

DEBT AND DEBT MARKETS

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REPUBLIC OF LEBANON
MINISTRY OF FINANCE

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HIGHLIGHTS

- At end of Q1 2022, gross public debt stood at LL 151,726 billion (US\$ 100.6 billion), a 0.3 percent increase compared to end-2021.
- Net public debt registered LL 131,044 billion (US\$ 86.9 billion) at end of Q1 2022, a decrease of 0.8 percent compared to end-2021.
- Domestic currency debt reached LL 92,396 billion at end of Q1 2022, a decrease of 0.9 percent compared to end-2021.
- Foreign currency debt totaled LL 59,330 billion (US\$ 39.4 billion) at end of Q1 2022 a 2.2 percent increase from end-2021 level. This figure includes the LL 14,982 billion (US\$ 9.9 billion) of unpaid Eurobonds, coupons and interest accrued as end of Q1 2022.

KEY COST AND RISK INDICATORS

As end of March 2022	Debt Data			Debt Portfolio Indicators		
	Total LBP billions	Total USD billions	% Change end 2021 - Mar 2022	Currency Risk	ATM of bills and bonds	Weighted Avg Interest Rate
Gross Government Debt	151,726	100.6	0.3%			
DX	92,396	61.3	-0.9%	60.90%	4.04 yr	6.58%
FX*	59,330	39.4	2.2%	39.10%	7.24 yr	7.04%
<i>of which Eurobonds**</i>	40,283	26.7	0.0%		7.00 yr	7.43%
<i>of which Loans</i>	3,234	2.1	7.6%		8.95 yr	2.26%
Net Government Debt	131,044	86.9	-0.8%			

* Including Eurobonds and coupons in arrears and accrued interest

** Excluding Eurobonds in arrears and accrued interest

SOVEREIGN RATINGS

Lebanon Sovereign Debt Rating (as of January 23, 2023)

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

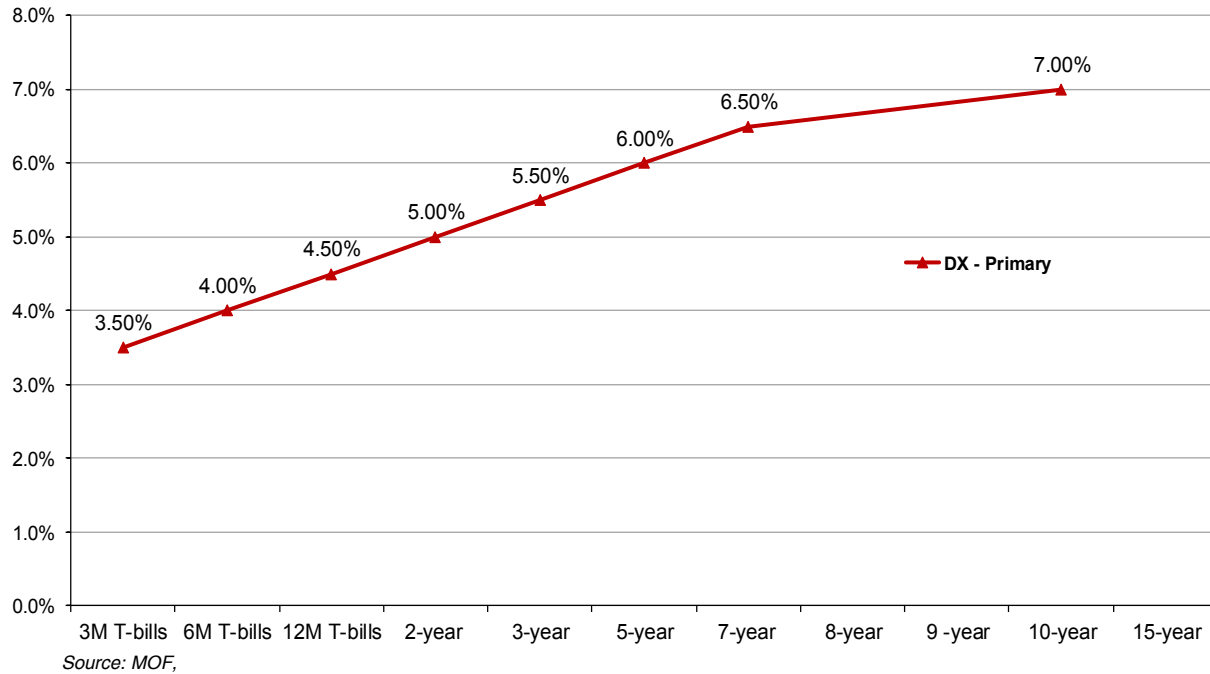
* On 12 August 2022, Fitch Ratings Investors Services affirmed its long- and short-term foreign currency rating at RD/C. Local currency rating affirmed at 'CC/C'

** On 27 July 2020, Moody's Investors Services downgraded Lebanon's FX bond rating to C from Ca. On 23 January 2023 Moody's issued a Credit Opinion affirming its ratings.

*** 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.

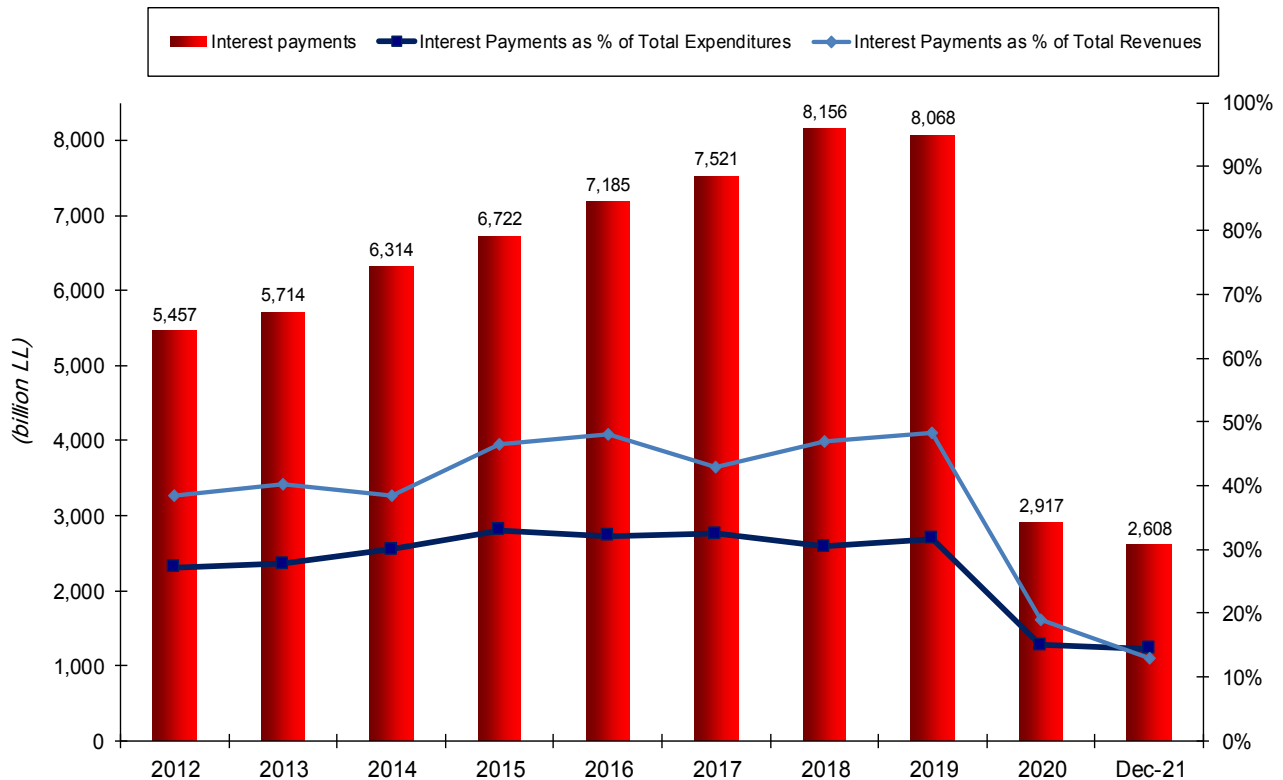
DX INTEREST RATES & COST

Government DX T-Bills and T-Bonds Yield Curve
as at 23 January 2023



At end of Q1 2022, primary market rates on DX Treasury bills and bonds issued remained unchanged compared to end of 2021 levels. No Eurobonds issuance in 2022.

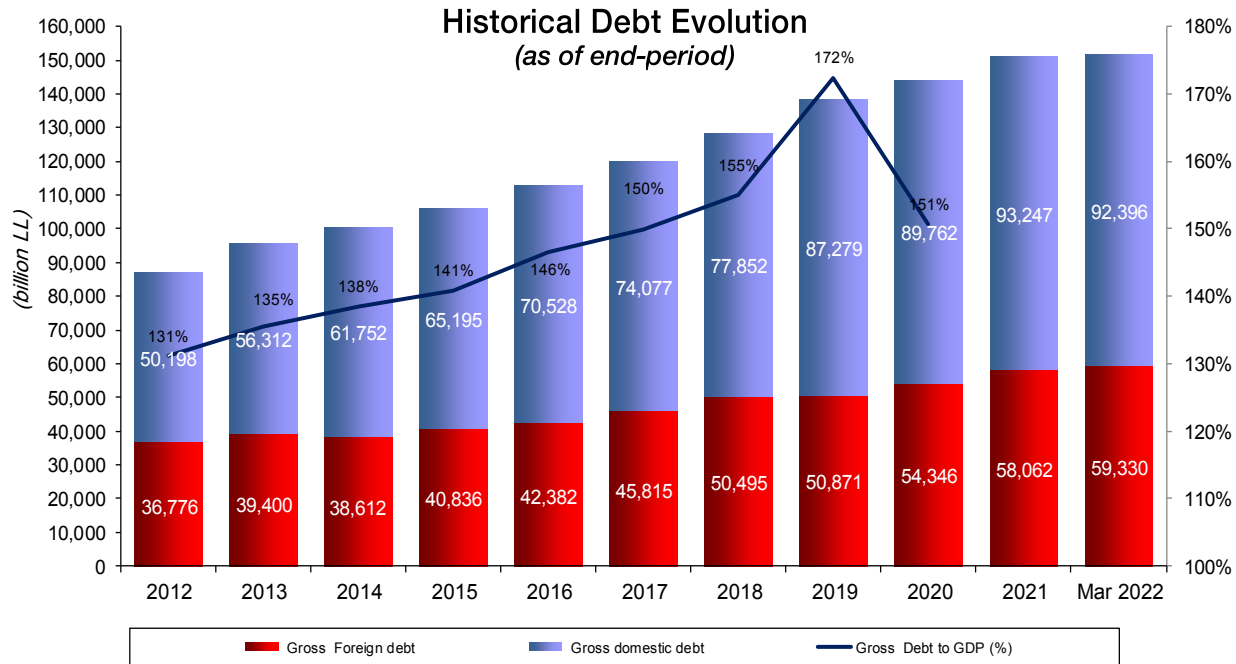
Interest Payments As end of Period



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 2021. No coupon payments on DX T-bonds held by BDL was made during 2020, 2021 and 2022.

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 2008-2020: Lebanese National Accounts - CAS revised estimates published in March 2022.

3- Gross Debt is calculated at the official USD/LBP rate.

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	Dec-21	Mar-22	Change Dec 21 - Mar 22	% Change Dec 21 - Mar 22
Gross Public Debt (A + B) ⁽¹⁾	100,364	106,031	112,910	119,892	128,347	138,150	144,108	151,309	151,726	417	0%
A. Local currency debt	61,752	65,195	70,528	74,077	77,852	87,279	89,762	93,247	92,396	(851)	-1%
1. Central Bank	19,454	23,907	30,150	35,580	39,006	50,717	55,079	58,002	58,951	949	2%
2. Commercial Banks (including REPOs)	31,869	30,279	29,581	27,756	27,402	25,316	23,157	21,200	18,925	(2,275)	-11%
3. Other local debt (T-bills)	10,429	11,009	10,797	10,741	11,444	11,246	11,526	14,045	14,520	475	3%
o/w Public entities	7,701	8,461	8,718	8,941	9,956	9,968	10,393	13,021	13,490	469	4%
o/w Contractor bonds	180	180	139	166	166	120	120	120	120	-	0%
*Accrued interest included in debt	1,029	997	1,098	1,159	1,123	1,294	1,338	1,401	1,550	149	11%
B. Foreign currency debt ⁽²⁾	38,612	40,836	42,382	45,815	50,495	50,871	54,346	58,062	59,330	1,268	2%
4. Eurobonds	34,850	37,561	39,240	42,339	47,225	47,776	51,204	55,057	56,096	1,039	2%
Of which, Paris II at preferential rates	1,615	1,099	583	68	-	-	-	-	-	-	n/a
Of which, Paris III at preferential rates	226	181	136	-	-	-	-	-	-	-	n/a
4.1 Market-issued Eurobonds ⁽³⁾	32,584	35,846	38,063	41,791	46,678	47,206	43,437	40,283	40,283	-	0%
4.2 Accrued Interest on Eurobonds	425	435	458	480	547	570	587	534	831	297	56%
4.3 Arrears, of which	-	-	-	-	-	-	7,180	14,240	14,982	742	5%
Arrears in Principal ⁽³⁾	-	-	-	-	-	-	3,769	6,923	6,923	-	0%
Arrears in Coupons ⁽³⁾	-	-	-	-	-	-	3,142	6,265	6,756	491	8%
Accrued interest in Arrears ⁽³⁾	-	-	-	-	-	-	269	1,052	1,303	251	24%
5. Loans	3,648	3,207	3,079	3,443	3,264	3,092	3,142	3,005	3,234	229	8%
5.1 Paris II loans	128	83	48	18	-	-	-	-	-	-	n/a
5.2 Paris III loans ⁽⁴⁾	760	629	525	452	344	242	151	46	45	(1)	-1%
5.3 Bilateral loans (non-Paris II and III)	1,200	1,054	953	935	822	746	751	705	704	(0)	0%
5.4 Multilateral loans (non-Paris II and III)	1,506	1,417	1,494	1,954	2,015	2,036	2,180	2,207	2,439	232	11%
5.5 Foreign Private Sector Loans	54	24	59	84	83	68	59	47	45	(2)	-4%
6. Other debt	114	68	63	33	6	3	-	-	-	-	n/a
6.1 Special Tbls in Foreign currency ⁽⁵⁾	114	68	63	33	6	3	-	-	-	-	n/a
Public sector deposits	14,246	13,555	14,586	15,659	14,186	15,677	15,133	19,238	20,682	1,444	8%
Net debt	86,118	92,476	98,324	104,233	114,161	122,473	128,975	132,071	131,044	(1,027)	-1%
Gross Market debt ⁽⁶⁾	67,774	69,200	70,303	71,944	76,204	74,441	75,553	77,328	76,096	(1,232)	-2%
% of total debt	67.5%	65.3%	62.3%	60.0%	59.4%	53.9%	52.4%	51.1%	50.2%	n/a	n/a

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.

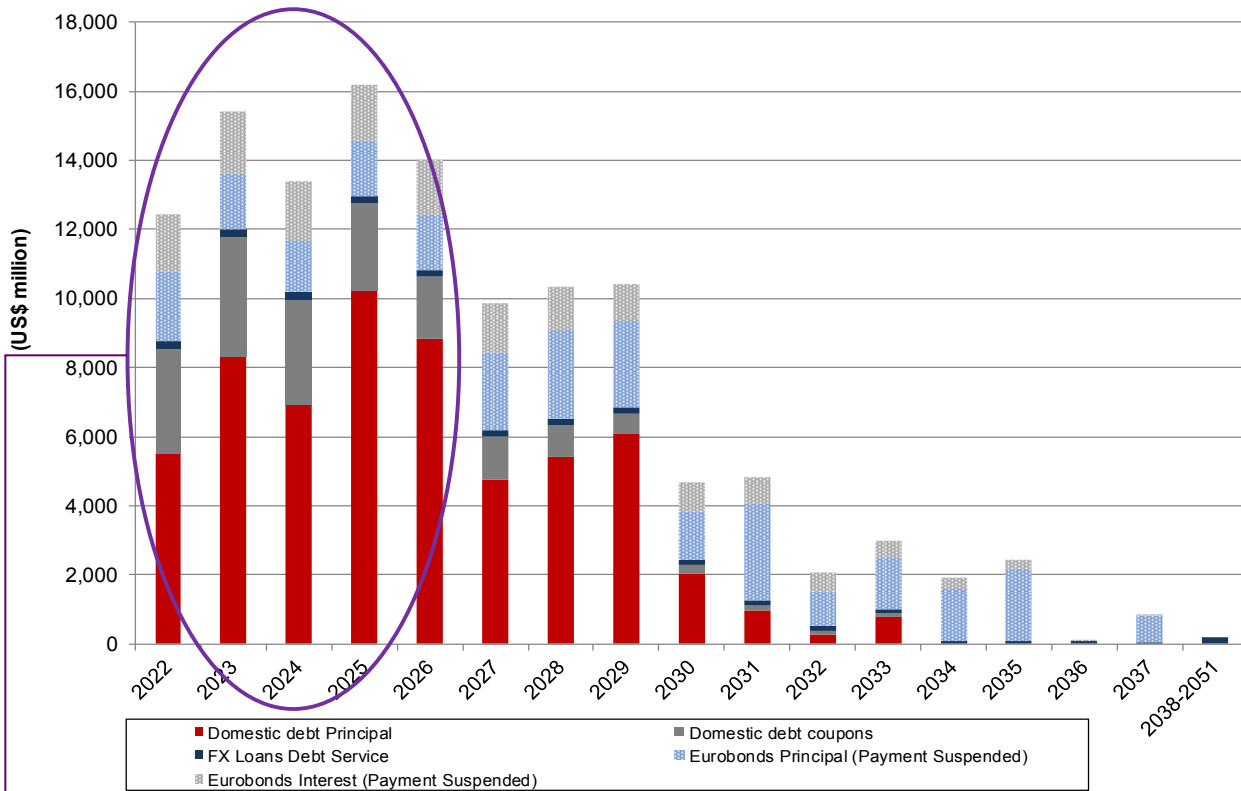
⁽⁴⁾ IBRD loan, UAE loan and French loan of which the first tranche was received in February 2008 and the second tranche in September 2012.

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

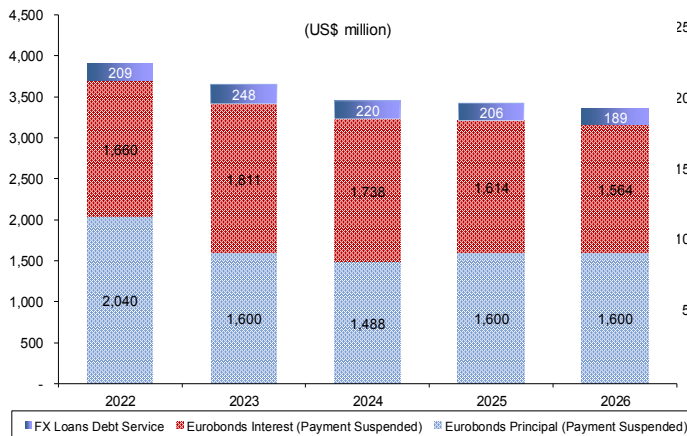
⁽⁶⁾ Gross market debt equals gross debt less the portfolios of the BDL, Public Entities, bilateral and multilateral loans, Paris II and Paris III related debt.

AMORTIZATION PROFILE

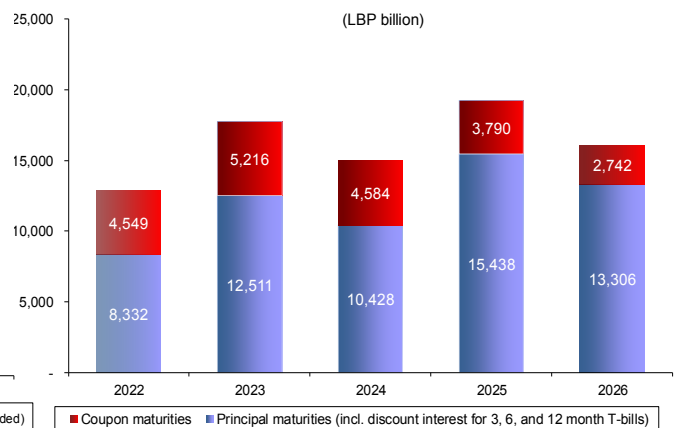
Aggregate Debt Amortization (as of end of March 2022)



Foreign Currency Debt (Eurobonds –Loans)



Domestic T-bills and T-Bonds

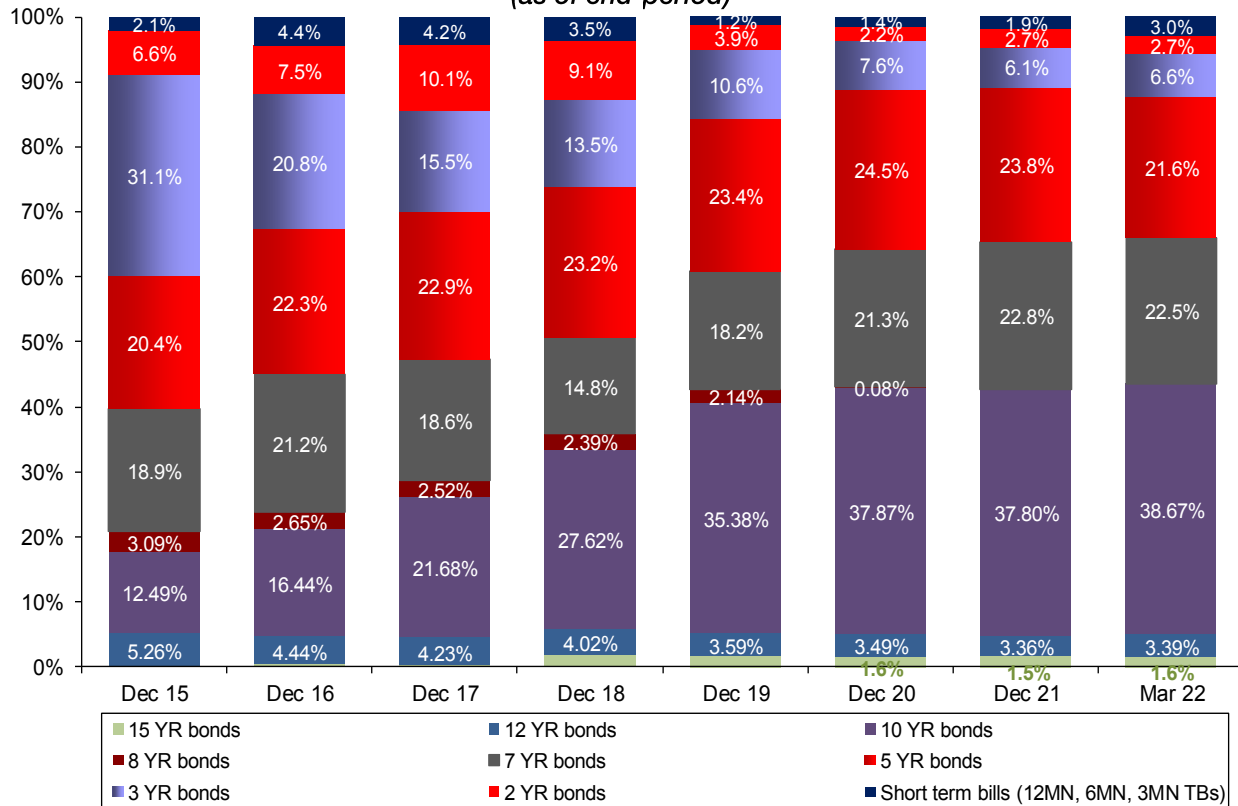


Source: MOF, BDL

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 (as of end-period)



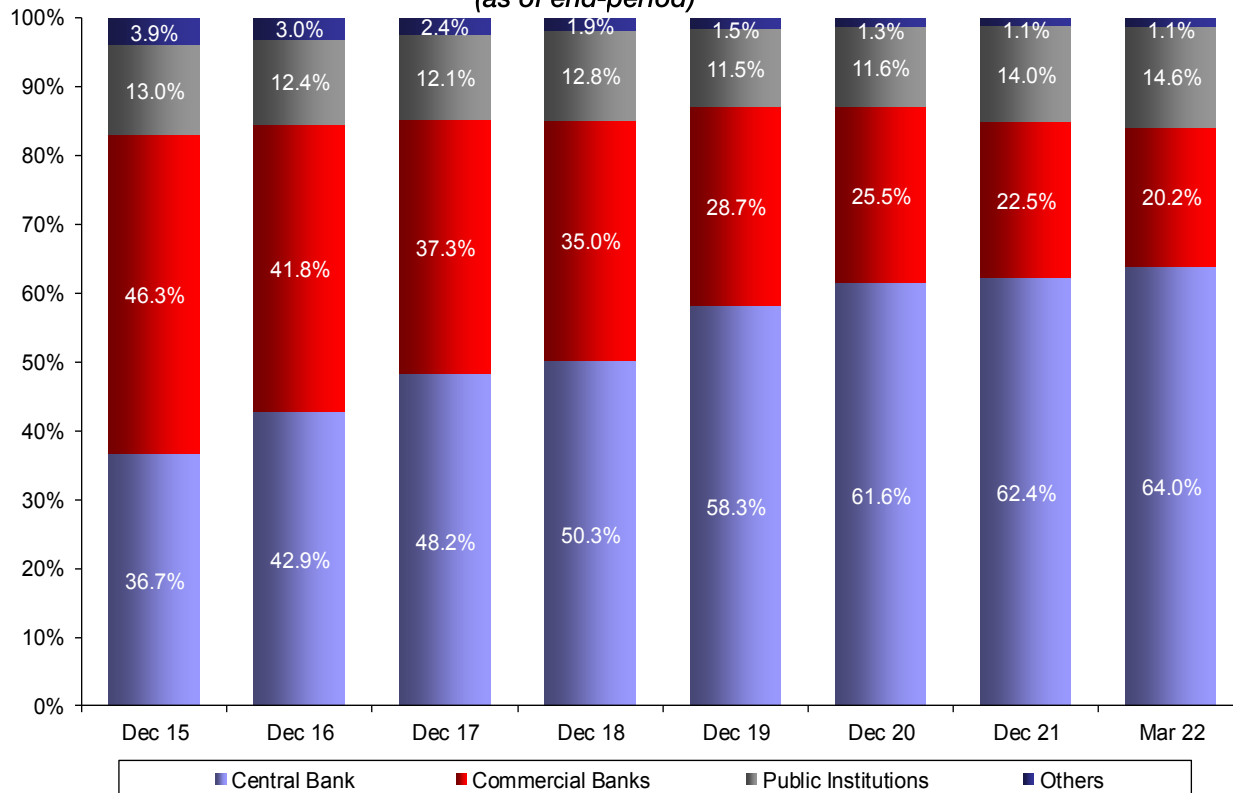
Source: MOF

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 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.

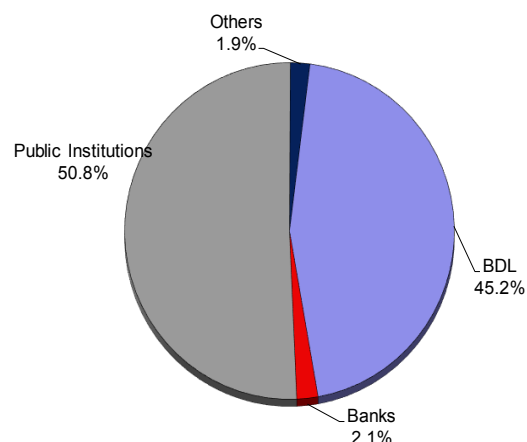
DOMESTIC CURRENCY DEBT DATA

T-Bills and Bonds Subscription Results— QI 2022

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
06-01-22	20	-	45	-	-	54	-	-	119
13-01-22	-	130	-	15	-	-	-	1	146
20-01-22	43	-	25	-	-	66	-	-	135
27-01-22	-	62	-	-	300	-	-	-	362
03-02-22	30	-	61	-	-	81	-	-	172
10-02-22	-	113	-	0	-	-	-	418	530
17-02-22	15	-	346	-	-	18	-	-	379
24-02-22	-	86	-	-	310	-	-	-	396
03-03-22	37	-	61	-	-	55	-	-	154
10-03-22	-	215	-	200	-	-	-	-	415
17-03-22	25	-	122	-	-	11	-	-	158
24-03-22	-	190	-	-	300	-	-	-	490
31-03-22	13	-	24	-	-	80	-	-	116
Total QI-2022	184	796	684	215	910	365	-	419	3573
Grand Total	184	796	684	215	910	365	-	419	3573

QI 2022 Subscription Results by Holder



In QI 2022 the largest subscriber in DX Treasury bills and bonds were the Public Institutions reaching 50.8 percent of the total subscriptions. BDL share stood at 45.2 percent and the Banks share at 2.1 percent of total quarterly subscriptions.

Domestic Treasury Bills & Bonds Auction Calendar QI 2022

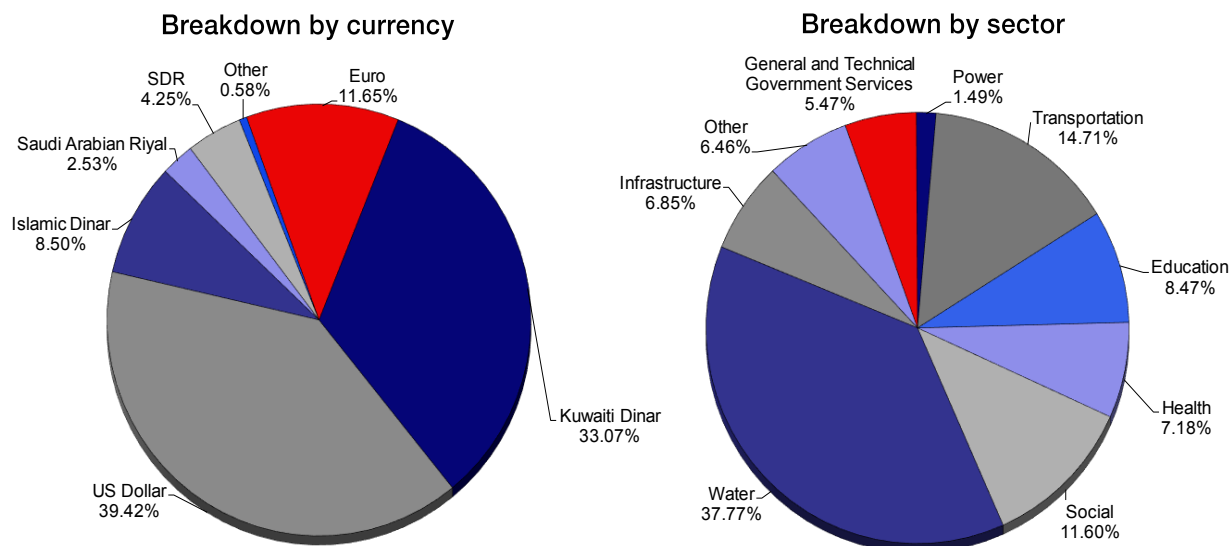
Auction Date	January					February				March				Frequency
	3	10	17	24	31	7	14	21	28	7	14	21	28	
Issue Date	6	13	20	27	03-Feb	10	17	24	03-Mar	10	17	24	31	
3 M	x		x		x		x		x		x		x	7
6 M		x		x		x		x		x		x		6
12 M	x		x		x		x		x		x		x	7
2 Y		x				x				x				3
3 Y				x				x				x		3
5 Y	x		x		x		x		x		x		x	7
7 Y				x				x				x		3
10 Y		x				x				x				3

*Auctions falling on holidays were rescheduled accordingly.

Source: MOF

FOREIGN CURRENCY DEBT DATA

Bilateral and Multilateral Loans (as of end of March 2022)



Source: MOF

The gross outstanding debt comprises 2.13% of loans in foreign currency amounting to LBP 3,234 billion, which is mostly for project financing.

Marketable Eurobonds end of Q1 2022

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

Source: MOF