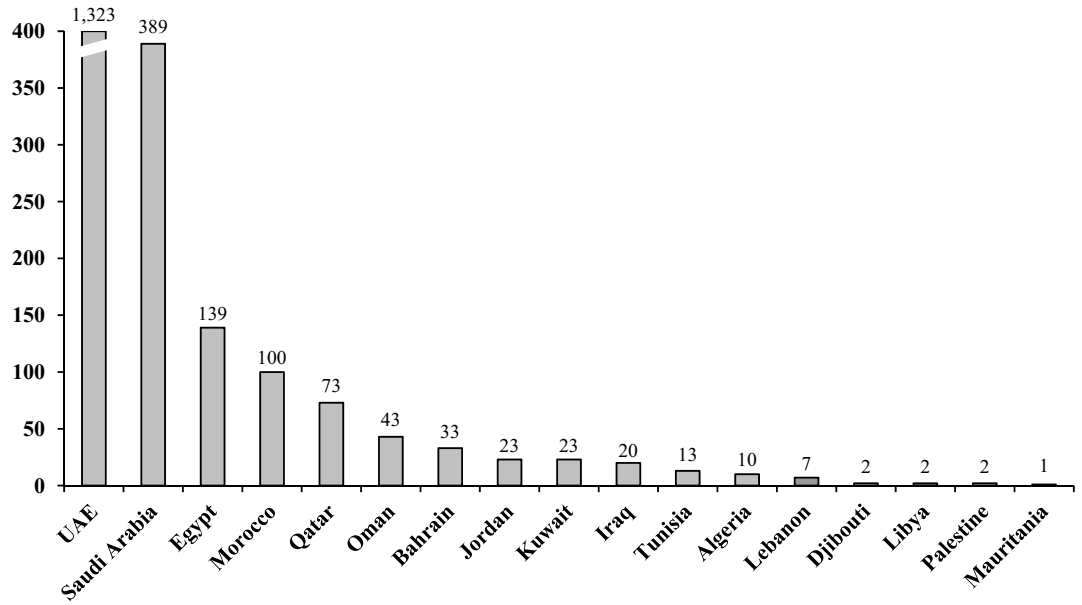
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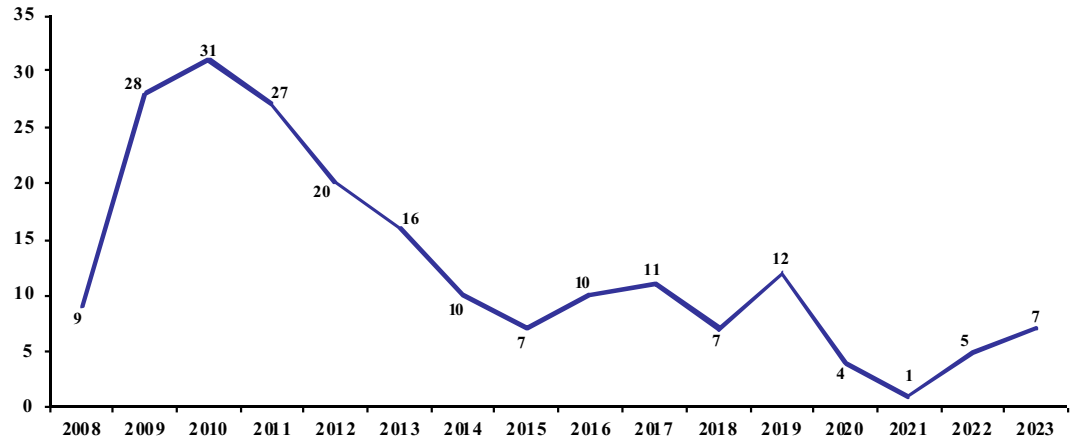
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Charts of the Week

Number of Greenfield Foreign Direct Investment Projects in Arab Countries in 2023



Number of Greenfield Foreign Direct Investment Projects in Lebanon



Source: UNCTAD, Byblos Bank

Quote to Note

"The government and Parliament have been unable to find a solution to the banking crisis."

The International Monetary Fund, on the political deadlock that has delayed the agreement on a viable reforms plan

Number of the Week

11%: Unemployment rate in Lebanon during 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" | 67.50 | (2.2) | 104,621 | 41.2% | Nov 2024 | 6.25 | 6.75 | 4,362.57 |
| BLOM GDR | 3.48 | 7.1 | 32,959 | 1.6% | Jun 2025 | 6.25 | 6.75 | 662.47 |
| Audi Listed | 1.48 | (1.3) | 22,187 | 5.3% | Nov 2026 | 6.60 | 6.75 | 152.30 |
| Solidere "B" | 69.50 | 0.7 | 3,410 | 27.6% | Mar 2027 | 6.85 | 6.75 | 129.31 |
| Audi GDR | 1.11 | 0.0 | 1,449 | 0.8% | Nov 2028 | 6.65 | 6.75 | 73.35 |
| BLOM Listed | 2.90 | 0.0 | 400 | 3.8% | Feb 2030 | 6.65 | 6.75 | 54.12 |
| Byblos Common | 0.63 | 0.0 | - | 2.2% | Apr 2031 | 7.00 | 6.75 | 43.96 |
| HOLCIM | 61.00 | 0.0 | - | 7.3% | May 2033 | 8.20 | 6.75 | 32.89 |
| Byblos Pref. 08 | 27.00 | 0.0 | - | 0.3% | Nov 2035 | 7.05 | 6.75 | 25.31 |
| Byblos Pref. 09 | 29.99 | 0.0 | - | 0.4% | Mar 2037 | 7.25 | 6.75 | 22.39 |

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

Source: Refinitiv

| | Jul 1-5 | Jun 24-28 | % Change | June 2024 | June 2023 | % Change |
|-----------------------|-------------|-------------|----------|--------------|--------------|----------|
| Total shares traded | 169,026 | 173,616 | (2.6) | 477,018 | 1,157,356 | (58.8) |
| Total value traded | \$7,563,699 | \$7,561,807 | 0.03 | \$18,325,430 | \$63,989,737 | (71.4) |
| Market capitalization | \$16.39bn | \$16.54bn | (0.9) | \$16.54bn | \$17.68bn | (6.4) |

Source: Beirut Stock Exchange (BSE)



Energy Ministry extends deadline of third licensing round for offshore oil and gas exploration

The Ministry of Energy & Water announced on June 24, 2024 that it has extended the deadline for the submission of applications for the third licensing round for offshore oil and gas exploration in Lebanon's territorial waters to March 17, 2025. The ministry had launched the process on December 26, 2023 for the third licensing round, following the Council of Ministers' approval on December 19, 2023, and indicated at the time that the deadline to submit the applications is July 2, 2024. It said that it postponed the deadline based on the approval of the Council of Ministers and on the recommendation of the Lebanese Petroleum Administration (LPA).

The ministry attributed its decision to the need for Lebanon to remain on the petroleum map in the East Mediterranean as an attractive destination for investments in the exploration of its offshore petroleum resources, to give the government the necessary time to take measures to stabilize the economy given the country's economic and financial conditions, as well as due to the regional and international developments that may affect the investment environment in the oil and gas sector.

It indicated that interested companies must submit Licensing Round Applications (LRA) to the ministry and to the LPA, as per the procedure defined in the tender protocol, and that the deadline to submit the applications is March 17, 2025. It added that interested companies must first inform the LPA in writing, and that individual firms must join together in consortiums of at least three companies and submit an LRA to seek pre-qualification as Right Holder – Operator or Right Holder – Non-Operator, and to obtain an Exploration and Production Agreement.

Currently, nine blocks are open for bidding for the third licensing round that consist of Block 1 and Block 2, which are located in the north of Lebanon's offshore Exclusive Economic Zone; Block 3, Block 4, Block 5, Block 6 and Block 7 in the center of the zone; as well as Block 8 and Block 10 that are in the south of Lebanon's territorial waters. The Right Holders in Block 9 are the operator TotalEnergies EP Block 9 that holds a 35% stake, as well as the non-operators Eni Lebanon BV that has a 35% interest and QatarEnergy International Investments (2) LLC that holds a share of 30%.

TotalEnergies, which is the operator of the consortium that won bids for the exploration of oil and gas in Block 4 and Block 9 of Lebanon's territorial waters, started drilling in Block 9 in August 2023. But it informed the ministry and the LPA last September about the technical difficulties that it has faced during the drilling operations, and has asked the ministry to update the drilling license. Further, the operator noted that it could not continue to drill in the original site due to the presence of rocks that prevent the insertion of the 36-inch wide iron device inside the seabed. It added that it faced the option of either changing the location of the well to a nearby area to avoid the rocks, or utilizing a 40-inch wide drilling head to insert the 36-inch iron shirt based on the geological report of August 31, 2023. As such, TotalEnergies indicated that, given the extended period of time that the second option will take, it chose the first option, which is to modify the well's location by 31.7 meters from the original site.

Also, TotalEnergies announced in April 2020 that the results of the drilling of Lebanon's first exploration well of oil and gas in Block 4 were "negative". It indicated that it found evidence of traces of gas in the well, which confirms the presence of a hydrocarbon system in Lebanon's territorial waters. However, it said that it did not find reservoirs in the Tamar formation, which was the main target of the exploration well that is located 30 kilometers offshore of Beirut. It pointed out that, despite the "negative" results, the exploration has provided valuable information that will be incorporated in future complementary studies about the exploration potential of Lebanon's offshore Exclusive Economic Zone.

Further, the LPA said that the first exploration period in Block 4 of Lebanon's territorial waters ended in accordance with the applicable laws and the Exploration and Production Agreement related to this block, and that TotalEnergies did not enter the second exploration period and relinquished its rights to the entire block.



Real GDP grows by 2% in 2021 according to national accounts

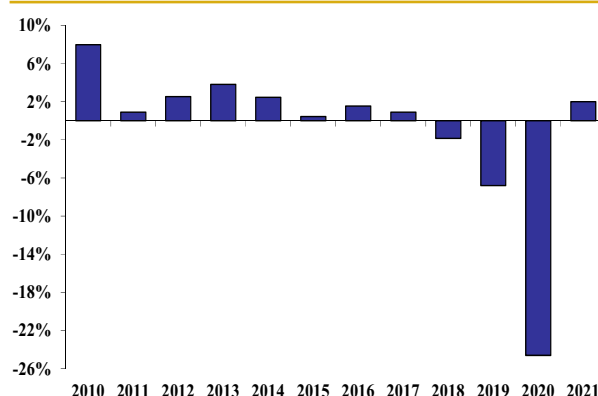
The Central Administration for Statistics (CAS) released national economic data that covers official figures for gross domestic product (GDP) and its structure and components for 2021, and revised its previous figures for the 2013-20 period. It said that its national accounts figures include the informal sector that it estimated at 30% of recorded output, even though the precise size of the informal economy is uncertain. Further, it estimated that Lebanon's real GDP grew by 2% in 2021, while it revised its estimations for 2019 and 2020 to contractions of 6.8% and 24.6%, respectively, from previous declines of 6.9% and 25.9%, respectively.

According to the national accounts, Lebanon's nominal GDP stood at LBP245.6 trillion in 2021 relative to LBP96.9 trillion in 2020 and LBP80.3 trillion in 2019. The CAS stated that the 2021 estimates include the effects of rapidly rising inflation rates, as well as an "implicit net subsidy" resulting from the multiple exchange rates of the Lebanese pound to the US dollar that resulted in a weighted average exchange rate of LBP12,413.7 to the US dollar in 2021 to a weighted average exchange rate of LBP3,879.6 per dollar for 2020. As such, it noted that, in dollar terms, nominal GDP was \$19.8bn in 2021 based on the weighted average exchange rate, compared to a nominal GDP of \$25bn in 2020 and of \$53.2bn in 2019. Also, it estimated aggregate consumption expenditures at \$24.8bn in 2021, down from \$30.4bn in 2020. The breakdown of consumption shows that household expenditures reached \$23.5bn and government spending totaled \$1.3bn in 2021, with private consumption contracting by 7.4% and public consumption decreasing by 4.7% in real terms during the year.

Further, the figures show that gross fixed capital formation in the private and public sectors reached \$4bn and \$53.8m, respectively, in 2021. Gross fixed capital formation in the private sector surged by 123.5% in real terms during the year, while that in the public sector dropped by 92.2% in real terms, with aggregate gross fixed capital formation increasing by 63.8% in 2021. Further, the figures indicate that gross capital formation contributed 12.1 percentage points to economic output in 2021, followed by the exports of goods and services (+3.3 percentage points), while household consumption had a negative contribution of 8 percentage points to economic activity in 2021, followed by the imports of goods and services (-4.8 percentage points) and government consumption (-0.7 percentage points). Further, the national accounts show that commercial trade & transport accounted for 28.5% of output in 2021, followed by mining, manufacturing & utilities (20.2%), personal services, private education & healthcare (11.4%), business services (10.3%), agriculture, livestock, forestry & fishing (7.7%), real estate services (6.5%), the public administration, education & healthcare (6.2%), financial services (5.8%), hotels & restaurants (5.3%), construction (3.4%), and information & communication (1.3%). Further, the output of business services grew by 25.4% in real terms in 2021, while activity in hotels and restaurants expanded by 23.2%, followed by construction activity (+22.2%), activity in personal services, private education & healthcare (+19.4%), in information & communication (+10.3%), in agriculture, livestock, forestry & fishing (+9.4%), and in real estate services (+2.2%). In contrast, the output of financial services contracted by 51.3% in real terms in 2021, followed by activity in commercial trade & transport (-5.4%), in the public administration, education & healthcare (-4.8%), and in mining, manufacturing & utilities (-2%).

In parallel, it said that the Lebanon's gross national income stood at LBP213.6 trillion in 2021 and that, according to balance of payments estimates, net income from abroad registered outflows of LBP32 trillion in 2021. Also, it indicated that the nominal gross national disposable income (GNDI) reached LBP301.4 trillion in 2021 compared to LBP119.1 trillion in 2020. It pointed out that GNDI exceeds GDP in Lebanon, given that the GNDI includes net foreign transfers, mainly remittance inflows from Lebanese expatriates. It added that net foreign transfers increased from LBP27.8 trillion in 2020 to LBP87.8 trillion in 2021 and were equivalent to 35.8% of GDP.

Real GDP Growth Rates in Lebanon* (%)



* revised real GDP growth rates starting in 2013

Source: Central Administration of Statistics

Gross Domestic Product (Expenditure Components in billions of LBP)

| | 2020* | 2021* | % change in price real terms | |
|--|-----------------|------------------|------------------------------|---------------|
| Gross domestic product at market prices | 96,906 | 245,572 | 148.4% | 2.0% |
| Total final consumption expenditure | 117,865 | 308,217 | 181.5% | -7.0% |
| by households | 104,216 | 291,640 | 202.3% | -7.4% |
| by government | 13,649 | 16,577 | 27.5% | -4.7% |
| Gross capital formation | 9,140 | 53,657 | 157.0% | 128.4% |
| Gross fixed capital formation | 11,927 | 50,527 | 158.6% | 63.8% |
| private | 8,626 | 49,859 | 158.6% | 123.5% |
| public | 3,301 | 668 | 158.6% | -92.2% |
| Acquisition less disposal of valuables | (2,787) | 3,130 | - | - |
| Net exports | (30,099) | (116,302) | - | - |
| Export of goods and services | 27,138 | 96,197 | 216.7% | 11.9% |
| Exports of goods (fob) | 16,353 | 53,093 | 211.8% | 4.1% |
| Exports of services | 10,786 | 43,104 | 223.0% | 23.7% |
| Import of goods and services | 57,237 | 212,498 | 243.5% | 8.1% |
| Imports of goods (fob) | 45,926 | 172,845 | 242.3% | 9.9% |
| Imports of services | 11,312 | 39,653 | 248.5% | 0.6% |

*at current prices

Source: Central Administration of Statistics

Banque du Liban's liquid foreign reserves at \$9.9bn, gold reserves at \$21.5bn at end-June 2024

Banque du Liban's (BdL) interim balance sheet shows that its total assets reached LBP8,406 trillion (tn) on June 30, 2024, relative to LBP8,404.6tn at mid-June 2024 and to LBP8,397tn at end-May 2024. Assets in foreign currency stood at \$15.12bn at end-June 2024, compared to \$15.15bn at mid-June 2024, to \$15.1bn at end-May 2024 and to \$14.3bn at end-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 \$5.196bn in Lebanese Eurobonds as at end-June 2024, relative to \$5.216bn at mid-June 2024. Further, BdL's liquid foreign currency reserves stood at \$9.928bn at end-June 2024 compared to \$9.929bn at mid-June 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 \$1.355bn from the end of July 2023.

Further, the value of BdL's gold reserves reached \$21.5bn at end-June 2024, relative to \$21.4bn at mid-June 2024, to a peak of \$21.9bn at mid-May 2024 and to \$17.75bn at end-June 2023. Also, the securities portfolio of BdL totaled LBP127,974bn at end-June 2024 relative to LBP128,155.2bn at mid-June 2024. In addition, loans to the local financial sector stood at LBP14,112.5bn at end-June 2024 compared to LBP14,226.3bn at mid-June 2024.

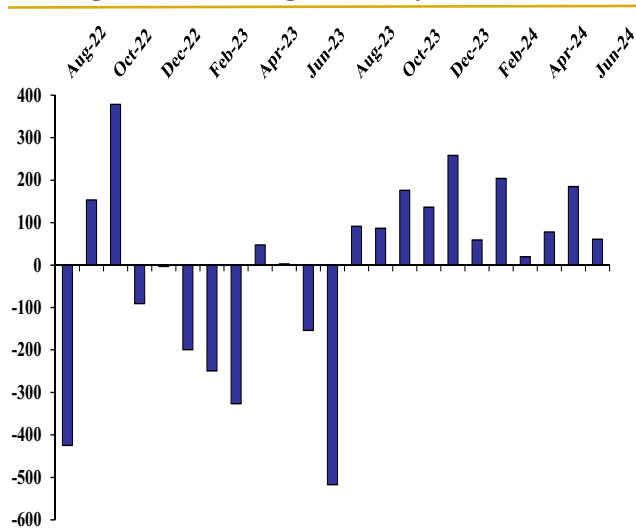
Moreover, Deferred Open-Market Operations stood at LBP148,540bn at end-June 2024 relative to LBP145,574.5bn at mid-June 2024 and to LBP118,971.3bn at end-2023. BdL said that, based on the Central Council's decision 23/36/45 of December 20, 2023, it has started to present all deferred interest costs originating 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 LBP13,391.9bn at end-June 2024 relative to LBP12,994.8bn two weeks earlier.

Also, the Revaluation Adjustments item on the asset side reached LBP3,338,790.5bn at end-June 2024 relative to LBP3,348,029.3bn at mid-June 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 LBP162.09tn at end-June 2024 relative to LBP161.95tn at mid-June 2024. It also consists of a special account in the name of the Treasury that stood at LBP3,176.7tn at end-June 2024 compared to LBP3,186.1tn at mid-June 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 LBP1,486,772.7bn at end-June 2024 relative to LBP1,486,758bn two weeks earlier.

On the liabilities side, BdL's balance sheet shows that currency in circulation outside BdL stood at LBP60,416.8bn at end-June 2024 compared to LBP60,182.8bn at mid-June 2024, and represented a decrease of 25.6% from LBP81,203.4bn at end-June 2023. Further, the deposits of the financial sector reached LBP7,791.3tn or the equivalent of \$87.05bn at end-June 2024, relative to LBP7,788.3tn or \$87.02bn at mid-June 2024, and to LBP1,342tn or \$89.46bn at end-June 2023; while public sector deposits at BdL stood at LBP433,219bn at end-June 2024 compared to LBP436,334.9bn at mid-June 2024 and to LBP103,748.8bn at end-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 LBP23.33tn as at June 30, 2024 compared to LBP29.47tn 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

Source: Banque du Liban, Byblos Research

Number of new construction permits up by 1% in first five months of 2024

Figures issued by the Orders of Engineers & Architects of Beirut and of Tripoli show that the two orders issued 4,791 new construction permits in the first five months of 2024, constituting an uptick of 1.2% from 4,732 permits in the same period last year. Also, the orders of engineers issued 1,225 permits in May 2024, constituting increases of 31.6% from 931 permits in April 2024 and of 19.6% from 1,024 in May 2023. Mount Lebanon accounted for 29.4% of the number of newly-issued construction permits in the first five months of 2024, followed by the South with 21%, the North with 17.7%, the Nabatieh area with 13.4%, the Bekaa region with 12%, and Beirut with 4%. The remaining 2.3% were permits issued by the Order of Engineers & Architects of Tripoli for regions located outside northern Lebanon. The number of new construction permits issued in the North surged by 69.3% in the first five months of 2024 from the same period last year, followed by permits in the Bekaa region (+53.7%), and in Beirut (+53.2%), and permits issued for regions located outside northern Lebanon (+16%). In contrast, the number of new construction permits issued in Mount Lebanon dropped by 17.7% in the covered period, followed by permits in the Nabatieh area (-16.5%), and in the South (-12.4%).

Further, the surface area of granted construction permits reached 2.69 million square meters (sqm) in the first five months of 2024, constituting an increase of 34% from 2 million sqm in the same period of 2023. Also, the surface area of granted construction permits reached 664,142 sqm in May 2024, up by 21.4% from 547,109 sqm in April 2024 and by 48.4% from 447,460 sqm in May 2023. Mount Lebanon accounted for 690,272 sqm, or for 25.6% of the total surface area of granted construction permits in the first five months of 2024. The South followed with 555,182 sqm (20.6%), then the North with 525,789 sqm (19.5%), the Bekaa region with 431,110 sqm (16%), the Nabatieh area with 251,241 sqm (9.3%), and Beirut with 111,728 sqm (4.2%). The remaining 125,827 sqm, or 4.7% of the total, represent the surface area of permits that the Order of Engineers & Architects of Tripoli issued for regions located outside northern Lebanon.

Also, the surface area of new construction permits issued in regions located outside northern Lebanon surged by 181.5% in the first five months of 2024 from the same period last year, followed by surface areas in Beirut (+113%), in the Bekaa region (+110.2%), in the North (+87.8%), in the South (+14.6%), and in Mount Lebanon (+0.3%). In contrast, the surface area of new construction permits in the Nabatieh area regressed by 1% in the covered period. In parallel, the latest available figures show that cement deliveries totaled 2.35 million tons in 2023, constituting an increase of 10.8% from 2.12 million tons in 2022.

Number of internally displaced persons from South Lebanon exceeds 96,000

Figures compiled by the United Nations' Office for the Coordination of Humanitarian Affairs (OCHA) show that 96,829 persons have been displaced from South Lebanon as at June 27, 2024 due to the ongoing hostilities that erupted along Lebanon's border with Israel on October 8, 2023, constituting increases of 1,601 individuals, or 1.7% from 95,228 as at June 11, 2024, of 3% from 94,126 as at May 28, of 4.1% from 93,040 as at April 30, of 11.5% from 86,874 as at January 23, of 30% from 74,471 as at December 26, 2023, and of 109% from 46,325 displaced persons as at November 14, 2023.

It indicated that about 82% of displaced individuals are currently living with host families, 15% are renting houses, 2% have relocated to secondary residences, and around 1% are housed in 16 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, and one in Saida. It stated that 96% of IDPs originate from the Bint Jbeil, Marjayoun, and Tyre districts. Further, it said 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 1,240 hectares of agricultural land have been damaged. Also, the latest figures issued by the Ministry of Public Health show that a total of 435 persons have been killed and 1,366 wounded as at June 26, 2024 as a result of the hostilities along Lebanon's southern border with Israel. OCHA noted that the fatalities include 31 females, 12 children, 21 healthcare workers and three journalists.

According to OCHA, the food assistance distributed since the eruption of hostilities consisted of 551,000 meals and 55,646 food parcels, as well as micronutrient supplements to 9,165 children. It added that core relief included the distribution of 232,606 items in the Bekaa, the South and Nabatieh governorates. It noted that the one-time cash assistance consisted of cash disbursements to 18,640 Lebanese households registered with the Ministry of Social Affairs' social safety net 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 43,500 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 74,209 health services, including 16,594 reproductive healthcare services. Further, it indicated that 3,275 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 8,125 children received financial support to reduce barriers to education, and about 5,478 displaced children who are not registered in schools obtained non-formal education opportunities in learning centers.

Purchasing Managers' Index regresses in June 2024

The BLOM Lebanon Purchasing Managers' Index (PMI), an indicator of operating conditions in Lebanon's private sector, stood at 47.8 in June 2024 relative to 47.9 in May 2024 and to 50.2 in June 2023, and came higher than the PMI's trend average of 46.7 since the index's inception in May 2013. Also, the June result was the lowest outcome of the index since January 2023, when it stood at 47.7. Further, the PMI averaged 48.8 in the first half of 2024 compared to 49.2 in the same period last year. The index has remained below the 50 mark since August 2023. A score that exceeds 50 signals positive business activity, while a score that is lower than 50 shows a deterioration in activity.

The survey's results show that the New Orders Index decreased from 46.1 in May 2024 to 45.9 in June 2024, as the survey's respondents indicated that the month of June marked the fastest contraction in nearly 18 months in the volume of new orders placed with private sector companies in Lebanon. They attributed the slowdown to weaker client purchasing power, challenging domestic economic conditions, and heightened insecurity.

In addition, the New Export Orders Index reached 46.4 in June relative to 46.2 in the previous month, reflecting a slower pace of deceleration in demand from foreign clients. The surveyed companies noted that the decline in exports was linked to regional insecurity due to the war in the Gaza Strip and to disruptions to shipping in the Red Sea.

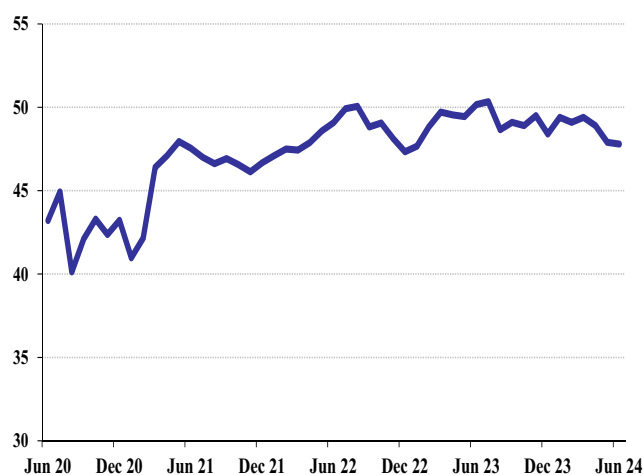
Further, the survey indicated that the Output Index stood at 46.2 in June 2024 compared to 46.4 in the preceding month. Businesses attributed the decline in output to security concerns in the Middle East, political uncertainty, and lower client demand, and noted that output declined at its quickest monthly pace for a third month in a row.

Also, the Employment Index reached 49.9 in June relative to 49.8 in the previous month, signaling little change in the number of jobs across Lebanon's private sector when compared to May. It added that employment levels have been stable on average since the start of 2023. Further, the results show that the Backlogs of Work Index stood at 48.3 in June 2024 compared to 47.6 in May 2024, indicating a slight acceleration in the level of completion of outstanding projects in Lebanon's private sector.

In parallel, the survey indicated that the Suppliers' Delivery Times Index reached 50.2 in June 2024 relative to 49.5 in May 2024, exceeding the 50 mark for the first time since February 2024. The survey respondents said that private sector firms in Lebanon reported an improvement in the efficiency of the firms' suppliers or vendors at the end of the second quarter of 2024. Also, the Stocks of Purchases Index stood at 50.3 in the covered month compared to 49.5 in May 2024, as businesses noted an increase in their stocks of purchased items, as well as a marginal growth in inventories in line with the average trend in the past two years.

The PMI is a weighted average of five individual sub-components that are New Orders with a weight of 30%, Output (25%), Employment (20%), Suppliers' Delivery Times (15%), and Stocks of Purchases (10%). The calculation of the PMI is based on data compiled from responses to questionnaires sent to purchasing executives at about 400 private sector companies in Lebanon across the manufacturing, services, construction and retail sectors. The sample selection is based on each sector's contribution to GDP. The survey is compiled monthly by S&P Global Market Intelligence.

BLOM Lebanon Purchasing Managers' Index



Source: BLOM Bank, S&P Global Market Intelligence

Components of BLOM Lebanon Purchasing Managers' Index

| | Output | New Orders | New Export Orders | Future Output | Employment |
|---------------|--------|------------|-------------------|---------------|------------|
| January 2024 | 48.7 | 48.8 | 48.4 | 25.3 | 50.0 |
| February 2024 | 48.1 | 48.4 | 48.8 | 22.0 | 49.7 |
| March 2024 | 48.6 | 49.1 | 48.3 | 23.6 | 49.6 |
| April 2024 | 47.4 | 47.7 | 48.1 | 25.9 | 49.8 |
| May 2024 | 46.4 | 46.1 | 46.2 | 21.1 | 49.8 |
| June 2024 | 46.2 | 45.9 | 46.4 | 19.4 | 49.9 |

Source: BLOM Bank, S&P Global Market Intelligence



Net foreign assets of financial sector up \$786m in first five months of 2024

Figures issued by Banque du Liban (BdL) show that the net foreign assets of the financial sector, which are a proxy for Lebanon's balance of payments, increased by \$786.1m in the first five months of 2024, compared to an increase of \$1.23bn in the same period of 2023 and a decrease of \$2.1bn in the first five months of 2022.

The cumulative surplus in the first five months of 2024 was caused by increases of \$562.7m in the net foreign assets of BdL and of \$223.4m in those of banks and financial institutions. Further, the net foreign assets of the financial sector grew by \$201m in May 2024 compared to an uptick of \$142.6m in April 2024 and a decrease of \$5.6m in May 2023. The May increase was caused by rises of \$191.8m in the net foreign assets of BdL and of \$9.2m in those of banks and financial institutions.

The cumulative increase in BdL's net foreign assets is due in part to the increase in BdL's gold and foreign currency reserves during the covered period. The increase in the banks' net foreign assets in the first five months of 2024 is mostly due to a decline in their foreign liabilities. The decrease in foreign liabilities was driven mainly by a drop of \$208.5m in liabilities to the non-resident financial sector, a contraction of \$89.6m in non-resident customer deposits, and a dip of \$38.7m in claims on the non-resident financial sector.

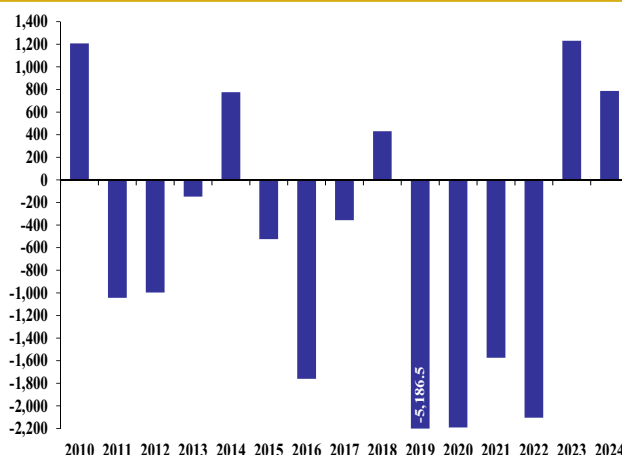
Number of airport passengers down 5% in first half of 2024

Figures released by the Beirut-Rafic Hariri International Airport (HIA) show that 3 million passengers utilized the airport (arrivals, departures and transit) in the first half of 2024, constituting a decrease of 5.3% from 3.17 million passengers in the same period of 2023 and an increase of 16.2% from 2.58 million passengers in the first half of 2022. Also, 707,570 passengers utilized the airport in June 2024, representing a surge of 39.5% from 507,181 in May 2024 and nearly unchanged from 707,695 passengers in June 2023. The number of arriving passengers reached 1.55 million passengers in the first half of 2024, as they contracted by 5.3% from 1.63 million passengers in the same period of 2023 and grew by 18.5% from 1.3 million passengers in the first half of 2022. The number of arriving passengers stood at 406,596 in June, representing an increase of 51.8% from 267,841 passengers in May 2024 and a decrease of 5% from 427,957 in June 2023.

Also, the number of departing passengers totaled 1.45 million in the first half of 2024, constituting a decline of 5.1% from 1.53 million passengers in the same period last year and an increase of 15% from 1.26 million passengers in the first half of 2022. Further, the number of departing passengers reached 300,362 in June, representing increases of 25.7% from 238,972 in May 2024 and of 7.7% from 278,782 departing passengers in June 2023. The slide in the number of airport passengers in the covered period is due to the war in the Gaza Strip and to the related Israeli attacks along Lebanon's southern border, as well as to the decline in the number flights to and from Lebanon.

In parallel, the airport's aircraft activity reached 24,815 take-offs and landings in the first half of 2024, representing a decrease of 7.4% from 26,785 takeoffs and landings in the same period last year. In comparison, aircraft activity rose by 19% in the first half of 2023 from the same period of the preceding year and by 49.7% in the first half of 2022 from the covered period in 2021. Also, the airport's aircraft activity stood at 5,509 take-offs and landings in June 2024, constituting an expansion of 28.2% from 4,298 take-offs and landings in May 2024 and an uptick of 0.3% from 5,493 takeoffs and landings in June 2023. In addition, the HIA processed 32,945 metric tons of freight in the first half of 2024 that consisted of 21,529 tons of import freight and 11,417 tons of export freight. National flag carrier Middle East Airlines had 24,815 flights in the covered period and accounted for 39.3% of the HIA's total aircraft activity.

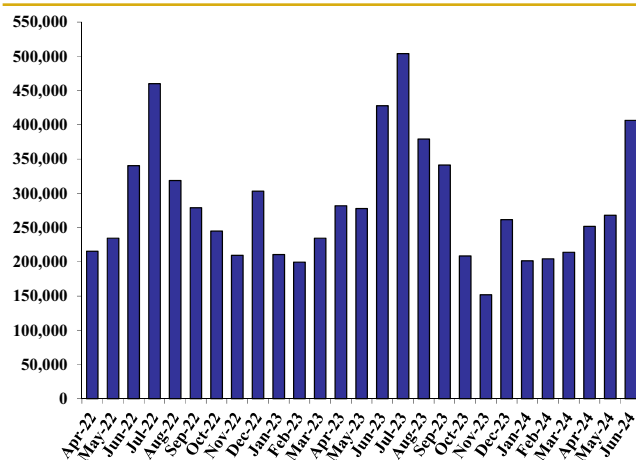
Change in Net Foreign Assets of Financial Sector (US\$m)*



*in first five months of each year

Source: Banque du Liban, Byblos Research

Number of Arriving Passengers



Source: Beirut-Rafic Hariri International Airport

Foreign direct investments at \$655.4m in 2023, equivalent to 2.7% of GDP

Figures released by the United Nations Conference on Trade and Development (UNCTAD) show that foreign direct investments (FDI) in Lebanon totaled \$655.4m in 2023, constituting an increase of 24.4% from \$526.8m in 2022 and relative to \$599.8m in 2021. In comparison, FDI inflows to Arab economies decreased by 12.6%, while FDI inflows to West Asia increased by 9.2% in 2023.

The UNCTAD figures for Lebanon are based on the official figures issued by Banque du Liban that is based on the International Monetary Fund's balance of payments methodology to record the movement of capital.

FDI inflows to Lebanon in 2023 were 67.3% lower than the annual average flows of \$2bn during the 2013-22 period, and came 85% below the peak of \$4.38bn posted in 2009. Lebanon was the 12th largest recipient of FDI among 17 Arab countries and the ninth largest recipient among 14 countries in West Asia in 2023. Also, it was the 112th largest FDI recipient globally among 147 economies with a nominal GDP of \$10bn or more.

FDI inflows to Lebanon accounted for 0.05% of global FDI inflows in 2023 relative to 0.04% in the previous year; while they represented 1% of total FDI in Arab countries last year relative to a share of 0.7% in 2022. FDI inflows to Lebanon also accounted for 1% of FDI flows to West Asia in 2023 compared to a share of 0.7% in the previous year. Further, FDI inflows to Lebanon were equivalent to 3% of GDP in 2023 based on the World Bank's estimate of nominal GDP for the year, up from 2.5% of GDP in 2022, and compared to a peak of 15.5% of GDP in 2005.

In parallel, FDI outflows from Lebanon totaled \$72.7m in 2023, constituting an increase of 10% from \$66.2m in 2022, and compared to an annual average of \$807.8m during the 2013-22 period and a peak of \$2bn registered in 2013, excluding 2021 when FDI outflows posted divestments of \$1.33bn in resident investments from non-resident markets. Lebanon was the 10th largest source of FDI outflows among 16 Arab countries with available figures and the ninth largest among West Asian countries in 2023.

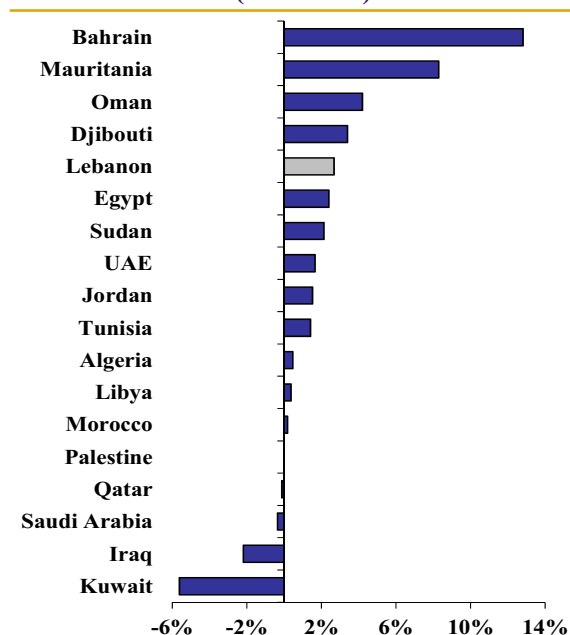
As such, net FDI flows to Lebanon reached \$582.8m in 2023 compared to \$460.7m in 2022 and to a peak of \$3.25bn in 2009. Net FDI flows to Lebanon were equivalent to 2.7% of GDP in 2023 relative to 2.2% of GDP in 2022, and compared to a peak of 12.1% of GDP in 2005.

Foreign Direct Investments in Arab Countries (\$m)

| Country | 2023 | 2022 | Change (%) |
|----------------|-----------------|-----------------|---------------|
| UAE | 30,687.5 | 22,736.6 | 35.0% |
| Saudi Arabia | 12,319.0 | 28,055.1 | -56.1% |
| Egypt | 9,840.6 | 11,399.9 | -13.7% |
| Bahrain | 6,839.6 | 2,760.4 | 147.8% |
| Oman | 4,745.4 | 5,479.8 | -13.4% |
| Kuwait | 2,112.7 | 757.7 | 178.8% |
| Algeria | 1,216.3 | 254.7 | 377.5% |
| Morocco | 1,094.6 | 2,260.1 | -51.6% |
| Mauritania | 873.4 | 1,418.9 | -38.4% |
| Jordan | 842.8 | 1,251.4 | -32.7% |
| Tunisia | 768.0 | 713.7 | 7.6% |
| Lebanon | 655.4 | 526.8 | 24.4% |
| Sudan | 548.2 | 573.5 | -4.4% |
| Djibouti | 137.0 | 190.9 | -28.2% |
| Palestine | 35.3 | 232.9 | -84.8% |
| Qatar | (474.2) | 76.1 | - |
| Iraq | (5,273.3) | (2,088.2) | 152.5% |
| Total | 66,968.6 | 76,600.3 | -12.6% |

Source: Banque du Liban, UNCTAD, Byblos Research

Net FDI inflows to Arab Countries in 2023 (% of GDP)



Source: Banque du Liban, UNCTAD, IIF, IMF, Byblos Research

Lebanon ranks 133rd globally, eighth among Arab countries on gender gap index

The World Economic Forum ranked Lebanon in 133rd place among 146 countries and in eighth place among 13 Arab countries on its Global Gender Gap Index for 2024. In comparison, Lebanon ranked in 132nd place globally among 146 countries and in seventh place regionally among 12 Arab countries on the 2023 index, while it came in 135th place among 142 countries worldwide and in 13th place among 15 Arab countries on the 2014 index. Based on the same set of countries in the 2023 and 2024 surveys, Lebanon's global rank improved by two spots, while its regional rank deteriorated by one spot from the 2023 index.

The index ranks countries according to their proximity to gender equality rather than on the degree of female empowerment. It aims to capture the magnitude and scope of gender-based disparities in each country and to track their progress over time. The index is based on 14 indicators grouped into four sub-indices that measure Economic Participation & Opportunity, Educational Attainment, Health & Survival, and Political Empowerment.

Globally, Lebanon had a narrower gender gap than Benin, Egypt and Oman, and a wider gap than India, Qatar and Kuwait among economies with a GDP of \$10bn or more. It also ranked ahead of Egypt, Oman, Morocco, Algeria and Sudan among Arab countries. Lebanon received a score of 0.632 points, which means that Lebanon closed about 63% of the gender gap in 2024. Still, Lebanon's score was lower than the global average of 0.716 and the Arab average of 0.64 points. Further, Lebanon's score increased by 0.4% from the 2023 survey and by 4% from the 2013 index.

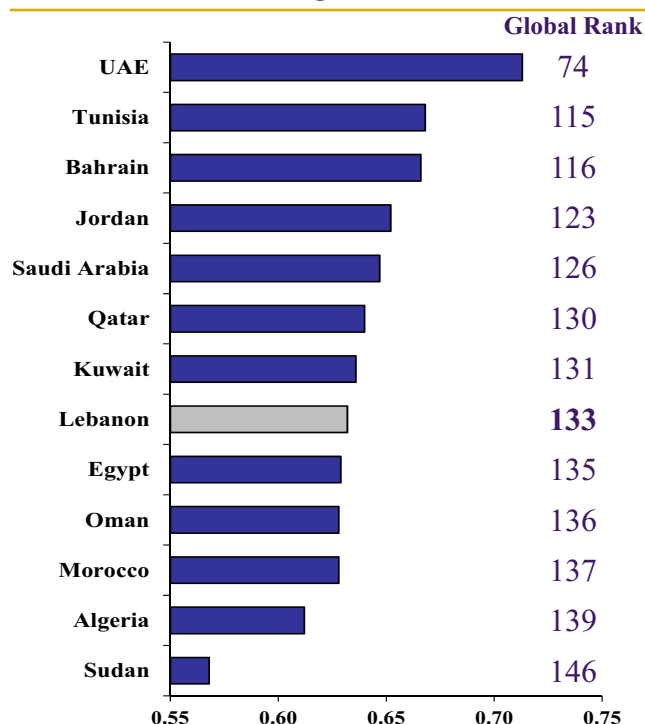
Globally, Lebanon preceded Qatar, the UAE and Saudi Arabia, and trailed Bahrain, Japan and Guatemala on the Economic Participation & Opportunity Sub-Index. This category captures the difference between the labor-force participation rates of males and females, assesses their opportunities to advance in the workplace, and measures their earned income in similar professions. According to the survey, Lebanon closed 55.8% of the gap between males and females on this category, compared to the narrowing of the gender gap by 66.8% globally. Regionally, Lebanon trailed only Bahrain on this category.

Also, Lebanon ranked ahead of India, Tanzania and Rwanda, and came behind Cambodia, Belarus and Egypt worldwide on the Educational Attainment Sub-Index. This category captures the gap between females' and males' current access to education through the ratios of women to men in primary-, secondary- and tertiary-level education. Lebanon closed about 96.6% of the gender gap in education, compared to the narrowing of the gender gap by 96.7% worldwide. Lebanon ranked ahead of only Morocco, Algeria and Sudan among Arab countries on this category.

Further, Lebanon preceded Chile, Tajikistan and Finland, while it trailed Germany, Singapore, and Ethiopia globally on the Health & Survival Sub-Index. This category measures the differences between the health of females and males, as reflected by the gap between women's and men's life expectancy and by the sex ratio at birth. Lebanon closed about 97.1% of the gender gap on this category, which is nearly equal to the global average of 97%. Lebanon came first in the Arab world on this category.

Finally, Lebanon ranked ahead of Iran, Sudan and Kuwait, while it trailed Nigeria, Qatar, and Oman worldwide on the Political Empowerment Sub-Index. This category captures the ratio of females to males in ministerial-level positions and in parliament, in addition to the number of years that females serve in executive office. Lebanon closed 3.3% of the gender gap on this category, while countries worldwide closed about 25.7% of the political gender gap. Regionally, Lebanon trailed only Sudan and Kuwait on this category.

**Global Gender Gap Index for 2024
Scores & Rankings of Arab Countries**



Source: World Economic Forum, Byblos Research

Components of the 2024 Global Gender Gap Index for Lebanon

| | Global Rank | Arab Rank | Lebanon Score | Global Average Score | Arab Average Score |
|--------------------------------------|-------------|-----------|---------------|----------------------|--------------------|
| Economic Participation & Opportunity | 122 | 2 | 0.56 | 0.67 | 0.50 |
| Educational Attainment | 111 | 9 | 0.97 | 0.97 | 0.98 |
| Health & Survival | 67 | 1 | 0.97 | 0.97 | 0.96 |
| Political Empowerment | 142 | 11 | 0.03 | 0.26 | 0.12 |

Source: World Economic Forum, Byblos Research

Private sector deposits at \$90.9bn at end-May 2024 based on new exchange rate

The consolidated balance sheet of commercial banks operating in Lebanon shows that total assets stood at LBP9,334.4 trillion (tn), or the equivalent of \$104.3bn at the end of May 2024 compared to LBP9,281.5tn (\$103.7bn) at end-April 2024. Loans extended to the private sector totaled LBP617.4tn at the end of May 2024, with loans to the resident private sector reaching LBP533.2tn and credit to the non-resident private sector amounting to LBP84.1tn at the end of the month. Loans extended to the private sector in Lebanese pounds reached LBP10.2tn, and decreased by 10% from LBP11.4tn at the end of 2023 and by 29.4% from LBP14.5tn at end-May 2023; while loans in foreign currency totaled \$6.78bn at the end of May 2024, and regressed by 10.3% from \$7.56bn at the end of 2023 and by 20.7% from \$8.6bn at end-May 2023. 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.

In nominal terms, credit to the private sector in Lebanese pounds declined by LBP1,143.8bn in the first five months of 2024 and by LBP4,268.3bn from a year earlier, while lending to the private sector in foreign currency dipped by \$778.7m in the first five months of 2024 and by \$1.8bn from end-May 2023. Further, loans extended to the private sector in Lebanese pounds contracted by LBP17.3tn (-62.8%) and loans denominated in foreign currency dropped by \$34.3bn (-83.5%) since the start of 2019. The dollarization rate of private sector loans increased from 89.8% at the end of May 2023 to 98.3% at end-May 2024 due to the new exchange rate of LBP89,500 per dollar that went into effect on January 31, 2024. The average lending rate in Lebanese pounds was 4.52% in May 2024 compared to 3.53% a year earlier, while the same rate in US dollars was 3.21% relative to 2.3% in May 2023.

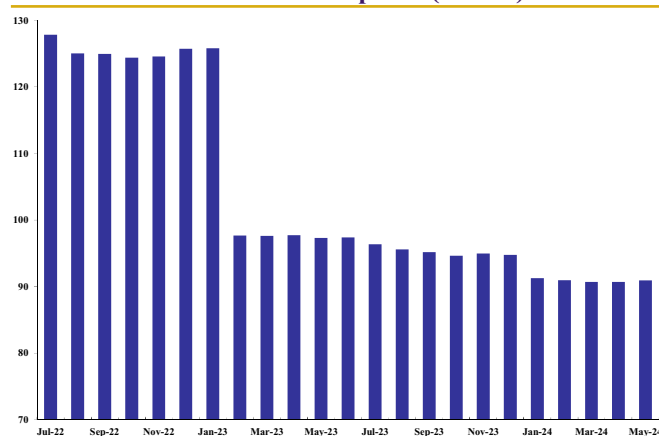
In addition, claims on non-resident financial institutions stood at \$4.42bn at the end of May 2024, constituting an increase of \$46.4m (+1.1%) from end-April 2024, a decrease of \$38.7m (-1%) from the end of 2023, and a rise of \$197.5m (+4.7%) from a year earlier. Also, claims on non-resident financial institutions dropped by \$4.71bn (-52.6%) from the end of August 2019 and by \$7.57bn (-63%) since the start of 2019. Further, deposits at foreign central banks totaled \$801.1m, constituting an increase of \$64m (+8.7%) in the first five months of 2024 and a decrease of \$94.4m (-10.5%) from a year earlier. In addition, the banks' claims on the public sector totaled LBP211.5tn at end-May 2024, representing an uptick of 0.3% from end-April 2024. The banks' holdings of Lebanese Treasury bills stood at LBP10.48tn, while their holdings of Lebanese Eurobonds reached \$2.22bn at end-May 2024 relative to \$2.77bn a year earlier. Further, the deposits of commercial banks at Banque du Liban (BdL) stood at LBP7,306.7tn at the end of May 2024, or \$81.6bn according to the new exchange rate.

In parallel, private sector deposits totaled LBP8,138.5tn at the end of May 2024, or \$90.93bn based on the new exchange rate. Deposits in Lebanese pounds reached LBP56.7tn at end-May 2024, as they increased by 9% from the end of 2023 and contracted by 8% from a year earlier; while deposits in foreign currency stood at \$90.3bn, and regressed by 1.1% in the first five months of the year and by 3.1% from the end of May 2023. Resident deposits accounted for 77% and non-resident deposits represented 23% of total deposits at end-May 2024.

Private sector deposits in Lebanese pounds increased by LBP4,678.4bn and foreign currency deposits declined by \$981.2m in the first five months of 2024. Further, aggregate private sector deposits in Lebanese pounds shrank by LBP20.5tn (-26.5%) and foreign currency deposits dropped by \$32.8bn (-26.6%) since the start of 2019. The dollarization rate of private sector deposits changed from 95.8% at the end of May 2023 to 99.3% at the end of May 2024 due to the effect of the new exchange rate on the Lebanese pound component of the balance sheet.

Further, the liabilities of non-resident financial institutions reached \$2.68bn at the end of May 2024 and decreased by 7.2% from \$2.9bn at end-2023. Also, the average deposit rate in Lebanese pounds was 1.02% in May 2024 compared to 0.84% a year earlier, while the same rate in US dollars was 0.05% relative to 0.09% in May 2023. In addition, the banks' aggregate capital base stood at LBP258.3tn at the end of May 2024, compared to LBP76.4tn at the end of 2023 and LBP78.4tn at end-May 2023. In dollar terms, the banks' capital was \$2.9bn at the end of May 2024 relative to \$5.1bn at end-2023 and to \$5.2bn at the end of May 2023.

Private Sector Deposits (US\$bn)



Source: Banque du Liban, Byblos Research

Bank Audi posts profits of LBP320m in 2023

Bank Audi sal, one of six listed banks on the Beirut Stock Exchange, declared audited consolidated net profits of LBP320m in 2023 compared to audited losses of LBP655.4bn in 2022. The bank's net interest income reached LBP5,304.6bn in 2023 relative to LBP1,600bn in the previous year; while its net earnings from fees & commission stood at LBP1,814.1bn compared to net losses of LBP244.9bn in 2022. Further, the bank's net operating income totaled LBP6,118.3bn in 2023 relative to LBP495.4bn in 2022. In addition, the bank's operating expenditures reached LBP6,881bn last year compared to LBP1,221.1bn in 2022, with personnel cost accounting for 34.4% of the total.

In parallel, the bank's aggregate assets stood at LBP278,486.4bn at the end of 2023 relative to LBP40,591bn at end-2022. Further, customer deposits reached LBP194,176.2bn compared to LBP29,101bn at end-2022 and deposits from related parties stood at LBP1,319.6bn at end-2023 relative to LBP116.4bn at end-2022. Also, net loans & advances to customers totaled LBP15,165.6bn at the end of 2023 relative to LBP5,871.1bn at end-2022 and net loans & advances to related parties amounted to LBP575.1bn at end-2023 compared to LBP64.5bn at end-2022. In parallel, the bank's shareholders' equity was LBP26,076.6bn at the end of 2023 relative to LBP6,055.3bn at end-2022.

The bank indicated that it used the official published exchange rates of LBP1,507.5 per dollar as at end-2022 and of LBP15,000 per dollar as at end-2023 for the calculation of its figures. It added that the uncertainties arising since 2019 makes it difficult to estimate the negative impact of the crisis on its 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 | - | 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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