

LEBANON THIS WEEK

In This Issue

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

Progress on economic reforms dependent on addressing key issues

Banque du Liban's liquid foreign reserves at \$12bn, gold reserves at \$38.5bn at mid-November 2025

Sovereign rating upgrade contingent on debt restructuring

Amount of cleared checks in "fresh" foreign currency up 235% to \$771.2m in first 10 months of 2025

Banque du Liban clarifies procedure for requests to lift banking secrecy

Economic outlook contingent on reforms, IMF program, and regional ties

KfW Development Bank extends €20m package to support SMEs

Opened letters of credit at \$58.4m for imports in first nine months of 2025

Number of new construction permits down 20% in first 10 months of 2025

Customs receipts at \$787m in first eight months of 2025

Consumer Price Index up 16.4% year-on-year in October 2025

Corporate Highlights.....11

Term deposits account for 52% of customer deposits at end-September 2025

BLC Bank posts net losses of LBP113.7bn in 2024

Citibank Lebanon registers profits of LBP4,479.6bn in 2024

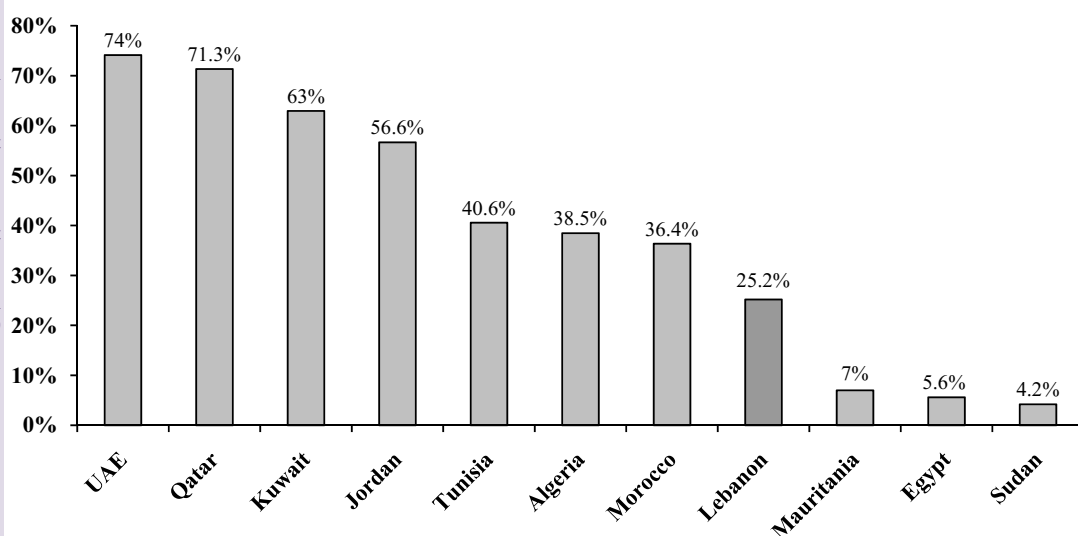
Ratio Highlights.....13

National Accounts, Prices and Exchange Rates13

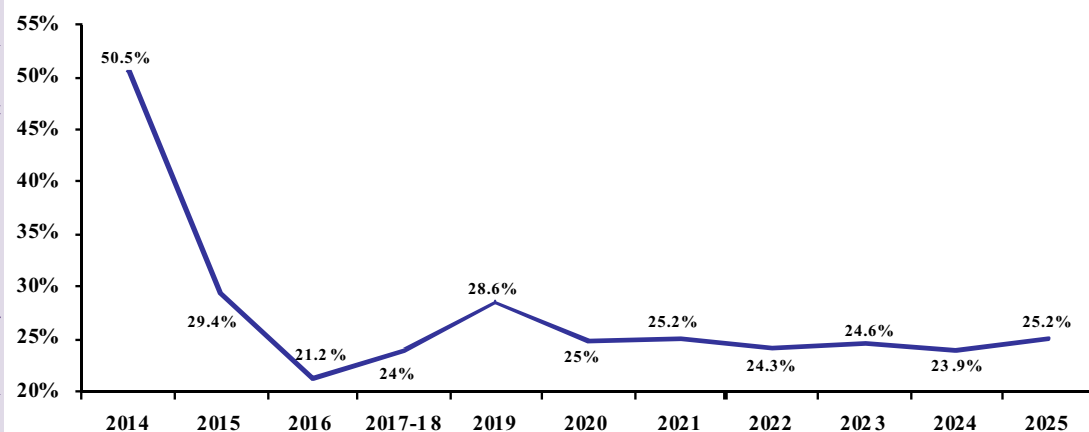
Ratings & Outlook.....13

Charts of the Week

Percentile Rankings of Arab Countries on the Rule of Law Index for 2025



Percentile Rankings of Lebanon on the Rule of Law Index



Source: World Justice Project's 2025 Rule of Law Index, Byblos Bank

Quote to Note

"The central challenge of the Lebanese government lies in balancing domestic reform efforts with external security pressures, while avoiding a broader conflict that could derail the economic recovery."

The Institute of International Finance, on the balancing act facing the Lebanese authorities

Number of the Week

151,985: Number of Lebanese expatriates who registered to vote in the May 2026 parliamentary elections, according to the Ministry of Foreign Affairs & Emigrants

Lebanon in the News

\$m (unless otherwise mentioned)	2023*	2024*	2025*	% Change**	Aug-24	Jul-25	Aug-25
Exports	1,894	1,910	2,366	23.9%	232	370	252
Imports	11,776	11,543	12,937	12.1%	1,554	1,845	1,482
Trade Balance	(9,882)	(9,633)	(10,570)	9.7%	(1,323)	(1,475)	(1,230)
Balance of Payments	1,071	5,107	10,070	97.2%	1,271.1	424.8	1,149.5
Checks Cleared in LBP***	6,820	1,008	509	-49.5%	80	74	56
Checks Cleared in FC***	2,590	950	484	-49.1%	82	45	56
Total Checks Cleared	9,410	1,958	993	-49.3%	162	119	112
Fiscal Deficit/Surplus	-	36.1	-	-	66.6	-	-
Primary Balance	-	428.2	-	-	114.3	-	-
Airport Passengers	5,005,141	4,418,652	4,722,830	6.9%	669,423	793,367	930,037
Consumer Price Index	233.0	63.6	14.6	-77.0%	35.0	14.3	14.2
\$bn (unless otherwise mentioned)	Aug-24	Apr-25	May-25	Jun-25	Jul-25	Aug-25	% Change*
BdL FX Reserves	10.51	11.01	10.96	11.18	10.84	10.96	4.3%
<i>In months of Imports</i>	-	-	-	-	-	-	-
Public Debt	-	-	-	-	-	-	-
Bank Assets	104.56	102.67	102.17	103.51	102.66	102.36	-2.1%
Bank Deposits (Private Sector)	90.41	88.99	88.62	88.79	88.47	88.35	-2.3%
Bank Loans to Private Sector	6.59	5.53	5.50	5.47	5.43	5.41	-17.9%
Money Supply M2	1.25	1.73	1.63	1.65	1.66	1.63	30.7%
Money Supply M3	70.69	69.42	69.00	68.99	68.70	68.48	-3.1%
LBP Lending Rate (%)	5.11	7.35	9.26	9.11	9.23	9.39	83.8%
LBP Deposit Rate (%)	0.86	1.93	2.08	1.58	3.95	3.21	273.3%
USD Lending Rate (%)	2.59	3.69	5.53	4.83	3.68	5.19	100.4%
USD Deposit Rate (%)	0.04	0.04	0.10	0.04	0.06	0.05	25.0%

*in first eight months of each; **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 %
Audi Listed	2.30	(8.0)	81,972	6.8%	Nov 2026	6.60	21.9	228.52
BLOM GDR	7.50	(3.2)	41,879	2.8%	Mar 2027	6.85	21.9	155.76
HOLCIM	72.95	0.0	28,429	7.2%	Nov 2028	6.65	21.9	59.21
Solidere "A"	78.55	2.4	23,273	39.5%	Feb 2030	6.65	21.9	39.21
BLOM Listed	7.00	(6.7)	5,000	7.6%	Apr 2031	7.00	21.9	30.22
Audi GDR	2.90	0.3	100	1.7%	May 2033	8.20	21.9	21.41
Solidere "B"	76.00	(3.2)	31	24.8%	May 2034	8.25	21.9	18.77
Byblos Common	0.94	0.0	-	2.7%	Jul 2035	12.00	21.9	16.36
Byblos Pref. 08	25.00	0.0	-	0.3%	Nov 2035	7.05	21.9	15.91
Byblos Pref. 09	29.99	0.0	-	0.3%	Mar 2037	7.25	21.9	13.89

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

Source: Refinitiv

	Nov 17-21	Nov 10-14	% Change	October 2025	October 2024	% Change
Total shares traded	180,702	75,523	139.3	4,603,646	914,295	403.5
Total value traded	\$4,396,623	\$2,850,496	5.2	\$55,017,552	\$24,463,583	124.9
Market capitalization	\$19.90bn	\$20.14bn	(1.2)	\$20.60bn	\$22.04bn	(6.5)

Source: Beirut Stock Exchange (BSE)



Progress on economic reforms dependent on addressing key issues

Global investment bank Goldman Sachs considered that it is unlikely that the Lebanese government will make significant progress towards reaching a staff level agreement (SLA) with the International Monetary Fund (IMF) and a debt restructuring deal with Eurobond holders, without resolving the issue of the disarmament of non-state actors. It added that progress on economic reforms will be delayed if the issue of the weapons of non-state actors remains unresolved and if it threatens to push the country into further instability and conflict. But it pointed out that the authorities made significant progress on the reforms agenda, as Parliament amended the Banking Secrecy Law and enacted the Banking Resolution Framework so far this year. Also, it stressed the importance of enacting the Financial Gap Law in order to address and equitably distribute losses in the banking system, and noted that Lebanon's economic crisis and sovereign default cannot be resolved without such legislation.

Further, it indicated that there are significant disagreements among stakeholders about the timeline of the application of the banking system's losses, even though there is consensus among on the order and sequence of the allocation of the losses. It said that Banque du Liban (BdL) argues that the hierarchy of claims should be applied after the exclusion of so called "anomalous deposits", which include balances inflated by excessively high interest rates, the deposits converted from Lebanese pounds to US dollars at the former official rate of LBP1,500 per dollar, and balances derived from earnings whose legitimacy or legality cannot be verified. Also, it pointed out that BdL estimates the amount of "anomalous deposits" denominated in foreign currency at \$35bn, which would reduce BdL liabilities to around \$50bn after disqualifying these deposits, and would allow the banks to write down an equivalent amount in Certificates of Deposits that BdL owes them.

However, it noted that the IMF asserts that the hierarchy of claims should be enforced prior to any reduction in bank deposits, which would legally eliminate the banks' equity at the very start of the process. It said this divergence between the IMF and BdL remains a major sticking point that must be addressed before the government reaches a potential SLA with the IMF, even though BdL contends that the banks' shareholders' equity would still be almost entirely erased under its plan.

Also, it noted the clear difference between BdL and the Ministry of Finance about the treatment of a \$16.5bn overdraft owed by the latter to the former. It noted that BdL favors a full repayment via a perpetual and low interest Treasury bond, which would preserve its balance sheet and would allow it to avoid a further write-down of liabilities that would ultimately imply a deeper haircut for depositors. But it indicated that the ministry is concerned about the impact of such debt on the public debt's sustainability, as the overdraft is equivalent to about 50% of current GDP.

In addition, it pointed out that there appears to be broad agreement on the treatment of bank deposits through, first, the disqualification of anomalous balances. Second, the gradual full repayment of accounts that have deposits of less than \$100,000, which represent about 85% of the number of bank accounts but less than 15% of deposits. Third, the partial haircut or bail-in of large depositors through various mechanisms such as zero-coupon bonds, asset-backed securities, or equity swaps.

In parallel, it considered that external pressure is likely to push the government and various parties toward a compromise on unresolved economic issues within the framework of a broader political agreement that resolves the issue of the weapons of non-state actors. Moreover, it considered that the risk of persistent stagnation on economic reforms remains elevated, given that the design of the electoral system makes it unlikely that the political landscape will change significantly in the upcoming parliamentary elections.

Further, it projected Lebanon's real GDP growth rates at 2.3% in 2025, 3.9% in 2026, 4.1% in 2027, 4.2% in 2028, and 4.4% in 2029, compared to the consensus forecast of 2.3% in 2025 and 5% in 2026, and to Lebanon's potential growth rate of 4.7% annually. Also, it forecast the inflation rate in the country at 14.7% in 2025, 15% in 2026, and 15.4% in each of 2027, 2028 and 2029, compared to the consensus forecast of 14.7% for 2025 and of 11.7% in 2026, as well as to its medium-term inflation assumption of 10.2%.

Banque du Liban's liquid foreign reserves at \$12bn, gold reserves at \$38.5bn at mid-November 2025

Banque du Liban's (BdL) interim balance sheet shows that its total assets reached LBP8,473.3 trillion (tn) as at November 15, 2025, relative to LBP8,461.7tn at end-October 2025, to LBP8,465.1tn at mid-October 2025, to LBP8,318.7tn at the end of 2024, and to LBP8,409.4tn at mid-November 2024. BdL indicated that it revised its balance sheet figures starting on October 15, 2024 in accordance with international standards. It said that it changed the classification of "Foreign Assets" to "Foreign Reserve Assets" in order to present non-resident and liquid foreign assets only, while it reclassified the "other resident and/or illiquid items" to its "Securities Portfolio" or to the "Loans to the Local Financial Sector" entries.

BdL's Foreign Reserve Assets stood at \$11.98bn at mid-November 2025, compared \$11.87bn at end-October 2025, to \$11.78bn at mid-October 2025 and to \$10.2bn at mid-November 2024. As such, they increased by \$109.5m in the first half of November 2025. Also, they increased by \$252.8m in January, by \$141.1m in February, by \$198.7m in March, by \$331.7m in April, by \$50.4m in May, by \$216.5m in June, by \$157.3m in July, by \$186.2m in August, by \$83.4m in September, and by \$116.3m in October 2025. As a result, BdL's Foreign Reserve Assets rose by \$1.84bn from end-2024 and by \$3.4bn between the end of July 2023 and mid-November 2025, despite a decline of \$530.3m in the fourth quarter of 2024. The dollar figures are based on the exchange rate of the Lebanese pound of LBP89,500 per US dollar starting on February 15, 2024, according to the BdL Central Council's Decision No. 48/4/24 dated February 15, 2024.

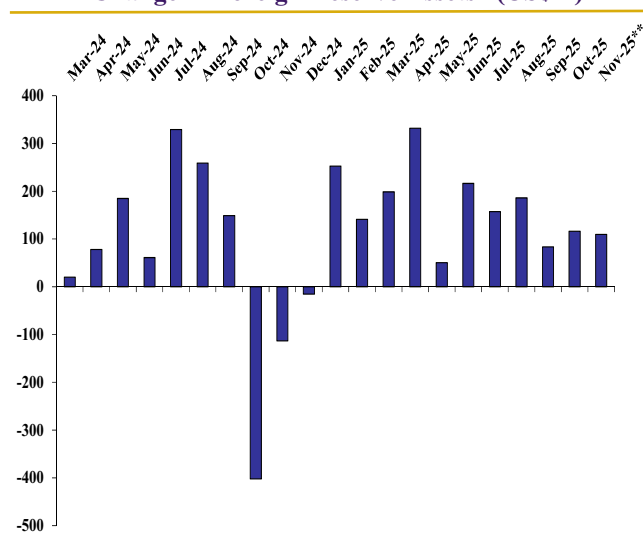
Further, the value of BdL's gold reserves reached \$38.47bn on November 15, 2025 relative to \$36.95bn at end-October 2025, and constituted a decline of \$274.36m, or of 0.7%, from an all-time high of \$38.74bn at mid-October 2025, and compared to \$23.66bn at mid-November 2024. Also, BdL's securities portfolio totaled LBP547,957.5bn at mid-November 2025 relative to LBP547,852.2bn at end-October 2025. BdL noted that the securities portfolio includes Lebanese Eurobonds that had a market value of \$1.26bn at mid-November 2025, compared to \$1.2bn at end-October 2025. Prior to the modifications, BdL included the nominal value of its Lebanese Eurobonds portfolio, which is about \$5bn, in the foreign assets item. In addition, loans to the local financial sector stood at LBP40,066.8bn at mid-November 2025 compared to LBP40,397.3bn at end-October 2025.

Moreover, Deferred Open-Market Operations totaled LBP189,893.2bn at mid-November 2025 relative to LBP187,804.1bn at end-October 2025. 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 LBP31,851.9bn (\$355.9m) at mid-November relative to LBP31,431.7bn (\$351.2m) at end-October.

Also, the Revaluation Adjustments item on the asset side reached LBP1,661tn at mid-November relative to LBP1,797.6tn at end-October 2025. It consists of a special account called the "Exchange Rate Stabilization Fund", in which BdL recorded all the transactions related to foreign exchange interventions to stabilize the exchange rate starting in 2020 and that had a balance of LBP167.1tn at mid-November 2025 relative to LBP166.97tn at end-October 2025. It also consists of a special account in the name of the Treasury that stood at LBP1,494tn at mid-November 2025 compared to LBP1,630.6tn at end-October 2025. Further, the balance sheet shows that BdL's loans to the public sector totaled LBP1,486,899.3bn at mid-November 2025 relative to LBP1,486,886.3bn two weeks earlier, and include an overdraft of \$16.52bn as at mid-November 2025, unchanged from end-October 2025.

On the liabilities side, BdL's balance sheet shows that currency in circulation outside BdL stood at LBP72,261bn at mid-November 2025 compared to LBP72,883.3bn at end-October 2025, and represented an increase of 44.7% from LBP49,935.2bn at mid-November 2024. Further, the deposits of the financial sector reached LBP7,503.8tn, or the equivalent of \$83.84bn, at mid-November 2025, relative to LBP7,509.7tn (\$83.9bn) at end-October 2025 and to \$85.87bn at mid-November 2024; while public sector deposits at BdL totaled LBP770,330bn at mid-November 2025 compared to LBP758,119.1bn at end-October 2025, to LBP732,828.9bn at mid-October 2025 and to LBP538,434.6bn at mid-November 2024.

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



*month-on-month change

**as at mid-November 2025, change from end-October 2025

Source: Banque du Liban, Byblos Research

Sovereign rating upgrade contingent on debt restructuring

Moody's Ratings affirmed Lebanon's issuer rating at 'C', the lowest rating on the agency's rating scale, and maintained the 'stable' outlook on the rating. It indicated that the rating reflects the agency's expectations that Eurobond holders will incur losses that could exceed 65%, as a result of the decision of the government at the time to default on its Eurobond obligations in March 2020. It indicated that, following almost five years of political deadlock in the aftermath of the default on the sovereign debt, the election of President Joseph Aoun and the formation of a new government led by Prime Minister Nawaf Salam earlier this year have set the stage for the enactment of key legislation to implement a comprehensive debt restructuring across the public sector, Banque du Liban (BdL) and commercial banks, given the financial interlinkages among the three sides. Further, it said that the 'stable' outlook reflects the agency's expectations that the rating will remain at the current level in the near term, amid the high likelihood of significant losses for private creditors, as well as the prevailing macroeconomic, financial and social challenges.

Further, Moody's maintained the local and foreign currency ceilings at 'Ca', which is one notch above the issuer rating. It pointed out that the local currency ceiling reflects the low level of reliability and predictability of Lebanon's institutions and of the government's actions, as well as the pervasive domestic and geopolitical risks that point to a high country risk level. Also, it noted that the foreign currency ceiling reflects the dollarization of the economy amid the current transfer and convertibility restrictions on foreign currency deposits. Also, the agency expected the restrictions to remain in place until the implementation of a comprehensive debt restructuring, and noted that the economy continues to rely on large cross-border transfers through informal channels that bypass the banking system.

Also, it estimated the central government's debt level at 148% of GDP in 2025, down from 163.8% of GDP in 2024, of which 98% is denominated in foreign currency, and expected it to remain at similar levels in 2026 if the debt restructuring does not take place next year. It said that the sharp depreciation of the exchange rate of the Lebanese pound against the US dollar and the resulting inflation, following the end of the local currency peg to the US dollar in 2019, has significantly eroded the real value of the Lebanese pounds-denominated debt stock, while the outstanding Eurobond debt of \$31bn has accrued additional unpaid interest of \$11bn, bringing total Eurobond liabilities to \$42bn or the equivalent of 127% of GDP in 2025.

Further, it pointed out that key legislation that the Parliament enacted so far this year include amendments to the Banking Secrecy Law to enhance transparency and accountability, as well as the Banking Resolution Framework, which provides the legal foundation for a future restructuring of the banking sector. It noted that the government is currently focused on finalizing the Financial Gap Law, which will determine how system-wide financial sector losses will be distributed among different stakeholders while protecting small depositors. It considered that the strong interlinkages between the public sector, BdL and commercial banks point to a comprehensive debt restructuring that should involve all three sectors in order to restore debt sustainability, and as a condition to unlock financial support from the International Monetary Fund. Further, it projected Lebanon's real GDP to shift from a contraction of 7.5% in 2024 to growth rates of 2.5% in 2025 and 3.5% in 2026, assuming the ceasefire between Israel and Hezbollah holds, which would help improve the business environment and support renewed domestic and external investments.

In parallel, the agency indicated that it is unlikely to upgrade Lebanon's rating before the restructuring of the public debt. It considered that the upgrade of Lebanon's sovereign rating after the debt restructuring will depend on the pace of fiscal and institutional reforms, the government's revenue generation capacity, and the economy's adjustment to a new growth model. Also, it said that it would substantially upgrade the rating in case the key drivers of the country's debt dynamics, including economic growth, interest rates, the ability to generate and sustain large primary fiscal surpluses, and the mitigation of contingent liabilities from loss-making state-owned enterprises, evolve in a way that would ensure debt sustainability in the future, which will reduce the risk of another sovereign default.



Amount of cleared checks in "fresh" foreign currency up 235% to \$771.2m in first 10 months of 2025

The amount of cleared checks in Lebanese pounds reached LBP52,436bn in the first 10 months of 2025, constituting a decrease of 23.5% from LBP68,524bn in the same period last year, while the amount of cleared checks in foreign currency was \$571m and dropped by 49.2% from \$1.13bn in the first 10 months of 2024. Also, there were 92,393 cleared checks in the first 10 months of 2025, down by 43.7% from 163,970 checks in the same period of 2024, that consisted of 87,941 cleared checks in Lebanese pounds and 4,452 cleared checks in foreign currency. As such, the number of cleared checks in Lebanese pounds decreased by 41.3%, while their counterparts in foreign currency dropped by 68.4% from the same period of 2024.

In addition, the amount of cleared checks in Lebanese pounds stood at LBP6,899bn in October 2025, constituting increases of 17% from LBP5,897bn in September 2025 and of 5.4% from LBP6,548bn in October 2024. Further, the amount of cleared checks in foreign currency was \$50m in October 2025, and as it increased by 35% from \$37m in the previous month and by 6.4% from \$47m in October 2024. Also, there were 9,503 cleared checks in October 2025 relative to 9,339 cleared checks in September 2025 and to 12,551 cleared checks in October 2024.

The amount of cleared checks in "fresh" Lebanese pounds stood at LBP32,973bn, while the amount of cleared checks in "fresh" foreign currency was \$771.2m in the first 10 months of 2025, relative to cleared checks of LBP14,113bn in "fresh" Lebanese pounds and of \$230m in "fresh" foreign currency in the same period of 2024. Also, there were 20,162 cleared checks in "fresh" Lebanese pounds and 57,085 cleared checks in "fresh" foreign currency in the covered period, compared to 7,692 cleared checks in "fresh" Lebanese pounds and 17,425 cleared checks in "fresh" foreign currency in the same period last year.

In parallel, the amount of returned checks in Lebanese pounds totaled LBP491bn in the first 10 months of 2025, down by 17.3% from LBP594bn in the same period last year, while the amount of returned checks in foreign currency was \$93.5m and surged by 50.8% from \$62m in the first 10 months of 2024. Also, the amount of returned checks in Lebanese pounds stood at LBP180bn in October 2025, as it jumped by 291.3% from LBP46bn in September 2025 and increased by 3.4% from LBP174bn in October 2024. Moreover, the amount of returned checks in foreign currency was \$4m in October 2025, representing a surge of 300% from \$1m in the previous month and a drop of 81.8% from \$22m in October 2024.

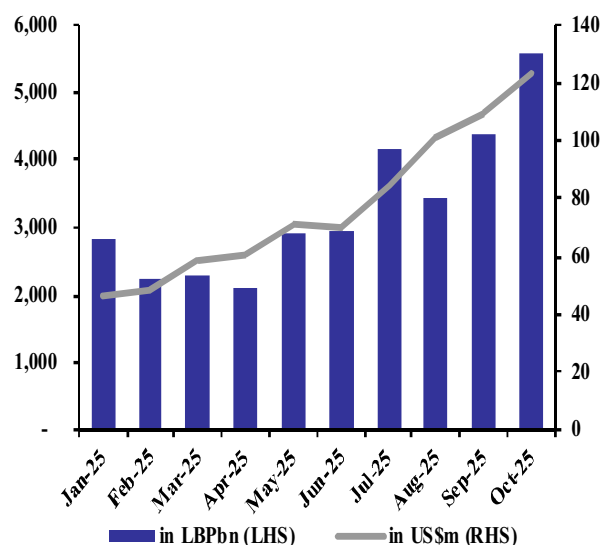
In addition, the amount of returned checks in "fresh" foreign currency stood at \$3m, while the amount of returned checks in "fresh" Lebanese pounds was LBP375.6bn in the first 10 months of the year. In comparison, the amount of returned checks in "fresh" foreign currency totaled \$1.4m, while the amount of returned checks in "fresh" Lebanese pounds was LBP38.6bn in the same period last year.

Further, there were 479 returned checks in the first 10 months of 2025, representing a drop of 48 % from 921 returned checks in the same period last year. Also, the number of returned checks in foreign currency reached 174 in the covered period and declined by 47% from 328 checks in the first 10 months of 2024, while the number of returned checks in Lebanese pounds totaled 305 and decreased by 48.6% from 593 checks from the same period last year.

In addition, there were 44 returned checks in October 2025, relative to 34 returned checks in the preceding month and to 85 checks in October 2024. There were 34 returned checks in Lebanese pounds in October 2025 compared to 24 checks in the previous month and to 56 in October 2024, while there were 10 returned checks in foreign currency in October 2025 unchanged from the preceding month and 29 returned checks in October 2024.

Also, there were 231 returned checks in "fresh" foreign currency and 72 returned checks in "fresh" Lebanese pounds in the first 10 months of 2025. In comparison, there were 136 returned checks in "fresh" foreign currency and 36 returned checks in "fresh" Lebanese pounds in the same period last year.

Cleared Checks in Fresh Currencies



Source: Association of Banks in Lebanon

Banque du Liban clarifies procedure for requests to lift banking secrecy

Banque du Liban (BdL) issued Basic Circular 171/13768 dated November 14, 2025 addressed to banks and financial institutions that are under the supervision of BdL about requests by BdL and/or by the Banking Control Commission of Lebanon (BCCL) to lift banking secrecy.

Article 1 mandates all banks and institutions that BdL supervises to respond to requests from BdL and/or the BCCL for the lifting of banking secrecy, without giving any pretext or excuse of any kind.

Article 2 states that the requests for the lifting of banking secrecy that are the subject of Article 1 of this circular include inquiries about any records, documents, and information about a legal or natural person dealing with any bank or institution that is under the supervision of BdL. It added that BdL and the BCCL may ask for information retroactively, provided that such requests do not cover a period exceeding 10 years from the date of issuance of Law No. 1 of April 24, 2025.

Article 3 stipulates that BdL and/or the BCCL will address the requests either electronically in an encrypted and secure way, or in writing in a confidential and secure way, to the Chairman of the Board of Directors or to the General Manager of any bank or institution that is under the BdL's supervision. It added that such requests must clearly identify the information and data required for the inquiry. Also, it said that the request that BdL submits must be signed by the Governor of BdL or by his authorized representative for this purpose, and the request that the BCCL submits must be signed by the BCCL's chairman or by his authorized representative for this purpose. It noted that the auditors or assessors that BdL or the BCCL appoint may request the information subject to Article 2 of this circular in accordance with their tasks, by providing BdL or the BCCL with an initial request for this purpose, which should be attached to the request of BdL and/or the BCCL.

Article 4 states that the Chairman of the Board of Directors or the General Manager of the concerned bank or institution must adopt a suitable mechanism that specifies, first, the individuals authorized to review and study the incoming requests, including the head of the compliance department or the compliance officer. Second, the necessary procedures to be followed to fulfill the requests, especially regarding the transmission of the requested information through secure channels such as encrypted email. Third, the precautionary measures to be taken to preserve the confidentiality of the information and to prevent its disclosure to any third party.

Article 5 mandates banks and institutions to submit to BdL and/or to the BCCL all documents bearing the stamp "Confidential". It said that BdL and the BCCL must confirm the receipt of the request for information and documents. Also, it requests the concerned bank or institution to maintain a register that includes the details of the transmission of the requested information and documents, as well as the confirmation of receipt by BdL or the BCCL. It said that the concerned institution must keep this information in its register for a period of at least 10 years.

Article 6 requires every bank and institution that BdL supervises to respond to the requests of BdL and the BCCL within 15 working days from the date of receipt of the requests. Article 7 states that any violation of the provisions of this circular will expose the violating bank or institution to the penalties stipulated in the laws and regulations in force, especially the provisions of Article 208 of the Code of Money and Credit.

Article 8 stipulates that the BCCL will monitor the implementation of the provisions of this circular and will determine, if needed, the necessary measures to update and develop the mechanism to exchange information with the concerned banks and institutions. Article 9 states that the circular goes into effect upon its publication.



Economic outlook contingent on reforms, IMF program, and regional ties

Bank of America (BofA) identified several factors that could impact Lebanon's macroeconomic and financial outlook in the foreseeable future that consist of the enactment of the 2026 budget; a potential delay to parliamentary elections scheduled for May 2026; the Parliament's debate of the Cabinet-approved amendments of the Banking Resolution Framework; the Cabinet's target of approving the Financial Stability and Deposit Recovery (FSDR) Act by the end of 2025; a potential agreement between the Ministry of Finance (MoF) and Banque du Liban (BdL) on the recognition and treatment on the disputed \$16.5bn foreign-currency loan that the government owes to BdL; progress on political reforms; tensions between Israel and Hezbollah; and a revision of the time series for the country's nominal GDP.

Further, It indicated that, while a long delay to parliamentary elections could provide the legislature additional time to enact challenging reforms, it would also prolong the tenure of the current parliament, which has a weak track record on reforms. Also, it estimated that a compromise on the implementation of Lebanon's financial recovery framework is unlikely prior to the completion of political reforms. Further, it said that the FSDR Act does not appear to be currently aligned with the International Monetary Fund's (IMF) conditions, that there is still no domestic consensus on the use of BdL's gold reserves within the FSDR Act, and that applying the hierarchy of claims in the banks' restructuring process remains contentious. It considered that, while the IMF might accept the advance treatment of illegitimate deposits, it is unlikely to compromise on writing-off excess interest rates and on addressing the Lebanese-pound deposits that were converted to foreign currencies since the start of the crisis. Also, it estimated that BdL and the ministry of Finance could reach a compromise on the disputed \$16.5bn that the ministry owes to BdL, but it noted that this would likely depend on applying consistent accounting treatment across BdL's balance sheet and on the government's debt sustainability analysis.

In addition, it pointed out that the IMF may set strict limits on the public debt-to-GDP ratio after the debt's restructuring, in order to build a safety buffer, given the uncertainty on the debt-carrying capacity of the government and the poor track record of the authorities in fiscal discipline, as well as to give the government leverage in commercial negotiations with its external creditors and bondholders.

In parallel, BofA considered that a potential normalization of ties with Saudi Arabia could be an important sign of political and financial support to Lebanon, rather than an indicator of commercial support, and will likely depend on domestic political reforms. It added that the restoration of relations with the Kingdom could provide financing assurances within an IMF program and a conference on reconstruction, as well as for the holding of a conference in Riyadh to support the financing needs of Lebanese Armed Forces. Further, it estimated that the Saudi ban on exports from Lebanon in 2021 appears to have been compensated by a nearly equivalent rise in Lebanese exports to the UAE, and estimated that Lebanese exporters have either been able to access the Saudi market indirectly or re-directed their products to the UAE market. It also noted that a return of Arab tourists to Lebanon could support Lebanon's external sector, but noted that this is likely to depend on political stability.

KfW Development Bank extends €20m package to support SMEs

The German government-owned KfW Development Bank signed with Majmoua and Vitas Lebanon sal, two Lebanese microfinance institutions (MFIs), a €20m support package that aims to finance small- and medium-sized enterprises (SMEs) in Lebanon. It said that the funding will be channeled directly through Al Majmoua and Vitas Lebanon the two MFIs in order to extend financing to SMEs. Further, it noted that the initiative reflects the joint efforts of Germany and the European Union to address a critical need of the Lebanese private sector by expanding access to credit for small-scale entrepreneurs, while also reinforcing the capacity of local MFI's to serve as effective conduits to finance local SMEs. It said that it will earmark €10m out of the €20m package to promote green investments, which will help businesses reduce energy costs and will contribute to the reduction of Lebanon's carbon footprint.

KfW's financial commitments to Lebanon reached €156m in 2024. It allocated €49.3m to social infrastructure and services, which accounted for 31.5% of the total, followed by €48m to the education sector (30.7%), €21m to the water and sanitation industry (13.4%), €18m to the government and civil society (11.5%), and €20m to other sectors (12.8%).

Established in 1997, Al Majmoua is a Lebanese non-profit MFI that focuses on supporting micro-entrepreneurs, particularly females, in developing sustainable businesses across Lebanon. It also invests in capacity-building and training programs. Its figures show that the number of its active clients reached 22,997 in 2024 compared to 26,090 in 2023, 30,140 in 2022 and 37,401 in 2021. It said that its outstanding loan portfolio stood at \$9m in 2024 relative to \$6.2m in 2023, \$3.4m in 2022 and \$2.9m in 2021. Further, it noted that it disbursed \$15.2m across 23,209 loans in 2024 compared to \$10.6m through 26,574 loans in 2023, \$6m covering 22,537 loans in 2022, and \$5.4m across 21,487 loans in 2021. Also, it pointed out that 32% of its clients reside in Mount Lebanon, 29% of its customers live in the Bekaa, 26% are located in the South, 9% reside the North, and 4% live in Beirut. It stated that the services sector accounts for 44% of its client base, followed by the trade industry with 28%, the manufacturing sector with 12%, the agriculture industry with 10%, and the construction sector with 6%. It added that 64.8% of its clients are micro-entrepreneurs.

Established in 1999, Vitas Lebanon sal, part of the Vitas Group, is a non-profit microfinance institution that provides financial solutions to small businesses and individuals. In its latest annual report for the 2021-22 period, Vitas indicated that it supported more than one million clients and disbursed more than \$3.3bn in loans in five countries since 2004. It said that it had 84,826 active clients and its outstanding loan portfolio amounted to \$251m in Lebanon, Egypt and Iraq in 2021.



Opened letters of credit at \$58.4m for imports in first nine months of 2025

Figures released by Banque du Liban show that the amount of letters of credit (LCs) opened to finance imports to Lebanon totaled LBP5,227.2bn in the first nine months of 2025, or the equivalent of \$58.4m, compared to LBP7,266.7bn (\$81.2m) in the same period of 2024. Opened LCs for imports stood at LBP1,290bn (\$14.4m) in the first quarter, at LBP1,445bn (\$16.4m) in the second quarter, and at LBP2,492.3bn (\$27.9m) in the third quarter of 2025. The dollar figures are based on the official exchange rate of the Lebanese pound to the US dollar of LBP89,500 per dollar starting in 2024.

Further, utilized credits for imports reached LBP3,711.5bn (\$41.5m) in the first nine months of 2025 compared to LBP6,296.2bn (\$70.3m) in the same period of 2024. They were equivalent to 71% of opened LCs for imports in the first three quarters of 2025. Also, outstanding import credits stood at LBP5,464bn (\$61.1m) at the end of September 2025 compared to LBP5,085.8bn (\$56.8m) at end-June 2025 and to LBP4,780.4bn (\$53.4m) at end-September 2024.

In addition, the aggregate amount of inward bills for collection reached LBP17,804.1bn (\$199m) in the first nine months of 2025 relative to LBP15,166bn (\$169.5m) in the same period last year. They totaled LBP5,108.4bn (\$57.1m) in the first quarter, LBP6,649.7bn (\$74.3m) in the second quarter, and LBP6,046bn (\$67.6m) in the third quarter of 2025. Also, the outstanding amount of inward bills for collection was LBP1,311.7bn (\$14.7m) at the end of September 2025, while it was LBP1,711.6bn (\$19.1m) at end-June 2025 and LBP1,193bn (\$13.3m) at end-September 2024.

In parallel, the amount of documentary LCs opened to finance exports from Lebanon totaled LBP2,633bn (\$29.4m) in the first nine months of 2025 compared to LBP1,506.1bn (\$16.8m) in the same period last year. Opened LCs for exports stood at LBP567.6bn (\$6.3m) in the first quarter, at LBP726.6bn (\$8.1m) in the second quarter, and at LBP1,338.7bn (\$15m) in the third quarter of 2025. Further, utilized credits for exports reached LBP2,690.8bn (\$30.1m) in the first nine months of 2025 relative to LBP1,999.5bn (\$22.3m) in utilized credits in the same period of 2024. They were equivalent to 102.2% of opened LCs for exports in the covered period.

Also, outstanding export credits stood at LBP6,247.7bn (\$69.8m) at the end of September 2025 compared to LBP6,390.4bn (\$71.4m) at the end of June 2025 and to LBP4,594.1bn (\$51.3m) at end-September 2024. In addition, the aggregate amount of outward bills for collection amounted to LBP9,092bn (\$101.6m) in the first nine months of 2025 relative to LBP5,103.3bn (\$57m) in the same period last year. They totaled LBP2,795.4bn (\$31.2m) in the first quarter, LBP3,259.6bn (\$36.4m) in the second quarter, and LBP3,036.9bn (\$34m) in the third quarter of 2025. The outstanding amount of outward bills for collection reached LBP9,435.5bn (\$105.4m) at the end of September 2025, while it was LBP9,032.7bn (\$101m) at the end of June 2025 and LBP11,096.7bn (\$124m) at end-September 2024.

Number of new construction permits down 20% in first 10 months of 2025

Figures issued by the Orders of Engineers & Architects of Beirut and of Tripoli show that the two orders issued 7,837 new construction permits in the first 10 months of 2025, constituting a decline of 19.8% from 9,766 permits in the same period of 2024. Also, the orders of engineers issued 1,013 permits in October 2025, representing an increase of 14% from 889 permits in September 2025 and a surge of 50.7% from 672 in October 2024. Mount Lebanon accounted for 27% of the number of newly-issued construction permits in the first 10 months of 2025, followed by the North with 23.6%, the South with 20.3%, the Nabatieh area with 12.4%, the Bekaa region with 7.4%, and Beirut with 1%. The remaining 4% were permits issued by the Order of Engineers & Architects of Tripoli for regions located outside northern Lebanon. Also, the number of new construction permits issued in Beirut dropped by 77.8% in the first 10 months of 2025 from the same period last year, followed by permits in the Bekaa region (-46.3%), in Mount Lebanon (-32%), in the Nabatieh area (-18%), in the South (-17.3%), and the North (-0.6%). In contrast, the number of new construction permits issued for regions located outside northern Lebanon increased by 21% in the covered period.

Further, the surface area of granted construction permits reached 6.64 million square meters (sqm) in the first 10 months of 2025, constituting an increase of 23.8% from 5.36 million sqm in the same period of 2024. Also, the surface area of granted construction permits stood at 834,658 sqm in October 2025, up by 15.5% from 722,696 sqm in September 2025 and by 124.2% from 372,280 sqm in October 2024. Mount Lebanon accounted for 2.3 million sqm, or for 34.8%, of the total surface area of granted construction permits in the first 10 months of 2025. The North followed with 1.3 million sqm (20%), then the South with 1.2 sqm (18.3%), the Bekaa area with 588,030 sqm (8.9%), the Nabatieh region with 579,708 sqm (8.7%), and Beirut with 264,816 sqm (4%). The remaining 348,848 sqm, or 5.3% 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 Beirut surged by 53.3% in the first 10 months of 2025 from the same period last year, followed by surface areas in Mount Lebanon (+42.5%), in the Nabatieh area (+26.8%), in the South (+20.6%), and in the North (+19.2%). In contrast, the surface area of new construction permits in the Bekaa dropped by 20.8% in the covered period. Further, the surface area of new construction permits issued in regions located outside northern Lebanon surged by 43.6%. In parallel, the latest available figures show that cement deliveries totaled 1.94 million tons in first eight months of 2025, constituting an increase of 25.8% from 1.54 million tons in the same period of 2024.



Customs receipts at \$787m in first eight months of 2025

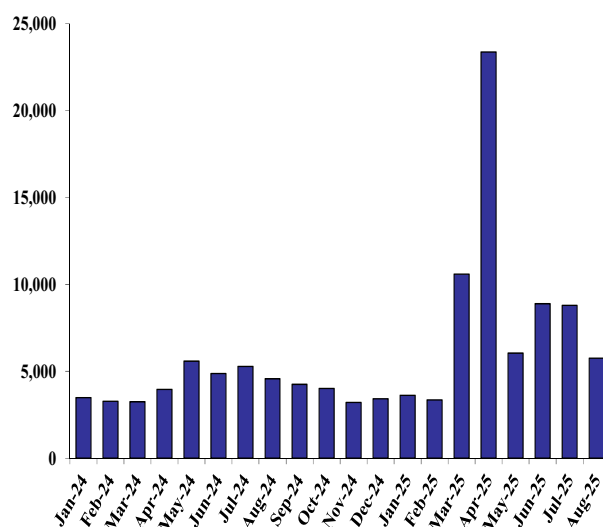
Figures released by Banque du Liban indicate that customs revenues totaled LBP70,432bn in the first eight months of 2025, or \$787m compared to LBP34,288.3bn (\$383.1m) in the same period of 2024, to LBP22,330bn in the first eight months of 2023, and to LBP1,478.5bn in the same period of 2022. Customs receipts increased by 105.4% in the first eight months of 2025 from the same period last year, relative to a jump of 53.6% in the first eight of 2024 and to a surge of 1,410.3% in the first eight months of 2023.

Further, customs revenues reached LBP3,612.3bn in January, LBP3,361bn in February, LBP10,596bn in March, LBP23,373.1bn in April, LBP6,05bn in May, LBP8,887bn in June, LBP8,794.4bn in July and LBP5,755.4bn in August 2025. In comparison, they stood at LBP3,487.8bn in January, LBP3,280.7bn in February, LBP3,246.1bn in March, at LBP3,959bn in April, LBP5,588.7bn in May, LBP4,874.3bn in June, LBP5,283.5bn in July and LBP4,568.2bn in August 2024. The figures show increases of 3.6% in January, of 2.4% in February, of 226.4% in March, of 490.4% in April, of 8.3% in May, of 82.3% in June, of 66.5% in July and of 26% in August 2025 from the corresponding months of 2024. Also, customs revenues reached LBP17,569.2bn (\$196.3m) in the first quarter of 2025, LBP38,313bn (\$428.1m) in the second quarter, and LBP14,549.8bn (\$162.6m) in July and August 2025. This constituted increases of 75.4% in the first quarter, of 165.7% in the second quarter and of 47.7% in the first two months of the third quarter of 2025 from the corresponding periods of 2024.

In addition, figures issued by Lebanese Customs Administration show that total imports reached \$12.9bn in the first eight months of 2025 and increased by 12.1% from \$11.5bn in the same period of 2024; while aggregate exports totaled \$2.37bn in the first eight month of 2025 and increased by 23.9% from \$1.9bn in the same period of 2024. Imports totaled \$4.37bn in the first quarter, \$5.2bn in the second quarter and \$3.3bn in the first two months of the third quarter of 2025. In comparison, imports stood at \$3.97bn in the first quarter, \$4.4bn in the second quarter and \$3.2bn in July and August of 2024. As such, imports increased by 10.2% in the first quarter, by 18.6% in the second quarter and by 5.3% in the first two months of the third quarter of 2025 from the corresponding period of the preceding year. Also, non-hydrocarbon imports increased by \$1.14bn, or by 13.4%, to \$9.66bn in the first eight months of 2025; while the imports of oil & mineral fuels grew by \$254.2m, or by 8.4%, to \$3.28bn in the covered period.

In parallel, the increase in customs revenues in 2023 and 2024 is due to the modification of the exchange rate of the Lebanese pound at customs, as the Ministry of Finance adjusted the exchange rate of the Lebanese pound to the US dollar for customs purposes in the fourth quarter of 2022 from LBP1,507.5 to LBP15,000 per dollar, as well as to LBP45,000 per dollar in the first quarter of 2023, and to LBP60,000 per dollar from May 2 until May 12, 2023. Further, it increased the monthly average exchange rate of the Lebanese pound for calculating the taxes and fees at customs on imported goods and products to LBP86,000 per dollar starting on May 13, 2023. As such, the ministry said that the exchange rate for the currencies of Lebanon's main import sources became LBP86,000 for the US dollar, LBP93,832 for the euro, LBP106,697 for the British pound, LBP94,910 for the Swiss franc, LBP23,415 for the UAE dirham, LBP12,493 the Chinese yuan, LBP4,466 for the Turkish lira, LBP2,781 for the Egyptian pound, LBP1,049 for the Indian rupee, and LBP646.8 for the Japanese yen, among others. Also, Banque du Liban announced on December 19, 2023 that it has modified the exchange rate of the US dollar on the Sayrafa platform from LBP85,500 per dollar to LBP89,500 per dollar

Customs Receipts (in LBPbn)



Source: Banque du Liban

Consumer Price Index up 16.4% year-on-year in October 2025

The Central Administration of Statistics' Consumer Price Index increased by 14.8% in the first 10 months of 2025 from the same period of 2024. In comparison, it rose by 53.3% and by 227.4% in the first 10 months of 2024 and 2023, respectively, from the corresponding periods of the preceding years.

The CPI grew by 16.4% in October 2025 from the same month of 2024 and registered its 20th double-digit increase since the last triple-digit rise in February 2024 when it stood at 123.2%. The slowdown of the inflation rate from triple-digit rates in previous years 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 rise of the cost of education, rent, recreation and entertainment, and food prices, to the surge of fees in the public administration, to the weakening of the exchange rate of the US dollar against major currencies, and to the inability of the authorities to monitor and contain retail prices.

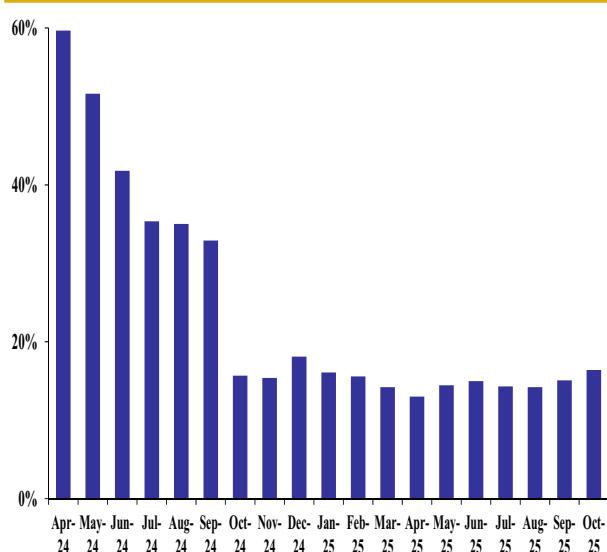
The cost of education surged by 76.8% in October 2025 from the same month in 2024, followed the prices of recreation & entertainment (+40.4%), the cost of miscellaneous goods & services (+27.3%), imputed rent (+26.2%), the prices of food & non-alcoholic beverages (+19.4%), actual rent (+19.1%), and rates at restaurants and hotels (+9.7%). Also, the prices of alcoholic beverages & tobacco grew by 9.1% year-on-year in October 2025, followed by the prices of clothing & footwear (+7.9%), the prices of water, electricity, gas & other fuels (+7.7%), healthcare costs (+4.9%), transportation costs (+3.9%), prices of furnishings & household equipment (+0.8%). In contrast, the cost of communication regressed by 0.4% in October 2025 from the same month last year. Also, the distribution of actual rent shows that new rent surged by 26% and old rent increased by 10% in October 2025 from the same month of 2024.

In parallel, the CPI increased by 3.23% in October 2025 from the previous month relative to a growth of 0.6% in September, an increase of 0.56% in August, a rise of 1.32% in July, an uptick of 0.76% in June, a jump of 1.31% in May, a rise of 0.67% in April, a growth of 0.44% in March, an uptick of 0.66% in February, an expansion of 1.1% in January 2025, a rise of 2.4% in December 2024, an increase of 2.3% in November, a growth of 2% in October, a downturn of 0.2% in September, and to upticks of 0.64% in August, of 2% in July, of 0.3% in June, and of 0.02% in May 2024.

The cost of education increased by 35.4% in October 2025 from the preceding month, followed by the cost of recreation & entertainment (+28.6%), the prices of clothing & footwear (+5.5%), food & non-alcoholic beverages (+1.2%), the prices of water, electricity, gas & other fuels (+1%), the cost of alcoholic beverages and tobacco (+0.8%), the prices of miscellaneous goods & services (+0.5%), imputed rent (+0.42%), actual rent (+0.2%), the prices of furnishings & household equipment (+0.04%), and the cost of healthcare (+0.01%). In contrast, transportation costs regressed by 1% in October 2025 from September 2025, followed by rates at restaurants and hotels (-0.2%), and the cost of communication (-0.01%). In addition, the distribution of actual rent shows that new rent increased by 0.35% and old rent was unchanged in October 2025 from September.

Also, the CPI increased by 3.94% in Mount Lebanon in October 2025 from the previous month, as well as by 2.86% in the South, by 2.69% in the Bekaa, by 2.62% in Beirut, by 2.55% in the North area, and by 2.18% in the Nabatieh region. In parallel, the Education Price Index jumped by 32.58% and the Fuel Price Index decreased by 1.76% month-on-month in October 2025.

Annual Change in Consumer Price Index* (%)



*from the same month of the previous year

Source: Central Administration of Statistics, Byblos Research

Term deposits account for 52% of customer deposits at end-September 2025

Figures issued by Banque du Liban (BdL) about the distribution of bank deposits at commercial banks in Lebanon show that aggregate deposits, which include demand deposits and term deposits, stood at LBP8,174.05 trillion (tn) at the end of September 2025, or the equivalent of \$91.3bn, compared to LBP8,209.7tn (\$91.7bn) at end-2024 and to LBP8,305.7tn (\$92.8bn) at end-September 2024.

Total deposits include private sector deposits that reached LBP7,899.3tn, deposits of non-resident financial institutions that amounted to LBP206.2tn, and public sector deposits that stood at LBP68.48tn at the end of September 2025. The figures reflect BdL's Basic Circular 167/13612 dated February 2, 2024 that asked banks and financial institutions to convert their assets and liabilities in foreign currency to Lebanese pounds at the exchange rate of LBP89,500 per US dollar when preparing their financial positions starting on January 31, 2024.

Term deposits in all currencies reached LBP4,238.9tn and accounted for 51.9% of total deposits in Lebanese pounds and in foreign currency at the end of September 2025, relative to 54% at end-2024 and to 54.3% at the end of September 2024. Further, the term deposits in Lebanese pounds of the public sector jumped by 764.3% in the first nine months of the year from end-2024, followed by an increase of 25.5% in the term deposits in Lebanese pounds of the resident private sector. In contrast, the term deposits of the non-resident financial sector declined by 13.4% in the first nine months of 2025, followed by a decrease of 5.6% in the foreign currency-denominated term deposits of the resident private sector, a contraction of 0.8% in the term deposits of non-residents, and a downturn of 0.6% in the foreign currency-denominated term deposits of the public sector.

Aggregate term deposits declined by \$119.1bn since the end of September 2019, based on the prevailing 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 \$33.32bn and accounted for 36.5% of aggregate deposits at the end of September 2025, relative to 38.5% at end-2024 and to 38.7% end-September 2024. Term deposits of non-residents followed with \$12.2bn or 13.3% of the total, then the term deposits of the non-resident financial sector with \$1.2bn (1.3%), term deposits in Lebanese pounds of the resident private sector with LBP32.7tn (0.4%), term deposits of the public sector in foreign currency with \$149m (0.2%), and term deposits of the public sector in Lebanese pounds with LBP12.3tn (0.2%).

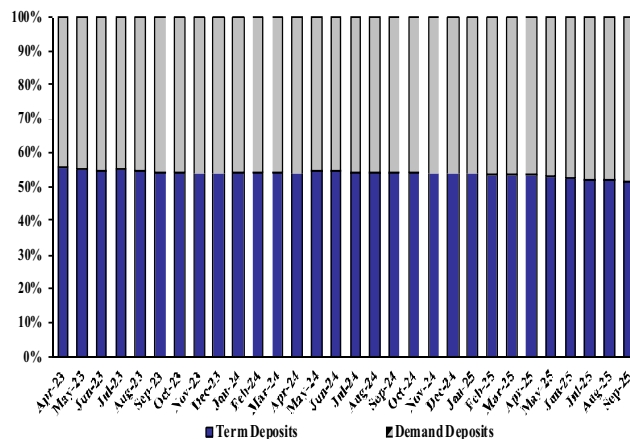
In parallel, demand deposits in all currencies at commercial banks stood at LBP3,935.2tn at the end of September 2025 compared to LBP3,788tn at end-2024 and to LBP3,795.1tn at end-September 2024. They accounted for 48% of aggregate deposits at end-September 2025 compared to 46% at end-2024 and to 45.7% at end-September 2024.

Foreign currency-denominated demand deposits of the resident private sector increased by \$844.8m in the first nine months of 2025, followed by a rise of \$675m in demand deposits of non-residents, a jump of LBP6,399.5bn in demand deposits in Lebanese pounds of the resident private sector, and an increase of LBP8,191bn in demand deposits in Lebanese pounds of the public sector. In contrast, demand deposits in foreign currency of the public sector declined by \$157.7m in the first nine months of 2025, followed by a decrease of \$15.1m in demand deposits of the non-resident financial sector.

Also, demand deposits in foreign currency of the resident private sector totaled \$32.6bn and represented 35.7% of deposits at end-September 2025 relative to 34.6% at end-2024 and 34.4% at end-September 2024. Demand deposits of non-residents followed with \$9.3bn (10.2%), then demand deposits of the non-resident financial sector with \$1.1bn (1.2%), demand deposits in Lebanese pounds of the resident private sector with LBP45.5tn (0.6%), demand deposits in foreign currency of the public sector with \$307m (0.4%), and demand deposits in Lebanese pounds of the public sector with LBP15.4tn (0.2%).

Based on the latest available figures, Beirut and its suburbs accounted for 66.6% of private-sector deposits and for 55% of the number of depositors at the end of September 2024 Mount Lebanon followed with 14.7% of deposits and 16.6% of beneficiaries, then South Lebanon with 7.2% of deposits and 9.7% of depositors, North Lebanon with 6.6% of deposits and 11.5% of beneficiaries, and the Bekaa with 4.9% of deposits and 7.3% of depositors.

Breakdown of Deposits at Commercial Banks (%)



Source: Banque du Liban, Byblos Research

BLC Bank posts net losses of LBP113.7bn in 2024

BLC Bank, one of six listed banks on the Beirut Stock Exchange, announced audited consolidated net losses of LBP112.6bn in 2024 compared to losses of LBP79bn in 2023. The bank's net interest income amounted to LBP752.2bn in 2024 relative to LBP318.3bn in the previous year; while its revenues from net fees & commissions reached LBP824.5bn last year compared to LBP358.1bn in 2023. Also, net interest and other gain on investment securities at fair value through profits or losses totaled at LBP1,791.1bn in 2024 relative to LBP223.1bn in 2023. Further, its net allowance for expected credit losses stood at LBP4,358.6bn last year compared to LBP943.7bn in 2023. As such the bank's net operating income totaled LBP1,721.4bn in 2024 relative to LBP710.3bn in the preceding year. In parallel, net gain on disposal of property and equipment and assets acquired in satisfaction of loans reached LBP110.4bn in 2024 compared to LBP50.7bn in 2023, provision for risks and charges totaled at LBP207.5bn last year relative to LBP163bn in 2023, and staff costs stood at LBP955.5bn in 2024 compared to LBP363bn in the preceding year. Also, general and administrative expenses reached LBP686.5bn last year relative to 175.4bn in 2023, while depreciation and amortization totaled at LBP91.7bn in 2024 compared to LBP86.8bn in the preceding year. As such, the bank's operating expenditures stood at LBP1,831.2bn in 2024 compared to LBP789.2bn in 2023, with staff expenses accounting for 52.2% of the total.

In addition, total assets stood at LBP173,398bn at the end of 2024 compared to LBP41,227.8bn at end-2023, while loans & advances to customers amounted to LBP5,637bn at end-2024 relative to LBP1,834bn at the end of 2023. The bank's cash and balances with central banks reached LBP118,758bn at end-2024 relative to LBP19,969.5bn a year earlier, while its provisions totaled LBP806.8bn at end-2024 compared to LBP311.7bn at end-2023. Also, the bank's investment securities amounted to LBP27,352.6bn at end-2024 relative to LBP6,339.2bn at end-2023, while its property and equipment stood at LBP4,952.1bn at end-2024 compared to LBP5,042.1bn at end-2023. The bank's other assets reached LBP361.4bn at end-2024 compared to LBP96bn at end-2023.

On the liabilities side, customer deposits totaled LBP156,569bn at the end of 2024 relative to LBP28,027.6bn a year earlier, while deposits from banks and financial institutions amounted to LBP717.9bn at the end of 2024 compared to LBP41.1bn at end-2023. In addition, its other liabilities totaled LBP2,510.6bn relative to LBP168.1bn at end-2023. Further, the bank's total shareholders' equity stood at LBP12,323.4bn at end-2024 relative to LBP12,385.2bn at the end of 2023.

In parallel, the bank's external auditors indicated that "the accompanying consolidated financial statements do not present fairly the consolidated financial position of the Group as at December 31, 2024", nor the Group's "consolidated financial performance and its consolidated cash flows for the year that ended in accordance with International Financial Reporting Standards." They added that the bank and its subsidiaries did not apply the requirements of International Accounting Standard (IAS) 29 in the consolidated financial statements for 2024, which is an auditing requirement for economies that suffer from hyperinflation.

Citibank Lebanon registers profits of LBP4,479.6bn in 2024

Citibank, N.A. Lebanon, the local branch of Citibank N.A., the U.S. banking subsidiary of the global investment bank and financial services provider Citigroup, declared consolidated audited net profits of LBP4,479.6bn in 2024 relative to net income of LBP650.1bn in 2023. The branch's net interest income reached LBP851.4bn in 2024 compared to LBP152.1bn in 2023, while its net revenues from fees & commissions stood at LBP319.7bn compared to LBP107.3bn in 2023. Also, its net operating income stood at LBP5,179.3bn last year compared to LBP902.7bn in 2023. Further, the branch's operating expenditures reached LBP522.2bn in 2024 relative to LBP117.6bn in 2023, with personnel cost accounting for 43.9% of the total.

Also, aggregate assets stood at LBP24,877.3bn at the end of 2024 relative LBP4,199.7bn at end-2023. Cash and balances with institutions reached LBP4,732.4bn at end-2024 compared to LBP1,138.9bn a year earlier, while dues from banks and financial institutions amounted to LBP20,065.5bn relative to LBP2,977.7bn at end-2023. Further, net loans & advances to customers and related parties totaled LBP616m at the end of 2024 compared to LBP58.8bn at end-2023. In addition, the branch's tangible fixed assets reached LBP5.2bn at end-2024 relative to LBP5.4bn at end-2023, and its other assets stood at LBP73.6bn at end-2024 compared to LBP18.8bn at end-2023.

On the liabilities side, customer deposits and deposits from related parties amounted to LBP17,848.2bn at end-2024 relative to LBP3,080bn at end-2023. In addition, provisions for risks and charges totaled LBP197.4bn at the end of 2024 compared to LBP36.6bn a year earlier, while other liabilities stood at LBP2,133.8bn relative to LBP447bn at end-2023. Also, branch's shareholders' equity was LBP4,698bn at the end of 2024 compared to LBP636.2bn at end-2023, while its retained earnings reached LBP522.6bn at end-2024 relative to LBP17.1bn at end-2023.

Citibank N.A. indicated that it prepares its financial statements in accordance with International Financial Reporting Standards, on a standalone basis or, when applicable, on a consolidated basis.

Ratio Highlights

(in % unless specified)	2022	2023	2024e	Change*
Nominal GDP (\$bn)	21.4	31.6	37.9	6.3
Gross Public Debt / GDP	259.8	172.5	137.9	(34.6)
Trade Balance / GDP	-72.8	-46.0	-37.5	8.6
Exports / Imports	18.3	17.1	16.0	(1.1)
Fiscal Revenues / GDP	5.5	12.4	10.2	(2.2)
Fiscal Expenditures / GDP	11.9	12.5	10.1	(2.4)
Fiscal Balance / GDP	(6.9)	(0.1)	0.1	0.2
Primary Balance / GDP	(2.5)	1.4	1.1	(0.3)
Gross Foreign Currency Reserves / M2	13.4	143.5	689.4	545.9
M3 / GDP	35.3	42.2	182.1	139.9
Commercial Banks Assets / GDP	39.1	62.6	271.3	208.7
Private Sector Deposits / GDP	29.1	51.5	233.1	181.6
Private Sector Loans / GDP	4.6	4.5	15.6	11.1
Private Sector Deposits Dollarization Rate	76.1	96.3	99.1	2.8
Private Sector Lending Dollarization Rate	50.7	90.9	97.8	6.9

*change in percentage points 24/23;

Source: National Accounts, Banque du Liban, Ministry of Finance, Institute of International Finance, 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

	2022	2023	2024e
Nominal GDP (LBP trillion)	651.2	2,760.6	3,403.0
Nominal GDP (US\$ bn)	21.4	31.6	37.9
Real GDP growth, % change	1.8	0.5	-7.6
Private consumption	-0.9	4.4	-7.8
Public consumption	-6.9	-3.5	6.6
Private fixed capital	48.7	-14.8	-15.9
Public fixed capital	66.9	-2.3	-12.0
Exports of goods and services	6.0	-4.2	-14.1
Imports of goods and services	17.5	3.5	-10.2
Consumer prices, %, average	171.2	221.3	45.2
Official exchange rate, average, LBP/US\$	1,507.5	15,000	89,500
Parallel exchange rate, average, LBP/US\$	30,313	86,362	89,700
Weighted average exchange rate LBP/US\$	27,087	87,472	89,700

Source: National Accounts, Institute of International Finance

Ratings & Outlook

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

*Fitch withdrew the ratings on July 23, 2024

Source: Rating agencies

Banking Sector Ratings	Outlook
Moody's Ratings	Negative

Source: Moody's Ratings



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

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

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

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

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



BYBLOS BANK GROUP

LEBANON

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

IRAQ

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

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

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

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

ARMENIA

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

NIGERIA

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

BELGIUM

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

UNITED KINGDOM

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

FRANCE

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

ADIR INSURANCE

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

