

DEBT AND DEBT MARKETS

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REPUBLIC OF LEBANON
MINISTRY OF FINANCE

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HIGHLIGHTS

- At end of QII 2021, gross public debt stood at LL 147,373 billion (US\$ 97.8 billion), a 2.3 percent increase compared to end-2020.
- Net public debt registered LL 130,210 billion (US\$ 86.4 billion) at end of QII 2021, an increase of 1.0 percent compared to end-2020.
- Domestic currency debt reached LL 91,169 billion at end of QII 2021, an increase of 1.6 percent compared to end-2020.
- Foreign currency debt totaled LL 56,204 billion (US\$ 37.3 billion) at end of QII 2021 a 3.4 percent increase from end-2020 level. This figure includes the LL 12,279 billion (US\$ 8.1 billion) of unpaid Eurobonds, coupons and interest accrued as end of QII 2021.

KEY COST AND RISK INDICATORS

As end of QII 2021	Debt Data			Debt Portfolio Indicators		
	Total LBP billions	Total USD billions	% Change end 2020 - Jun 2021	Currency Risk	ATM of bills and bonds	Weighted Avg Interest Rate
Gross Government Debt	147,373	97.8	2.3%			
DX	91,169	60.5	1.6%	61.86%	4.45 yr	6.63%
FX*	56,204	37.3	3.4%	38.14%	7.99 yr	7.07%
of which Eurobonds**	40,283	26.7	-7.3%		7.75 yr	7.43%
of which Loans	3,108	2.1	-1.1%		9.26 yr	2.36%
Net Government Debt	130,210	86.4	1.0%			

* Including Eurobonds in arrears and accrued interest

** Excluding Eurobonds in arrears and accrued interest

SOVEREIGN RATINGS

Lebanon Sovereign Debt Rating (as of September 14, 2022)

Agency	FX Long – term tenor rating	FX Short – term tenor rating	Outlook
Fitch Ratings*	RD	C	n/a
Moody's Investor Services Ltd **	C	-	n/a
Standard and Poor's ***	SD	SD	n/a

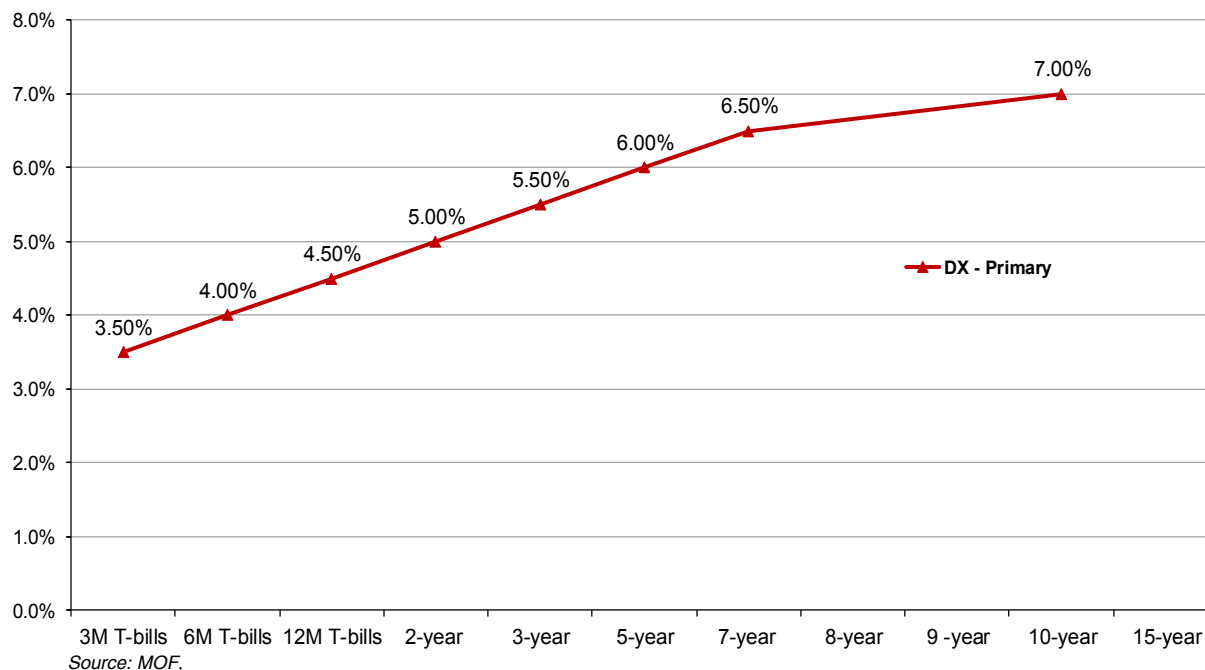
* On 12 August 2022, Fitch Ratings Investors Services affirmed its long- and short-term foreign currency rating at RD/C. Local currency rating affirmed at 'CC/C'

** On 27 July 2020, Moody's Investors Services downgraded Lebanon's FX bond rating to C from Ca.

*** On 17 August 2022, Standard and Poor's affirmed its long- and short-term foreign currency sovereign credit ratings on Lebanon at 'SD/SD'. Local currency rating affirmed at 'CC/C' with negative outlook.

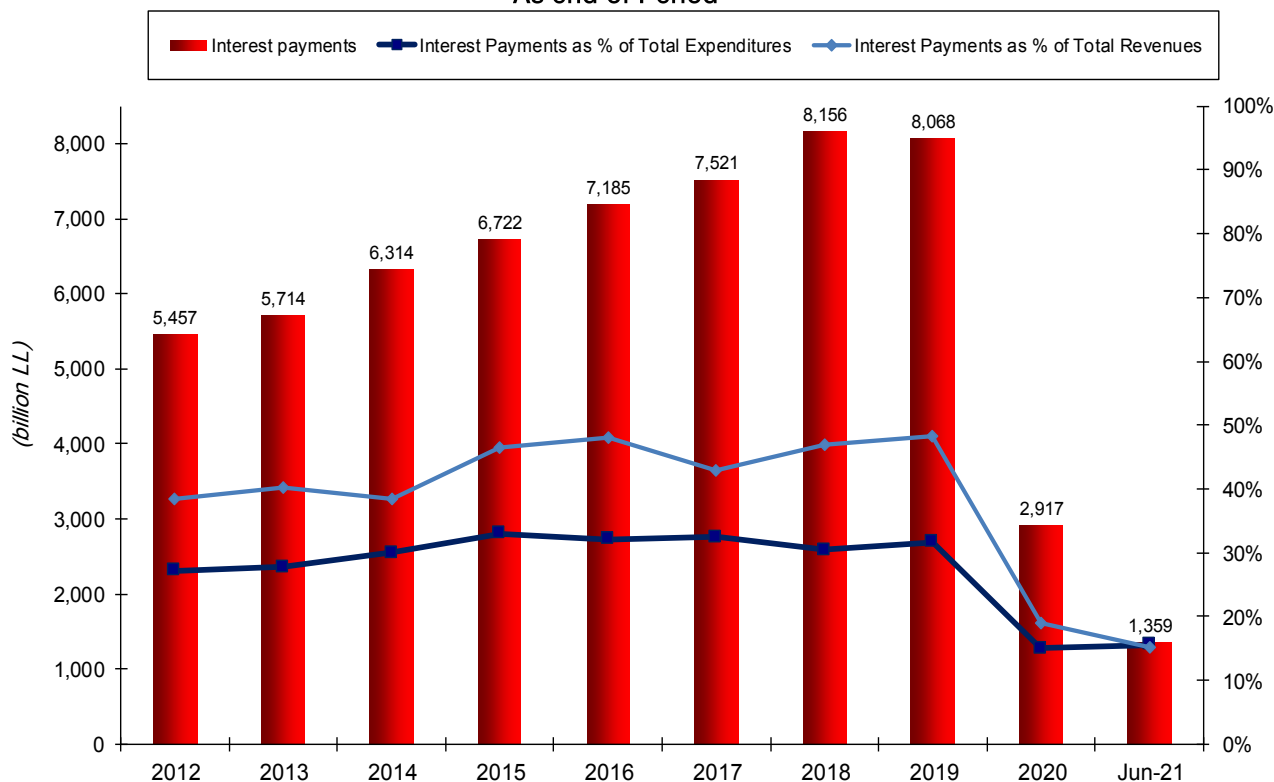
DX INTEREST RATES & COST

Government DX T-Bills and T-Bonds Yield Curve
as at 14 September 2022



At end of June 2021, primary market rates on DX Treasury bills and bonds issued remained unchanged compared to end of March 2021 levels. No Eurobonds issuance in 2021.

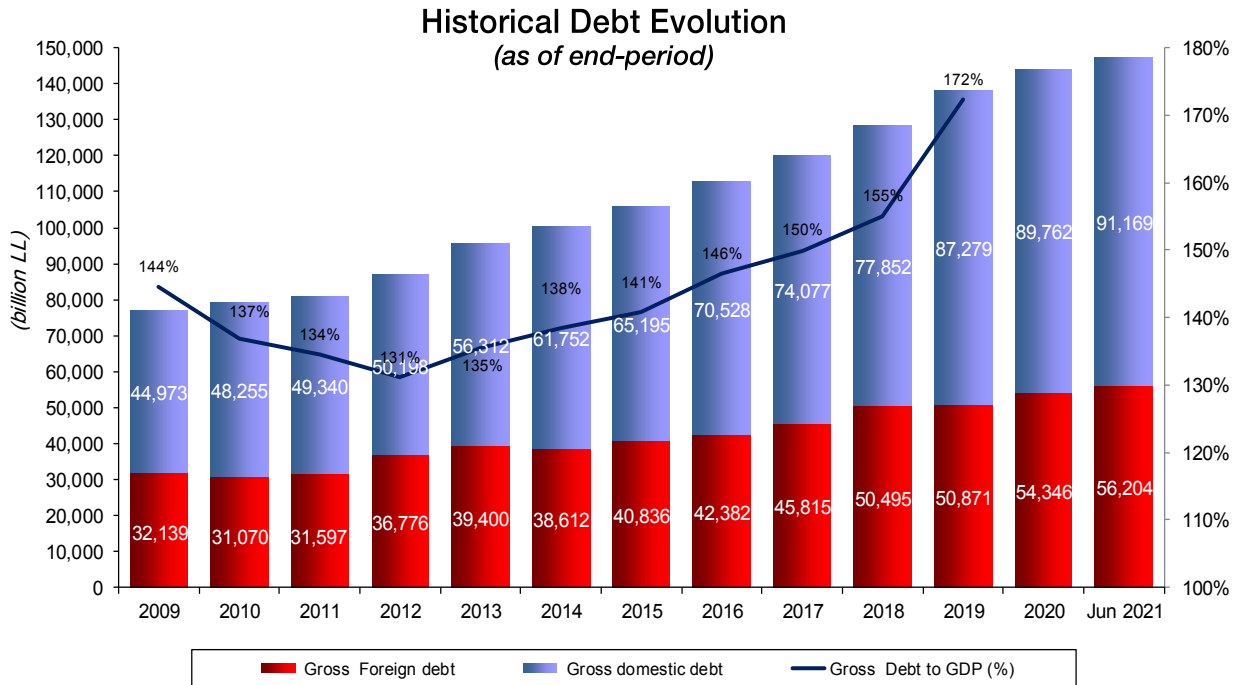
Interest Payments As end of Period



Interest Payments represent interest paid on DX T-bills and T-bonds Holders plus interest paid on FX Loans and on Eurobonds up to end Feb 2021. No coupon payments on DX T-bonds held by BDL was made during 2020 and as end of June 2021.

Source: MOF

OVERALL DEBT DATA



Source: MOF, BDL

Notes:

1- Debt data may be subject to slight modification due to the revision of the Debt Management and Financial Analysis System (DMFAS).

2- GDP 2008-2019: Lebanese National Accounts - CAS revised estimates published in March 2022.

Public Debt Table ⁽¹⁾ (as of end-period)

Public Debt (in LL billion)	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Jun-21	Change Jun 21 - Dec 20	% Change Jun 21 - Dec 20
Gross Public Debt (A + B) ⁽¹⁾	100,364	106,031	112,910	119,892	128,347	138,150	144,108	147,373	3,265	2%
A. Local currency debt	61,752	65,195	70,528	74,077	77,852	87,279	89,762	91,169	1,407	2%
1. Central Bank	19,454	23,907	30,150	35,580	39,006	50,717	55,079	56,154	1,075	2%
2. Commercial Banks (including REPOs)	31,869	30,279	29,581	27,756	27,402	25,316	23,157	22,864	(293)	-1%
3. Other local debt (T-bills)	10,429	11,009	10,797	10,741	11,444	11,246	11,526	12,151	625	5%
o/w Public entities	7,701	8,461	8,718	8,941	9,956	9,968	10,393	11,071	678	7%
o/w Contractor bonds	180	180	139	166	166	120	120	120	-	0%
*Accrued interest included in debt	1,029	997	1,098	-	-	1,294	1,338	1,397	59	4%
B. Foreign currency debt ⁽²⁾	38,612	40,836	42,382	45,815	50,495	50,871	54,346	56,204	1,858	3%
4. Eurobonds	34,850	37,561	39,240	42,339	47,225	47,776	51,204	53,096	1,892	4%
Of which, Paris II at preferential rates	1,615	1,099	583	68	-	-	-	-	-	#DIV/0!
Of which, Paris III at preferential rates	226	181	136	-	-	-	-	-	-	#DIV/0!
4.1 Market-issued Eurobonds ⁽³⁾	32,584	35,846	38,063	41,791	46,678	47,206	43,437	40,283	(3,154)	-7%
4.2 Accrued Interest on Eurobonds	425	435	458	480	547	570	587	534	(53)	-9%
4.3 Arrears, of which	-	-	-	-	-	-	7,180	12,279	5,099	71%
Arrears in Principal ⁽⁴⁾	-	-	-	-	-	-	3,769	6,923	3,154	84%
Arrears in Coupons ⁽⁵⁾	-	-	-	-	-	-	3,142	4,769	1,627	52%
Accrued interest in Arrears ⁽⁶⁾	-	-	-	-	-	-	269	587	318	118%
5. Loans	3,648	3,207	3,079	3,443	3,264	3,092	3,142	3,108	(34)	-1%
5.1 Paris II loans	128	83	48	18	-	-	-	-	-	#DIV/0!
5.2 Paris III loans ⁽⁴⁾	760	629	525	452	344	242	151	98	(53)	-35%
5.3 Bilateral loans (non-Paris II and III)	1,200	1,054	953	935	822	746	751	733	(19)	-2%
5.4 Multilateral loans (non-Paris II and III)	1,506	1,417	1,494	1,954	2,015	2,036	2,180	2,224	44	2%
5.5 Foreign Private Sector Loans	54	24	59	84	83	68	59	53	(6)	-10%
6. Other debt	114	68	63	33	6	3	-	-	-	#DIV/0!
6.1 Special Tbs in Foreign currency ⁽⁵⁾	114	68	63	33	6	3	-	-	-	#DIV/0!
Public sector deposits	14,246	13,555	14,586	15,659	14,186	15,677	15,133	17,163	2,030	13%
Net debt	86,118	92,476	98,324	104,233	114,161	122,473	128,975	130,210	1,235	1%
Gross Market debt ⁽⁶⁾	67,774	69,200	70,303	71,944	76,204	74,441	75,553	77,093	1,540	2%
% of total debt	67.5%	65.3%	62.3%	60.0%	59.4%	53.9%	52.4%	52.3%	-0.1%	0%

Source: MOF, BDL

Notes:

⁽¹⁾ Due to revisions in the Debt Management and Financial Analysis System (DMFAS):

1- Debt data for December 2012 to December 2018 may be subject to slight modification.

⁽²⁾ Market-issued Eurobonds exclude Eurobonds in arrears that are reported in a separate line (see 4.3).

⁽³⁾ Arrears represent the Unpaid Eurobond Principals, Coupons and their accrued interests calculated based on each Eurobond initial rate.

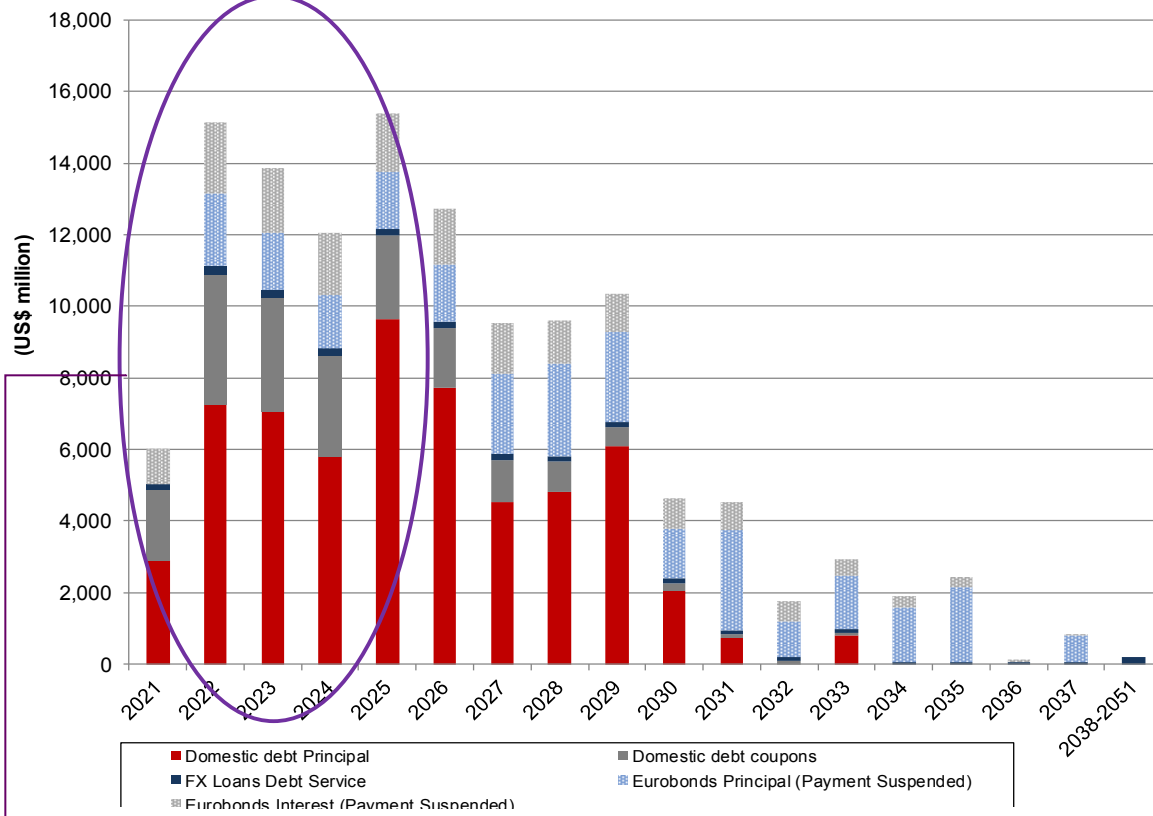
⁽⁴⁾ IBRD loan, UAE loan and French loan of which the first tranche was received in February 2008 and the second tranche in September 2012

⁽⁵⁾ Special Tbs in Foreign currency (expropriation and contractor bonds).

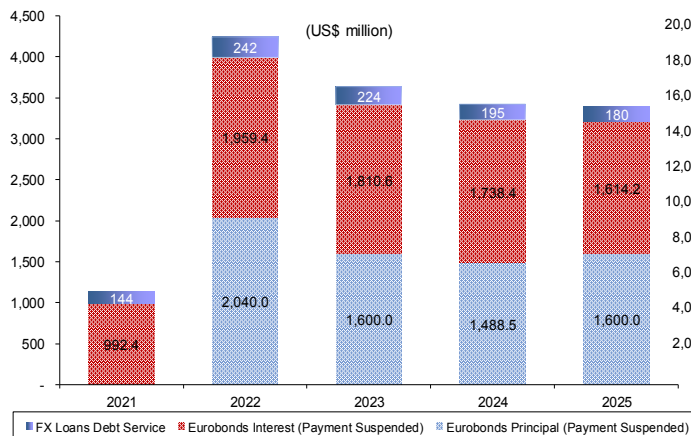
⁽⁶⁾ Gross market debt equals gross debt less the portfolios of the BDL, Public Entities, bilateral and multilateral loans, Paris II and Paris III related debt.

AMORTIZATION PROFILE

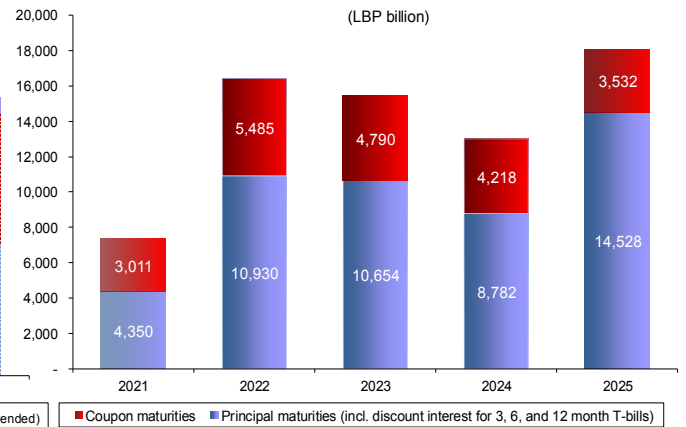
Aggregate Debt Amortization (as of end-June 2021)



Foreign Currency Debt (Eurobonds –Loans)



Domestic T-bills and T-Bonds

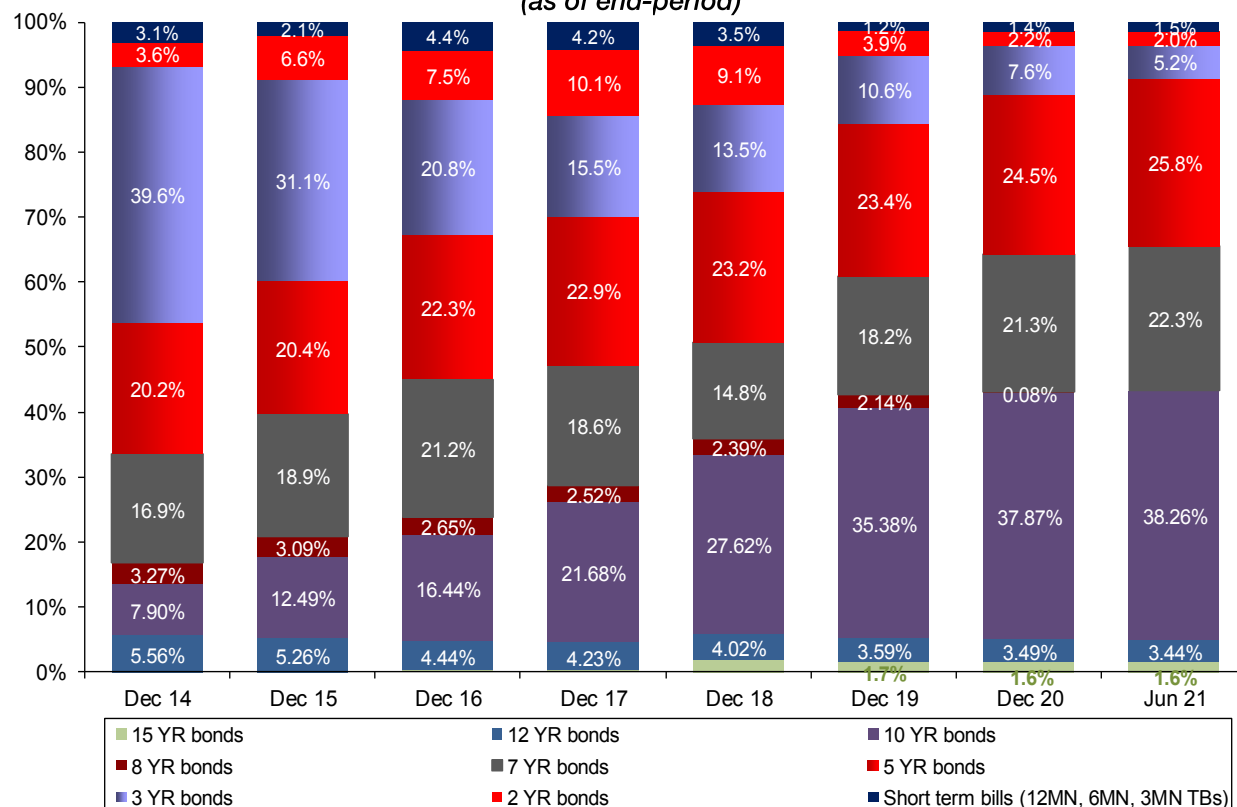


Source: MOF, BDL

Note : The data used for the amortization schedule is based on outstanding and not on committed amounts.

DOMESTIC CURRENCY DEBT DATA

Outstanding Domestic T-bills and Bonds by Tenor Type (as of end-period)



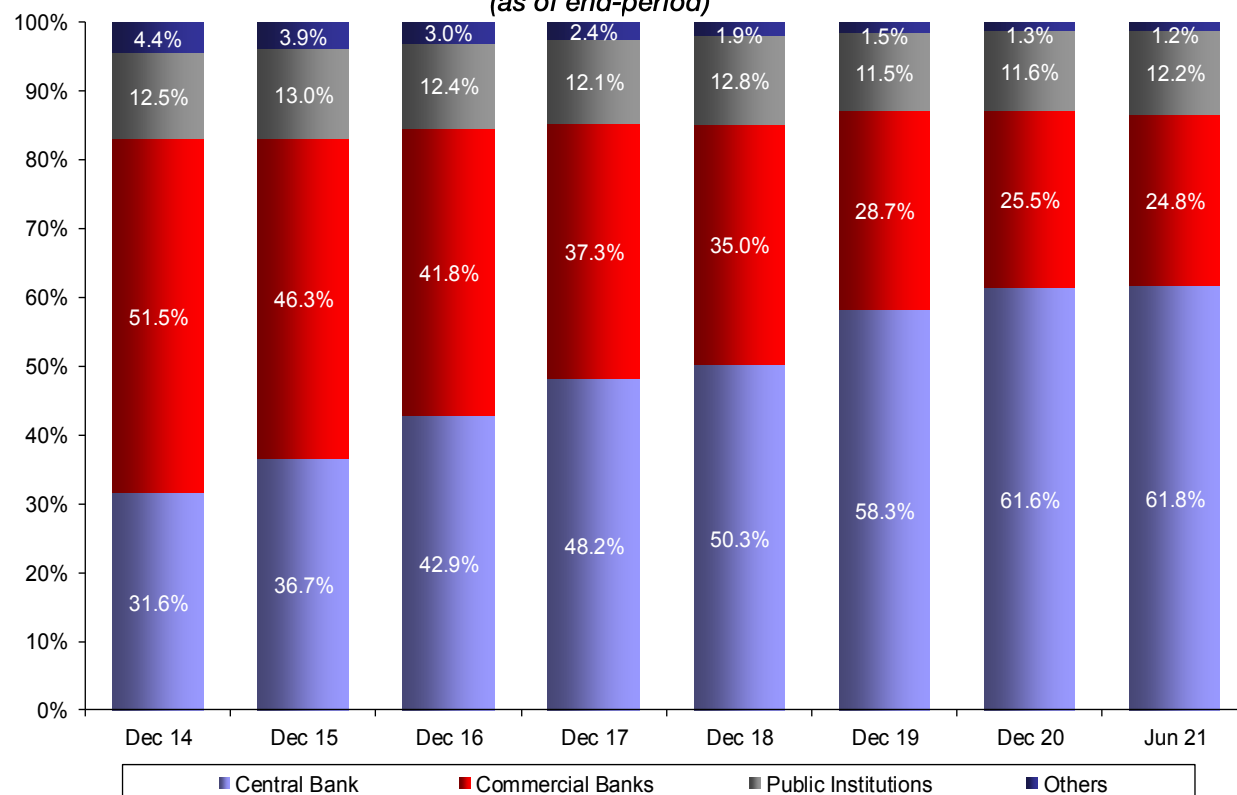
Source: MOF

Notes:

1- Only treasury bills with maturities less than 24 months are issued at a discount to their face value.

2- The 5 YR bonds figure includes LL 120 billion contractor bonds issued in Jun 2017.

Outstanding Domestic T-bills and Bonds by Investor Type (as of end-period)



Source: MOF, BDL

Notes: Commercial Banks figures include the amounts of repurchase agreements.

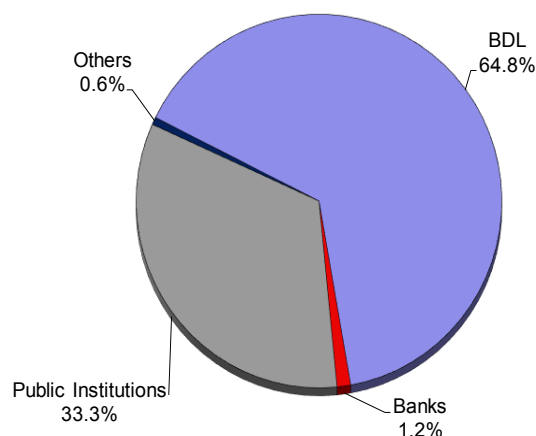
DOMESTIC CURRENCY DEBT DATA

T-Bills and Bonds Subscription Results— QII 2021

Weekly Issued Amounts

Date	Categories								
	Nominal Value - LBP Billions								
	3 Mn	6 Mn	12 Mn	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	Total
QI-2021	74	36	270	121	749	938	586	349	3,122
01-04-21	9	-	163	-	-	29	-	-	201
08-04-21	-	12	-	5	-	-	-	144	161
15-04-21	8	-	106	-	-	32	-	-	146
22-04-21	-	13	-	-	208	-	350	-	571
29-04-21	4	-	8	-	-	70	-	-	82
06-05-21	-	13	-	111	-	-	-	262	385
13-05-21	7	-	4	-	-	17	-	-	28
20-05-21	-	10	-	-	5	-	133	-	148
27-05-21	10	-	208	-	-	144	-	-	363
03-06-21	-	13	-	212	-	-	-	118	343
10-06-21	9	-	10	-	-	1,297	-	-	1,316
17-06-21	-	10	-	-	212	-	118	-	340
24-06-21	7	-	8	-	-	183	-	-	198
Total QII-2021	54	71	508	328	425	1,772	601	524	4,283
Grand Total	128	107	778	449	1,174	2,710	1,186	873	7,405

QII 2021 Subscription Results by Holder



In QII 2021 the largest subscriber in DX Treasury bills and bonds was BDL reaching 64.8 percent of the total subscriptions. Public Institutions share stood at 33.3 percent and the Banks share at 1.2 percent of total quarterly subscriptions.

Domestic Treasury Bills & Bonds Auction Calendar QII 2021

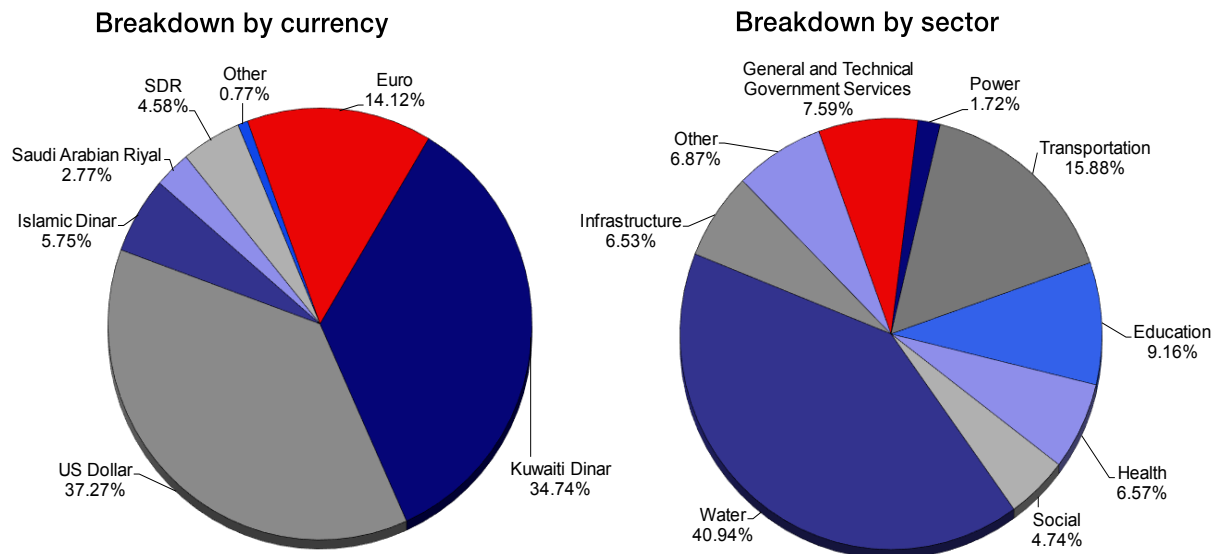
	April				May					June				
Auction Date	5	12	19	26	3	10	17	24	31	7	14	21	28	Frequency
Issue Date	8	15	22	29	6	13	20	27	03-Jun	10	17	24	01-Jul	
3 M		x		x		x		x		x		x		6
6 M	x		x		x		x		x		x		x	7
12 M		x		x		x		x		x		x		6
2 Y	x				x				x				x	4
3 Y			x				x				x			3
5 Y		x		x		x		x		x		x		6
7 Y			x				x				x			3
10 Y	x				x				x				x	4

*Auctions falling on holidays will be rescheduled accordingly.

Source: MOF

FOREIGN CURRENCY DEBT DATA

Bilateral and Multilateral Loans (as of end-June 2021)



Source: MOF

The gross outstanding debt comprises less than 2.1% of loans in foreign currency amounting to LBP 3,093 billion, which is mostly for project financing.

Marketable Eurobonds end June 2021

Lebanon Outstanding Eurobonds			
	Mat. Date dd/mm/yy	Outstanding Amount (in original cur)	Notes
US DOLLARS			
LEB 6.375	09/03/2020	1,200,000,000	Repayment suspended
LEB 5.8	14/04/2020	700,000,000	Repayment suspended
LEB 6.15	19/06/2020	600,000,000	Repayment suspended
LEB 8.25	12/04/2021	2,092,469,000	Repayment suspended
LEB 6.25	27/05/2022	500,000,000	
LEB 6.1	04/10/2022	1,540,000,000	
LEB 6	27/01/2023	1,100,000,000	
LEB 6.4	26/05/2023	500,000,000	
LEB 6.65	22/04/2024	700,000,000	
LEB 6.25	04/11/2024	538,467,000	
LEB 7	03/12/2024	250,000,000	
LEB 6.2	26/02/2025	800,000,000	
LEB 6.25	12/06/2025	800,000,000	
LEB 6.6	27/11/2026	1,600,000,000	
LEB 6.85	23/03/2027	1,250,000,000	
LEB 6.75	29/11/2027	1,000,000,000	
LEB 7	20/03/2028	1,700,000,000	
LEB 6.65	03/11/2028	893,197,000	
LEB 6.85	25/05/2029	1,000,000,000	
LEB 11.5	27/11/2029	1,500,000,000	
LEB 6.65	26/02/2030	1,400,000,000	
LEB 7	22/04/2031	300,000,000	
LEB 7.15	20/11/2031	2,500,000,000	
LEB 7	23/03/2032	1,000,000,000	
LEB 8.2	17/05/2033	1,500,000,000	
LEB 8.25	17/05/2034	1,500,000,000	
LEB 12	27/07/2035	1,500,000,000	
LEB 7.05	02/11/2035	600,000,000	
LEB 7.25	23/03/2037	750,000,000	

Source: MOF