

# DEBT AND DEBT MARKETS

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REPUBLIC OF LEBANON  
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## HIGHLIGHTS

- At end-2020, gross public debt stood at LL 144,108 billion (US\$ 95.6 billion), a 4.3 percent increase compared to end-2019.
- Net public debt registered LL 128,975 billion (US\$ 85.6 billion) at end-2020, an increase of 5.3 percent compared to end-2019.
- Domestic currency debt reached LL 89,762 billion at end-2020, an increase of 2.8 percent compared to end-2019.
- Foreign currency debt totaled LL 54,346 billion (US\$ 36.1 billion) at end-2020 a 6.8 percent increase from end-2019 level. This figure includes the LL 7,180 billion (US\$ 4.8 billion) of unpaid Eurobonds, coupons and interest accrued as end of 2020.
- On 07 March 2020, the Ministry of Finance announced the decision to withhold all payments on its USD1.2bn bonds due 9 March 2020 and undertake structural reforms to stabilize and restart its economy.
- On 23 March 2020, the Ministry of Finance announced that Lebanon will discontinue payments on all its foreign currency denominated Eurobonds as the Government advances on its plan to stabilize and restart the economy amidst global uncertainty.

## KEY COST AND RISK INDICATORS

As end 2020	QIV 2020 Debt Data			Debt Portfolio Indicators		
	Total LBP billions	Total USD billions	% Change end 2019 - end 2020	Currency Risk	ATM of bills and bonds	Weighted Avg Interest Rate
<b>Gross Government Debt</b>	144,108	95.6	4.6%			
<b>DX</b>	89,762	59.5	3.2%	62.29%	4.62 yr	6.57%
<b>FX</b>	54,346	36.1	6.9%	37.71%	7.94 yr	7.15%
<b>Net Government Debt</b>	128,975	85.6	5.7%			

## SOVEREIGN RATINGS

### Lebanon Sovereign Debt Rating (as of July 23, 2021)

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

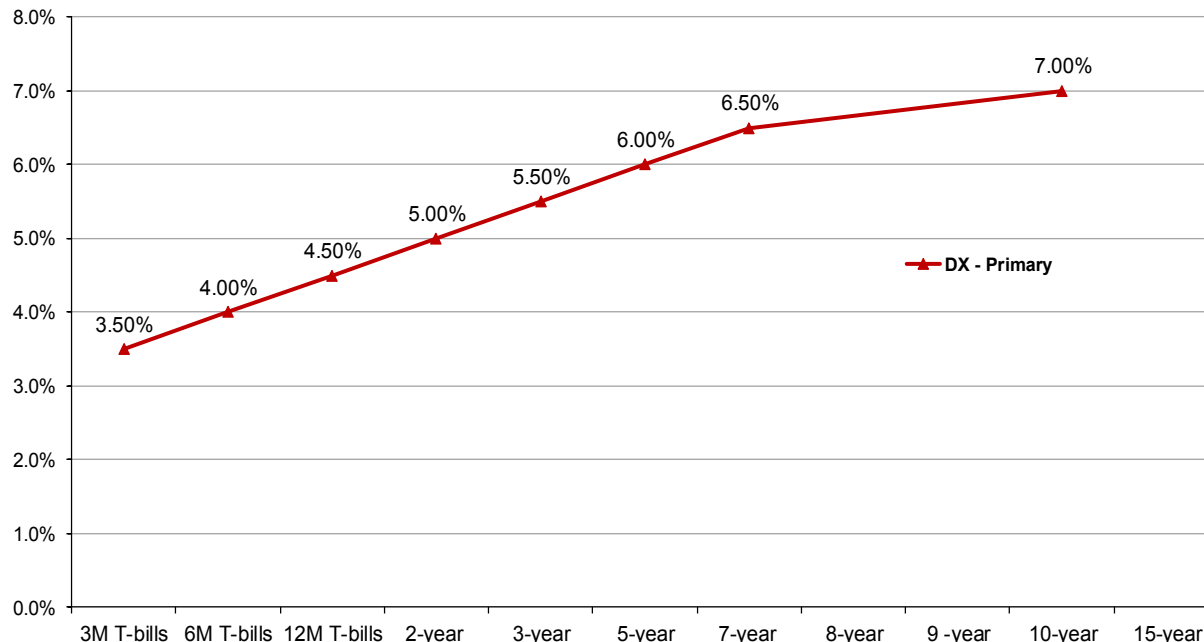
\* On 18 March 2020, Fitch Ratings Investors Services downgraded long term foreign currency to RD from C - and kept short-term foreign and local currency sovereign credit ratings at C.

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

\*\*\* On 21 August 2020, Standard and Poor's lowered its long- and short-term foreign currency sovereign credit ratings on Lebanon to D from SD

# DX INTEREST RATES & COST

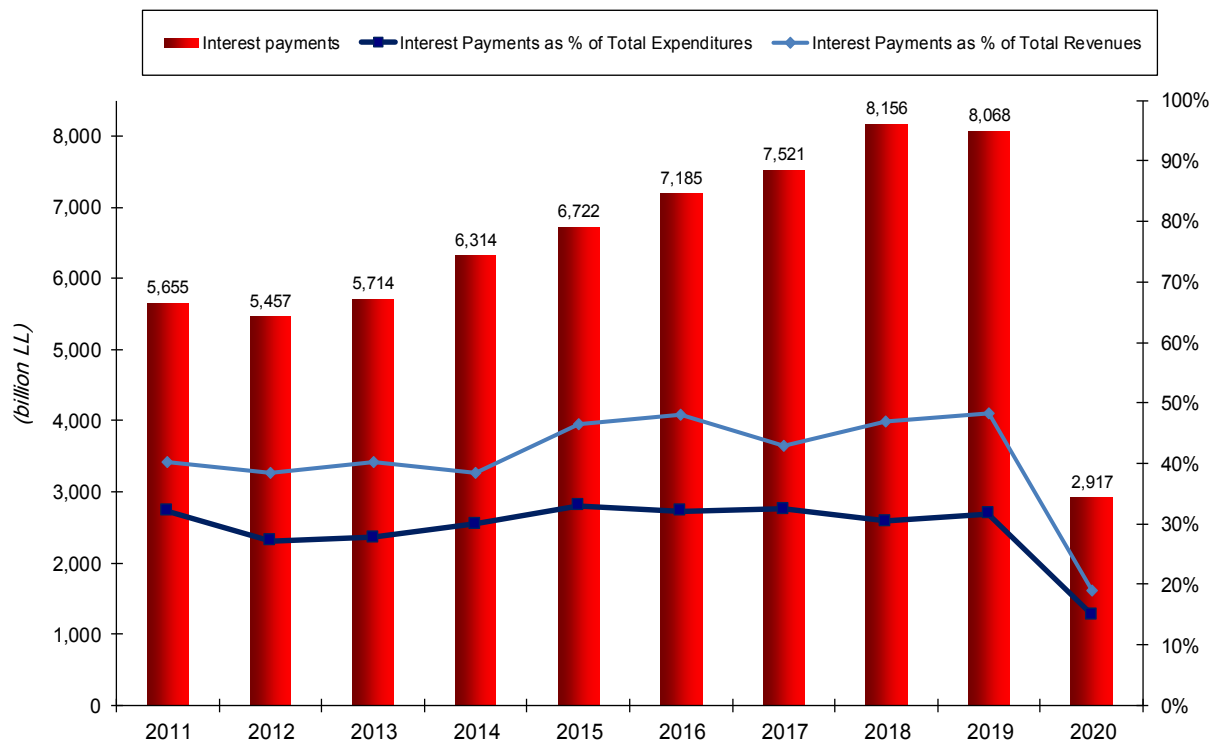
## Government DX T-Bills and T-Bonds Yield Curve as at 06 July 2021



Source: MOF,

At end 2020, primary market rates on DX Treasury bills and bonds issued were below the end 2019 levels. Starting 26 March 2020 the DX Tbill and Tbons were issued at the rates in the graph compared to 5.3%, 5.85%, 6.5%, 7%, 7.5%, 8%, 9% and 10% respectively for each maturity. No Eurobonds issuance in 2020.

## Interest Payments As end of Period

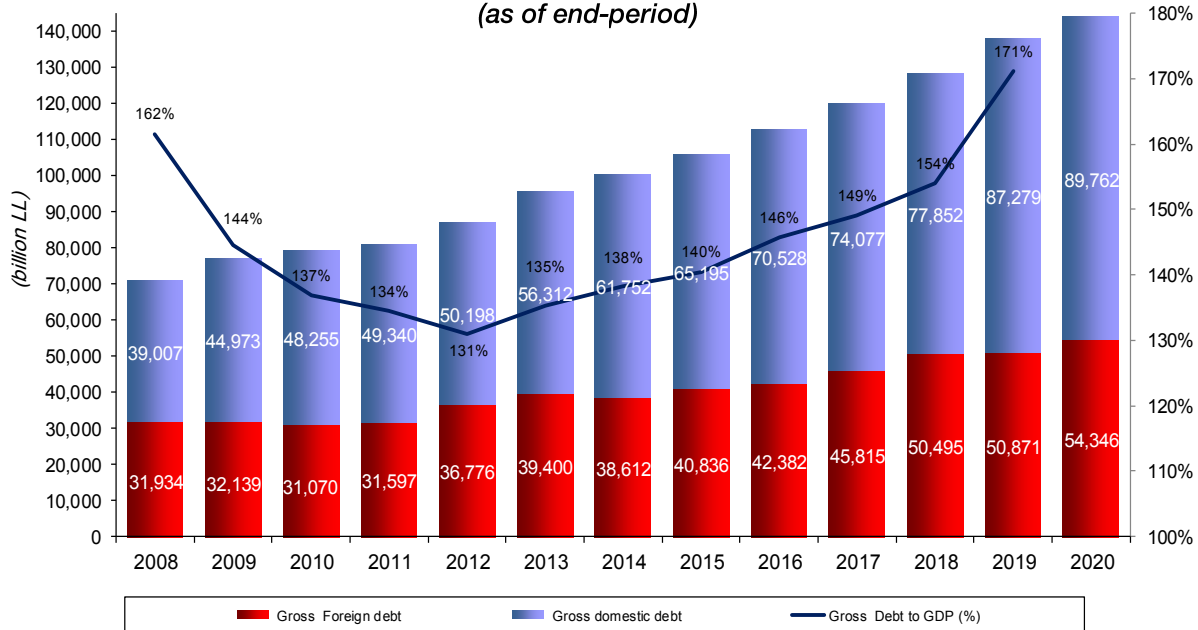


Interest Payments represent interest paid on DX Tills and Tbons Holders plus interest paid on FX Loans and on Eurobonds up to end Feb 2020. No payment of interest on DX Tills and Tbons held by BDL was made.

Source: MOF

# OVERALL DEBT DATA

## Historical Debt Evolution (as of end-period)



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 April 2021.

3- GDP 2020: Computed based on 2019 CAS figure and using the IMF growth rate and deflator published on WEO - April 2021

## Public Debt Table <sup>(1)</sup> (as of end-period)

Public Debt (in LL billion)	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Change Dec 20 - Dec 19	% Change Dec 20 - Dec 19
<b>Gross Public Debt (A + B)<sup>(1)</sup></b>	95,712	100,364	106,031	112,910	119,892	128,347	138,150	144,108	5,958	4%
<b>A. Local currency debt</b>	56,312	61,752	65,195	70,528	74,077	77,852	87,279	89,762	2,483	3%
1. Central Bank	16,761	19,454	23,907	30,150	35,580	39,006	50,717	55,079	4,362	9%
2. Commercial Banks (including REPOs)	30,315	31,869	30,279	29,581	27,756	27,402	25,316	23,157	(2,159)	-9%
3. Other local debt (T-bills)	9,236	10,429	11,009	10,797	10,741	11,444	11,246	11,526	280	2%
<i>a/w Public entities</i>	7,117	7,701	8,461	8,718	8,941	9,956	9,968	10,393	425	4%
<i>a/w Contractor bonds</i>	134	180	180	139	166	166	120	120	-	0%
*Accrued interest included in debt	877	1,029	997	1,098	-	-	1,294	1,338	44	3%
<b>B. Foreign currency debt<sup>(2)</sup></b>	39,400	38,612	40,836	42,382	45,815	50,495	50,871	54,346	3,475	7%
4. Eurobonds	35,533	34,850	37,561	39,240	42,339	47,225	47,776	51,204	3,428	7%
<i>Of which, Paris II at preferential rates</i>	2,130	1,615	1,099	583	68	-	-	-	-	N/A
<i>Of which, Paris III at preferential rates</i>	271	226	181	136	-	-	-	-	-	N/A
4.1 Market-issued Eurobonds <sup>(2)</sup>	32,688	32,584	35,846	38,063	41,791	46,678	47,206	43,437	(3,769)	-8%
4.2 Accrued Interest on Eurobonds	444	425	435	458	480	547	570	587	17	3%
4.3 Arrears, of which	-	-	-	-	-	-	-	7,180	7,180	N/A
<i>Arrears in Principals<sup>(3)</sup></i>	-	-	-	-	-	-	-	3,769	3,769	N/A
<i>Arrears in Coupons<sup>(3)</sup></i>	-	-	-	-	-	-	-	3,142	3,142	N/A
<i>Accrued interest in Arrears<sup>(3)</sup></i>	-	-	-	-	-	-	-	269	269	N/A
5. Loans	3,738	3,648	3,207	3,079	3,443	3,264	3,092	3,142	50	2%
5.1 Paris II loans	208	128	83	48	18	-	-	-	-	N/A
5.2 Paris III loans <sup>(4)</sup>	915	760	629	525	452	344	261	151	(110)	-42%
5.3 Bilateral loans (non-Paris II and III)	827	1,200	1,054	953	935	822	727	751	25	3%
5.4 Multilateral loans (non-Paris II and III)	1,694	1,506	1,417	1,494	1,954	2,015	2,036	2,180	144	7%
5.5 Foreign Private Sector Loans	94	54	24	59	84	83	68	59	(9)	-13%
6. Other debt	129	114	68	63	33	6	3	-	(3)	-100%
6.1 Special Tbls in Foreign currency <sup>(5)</sup>	129	114	68	63	33	6	3	-	(3)	-100%
Public sector deposits	15,495	14,246	13,555	14,586	15,659	14,186	15,677	15,133	(544)	-3%
<b>Net debt</b>	80,217	86,118	92,476	98,324	104,233	114,161	122,473	128,975	6,502	5%
<b>Gross Market debt<sup>(6)</sup></b>	65,789	67,774	69,200	70,303	71,944	76,204	74,441	75,553	1,112	1%
% of total debt	68.7%	67.5%	65.3%	62.3%	60.0%	59.4%	53.9%	52.4%	-1.5%	-3%

Source: MOF, BDL

Notes:

<sup>(1)</sup> 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.

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

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

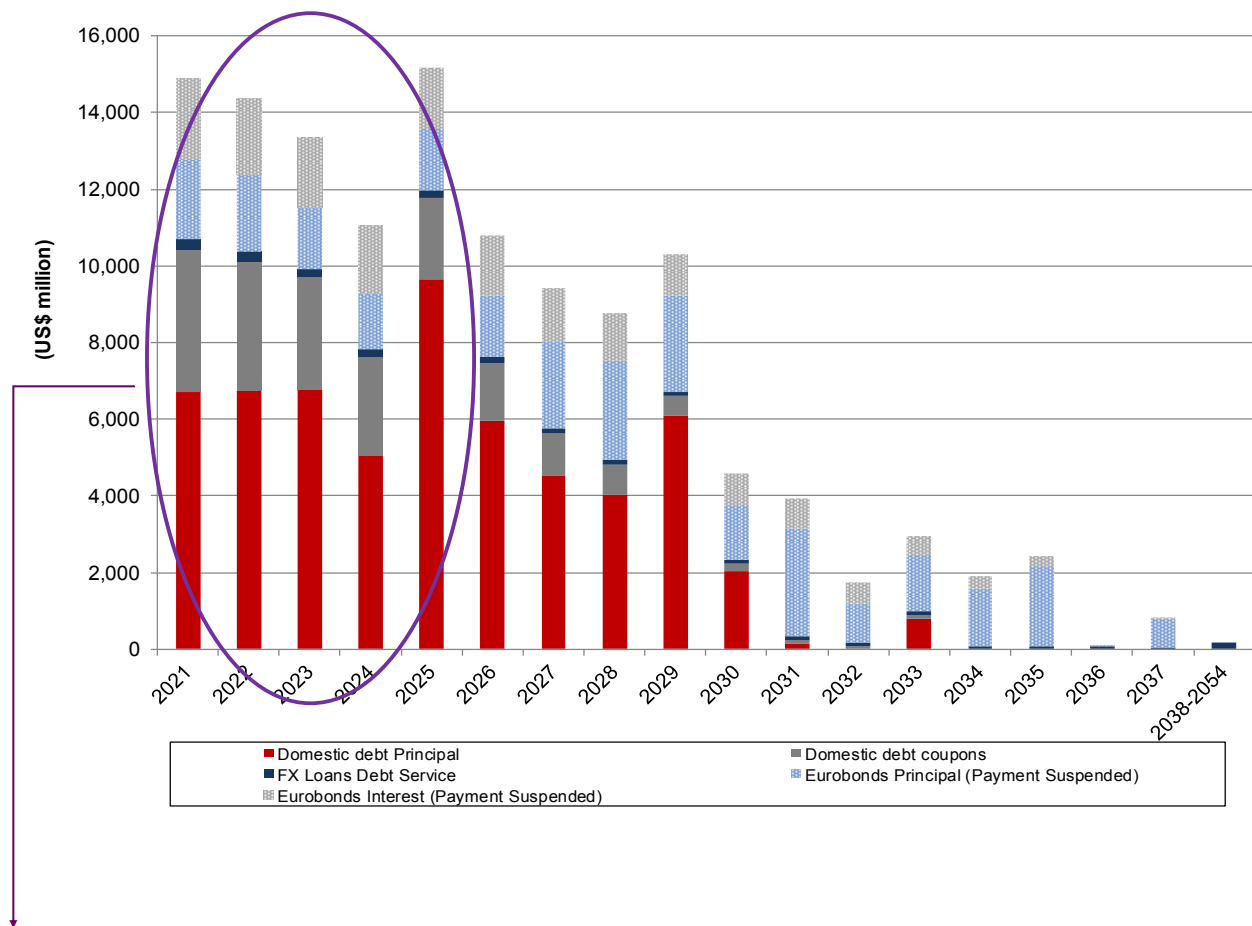
<sup>(4)</sup> IBRD loan, UAE loan and French loan of which the first tranche was received in February 2008 and the second tranche in September 2012

<sup>(5)</sup> Special Tbls in Foreign currency (expropriation and contractor bonds).

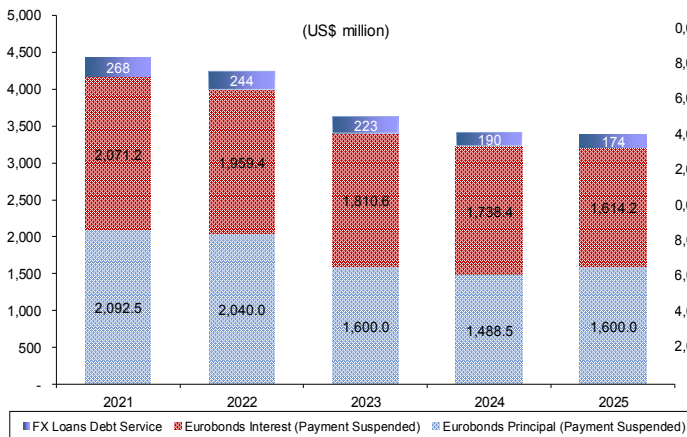
<sup>(6)</sup> Gross market debt equals gross debt less the portfolios of the BDL, Public Entities, bilateral and multilateral loans, Paris II and Paris III related debt.

# AMORTIZATION PROFILE

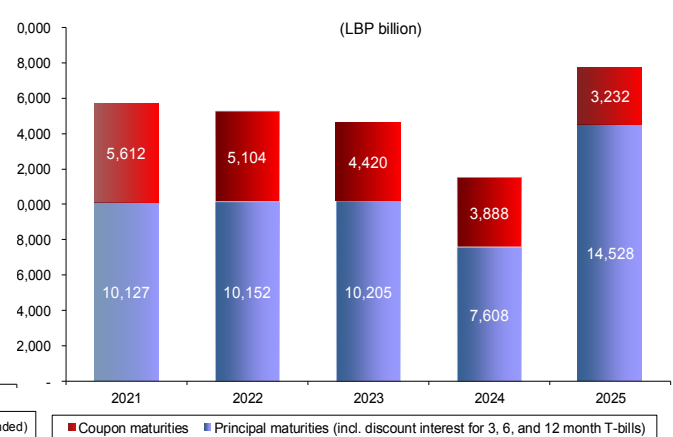
## Aggregate Debt Amortization (as of end-December 2020)



### Foreign Currency Debt (Eurobonds –Loans)



### Domestic T-bills and T-Bonds

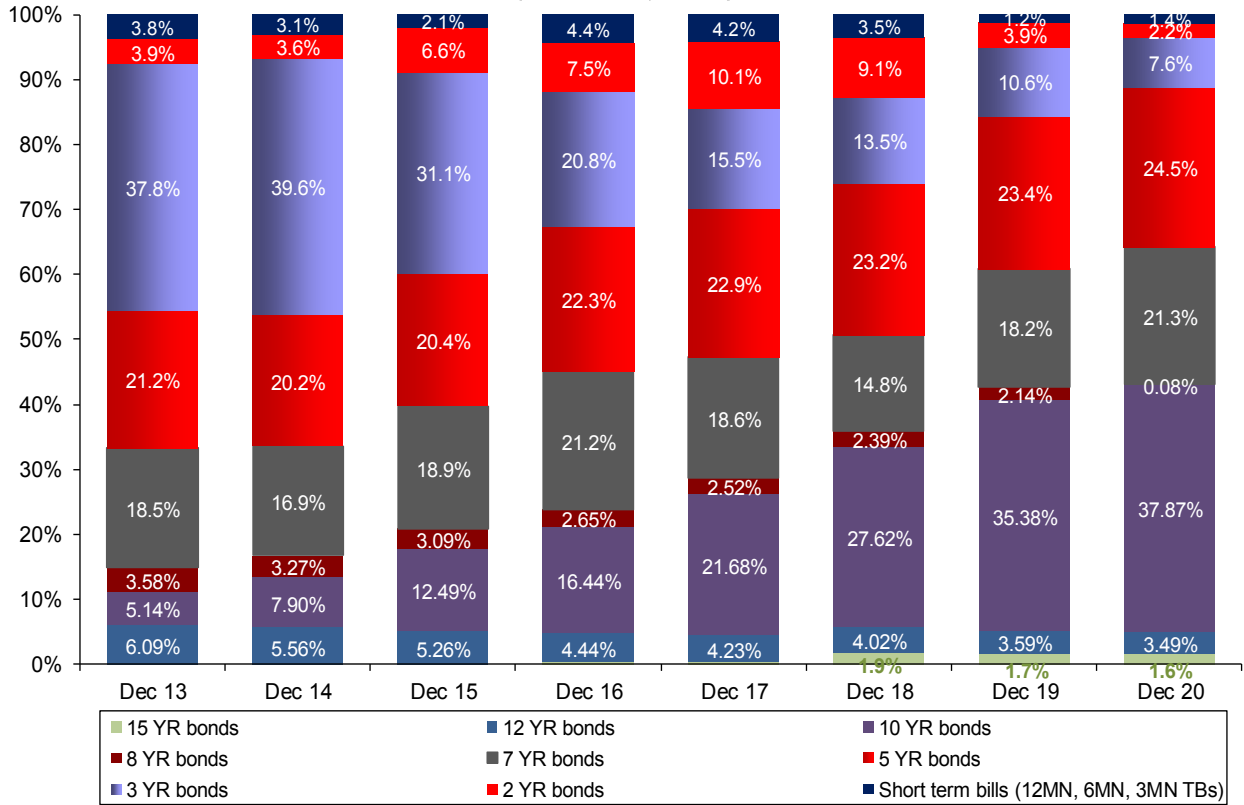


Source: MOF, BDL

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)



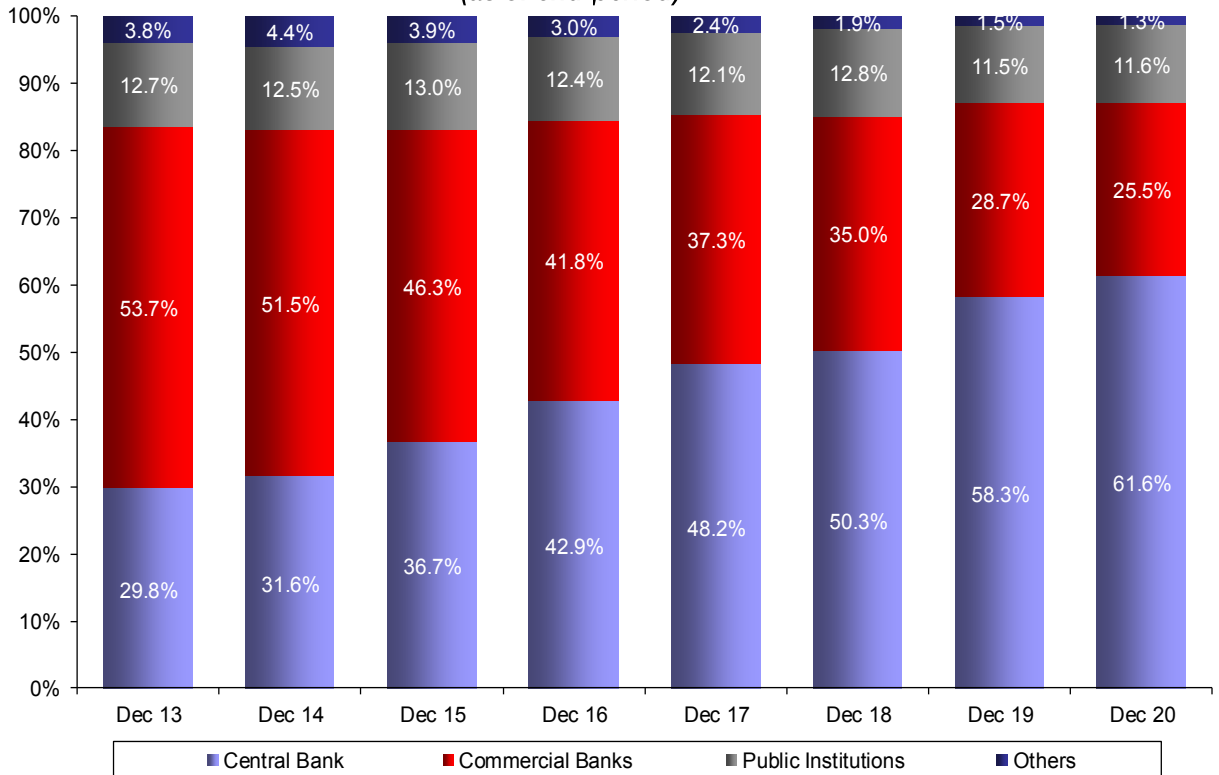
Source: MOF

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 Jul 2016 and 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.

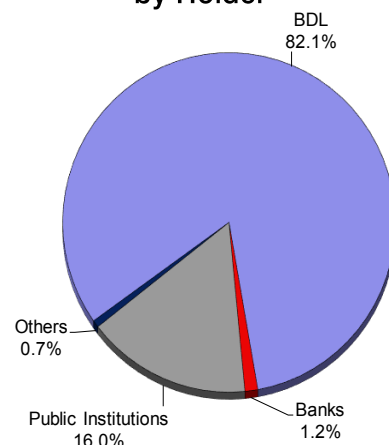
# DOMESTIC CURRENCY DEBT DATA

## T-Bills and Bonds Subscription Results— QIV 2020

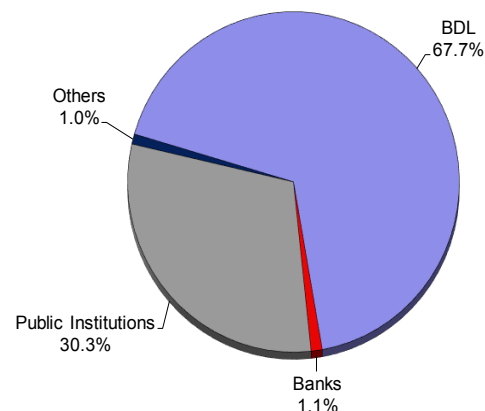
### Weekly Issued Amounts

Date	Categories								
	Nominal Value - LBP Billions								
	3 Mn	6 Mn	12 Mn	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	Total
QI-2020	64	45	457	282	333	705	364	1,143	3,394
QII-2020	48	20	181	21	521	499	195	1,234	2,721
QIII-2020	75	72	298	313	313	887	507	451	2,917
01-10-20	8	-	5	-	-	56	-	-	69
08-10-20	-	11	-	-	7	-	1,642	-	1,660
15-10-20	6	-	6	-	-	81	-	-	94
22-10-20	-	10	-	115	-	-	-	68	193
29-10-20	8	-	58	-	-	140	-	-	206
05-11-20	-	12	-	-	207	-	261	-	479
12-11-20	9	-	9	-	-	54	-	-	73
19-11-20	-	12	-	12	-	-	-	55	78
26-11-20	7	-	12	-	-	70	-	-	89
03-12-20	-	10	-	-	15	-	119	-	144
10-12-20	6	-	13	-	-	1,572	-	-	1,591
17-12-20	-	17	-	17	-	-	-	109	143
24-12-20	-	-	-	110	-	52	-	-	162
31-12-20	-	-	-	-	20	-	102	-	122
Total QIV-2020	44	72	102	255	249	2,026	2,124	231	5,103
Grand Total	232	209	1,039	871	1,417	4,117	3,190	3,060	14,136

### QIV 2020 Subscription Results by Holder



### Year 2020 Subscription Results by Holder



In 2020 the largest subscriber in DX Treasury bills and bonds was BDL reaching 67.7 percent of the total subscriptions. Public Institutions share stood at 30.3 percent and the Banks share at 1.1 percent of total yearly subscriptions.

### Domestic Treasury Bills & Bonds Auction Calendar QIII 2021

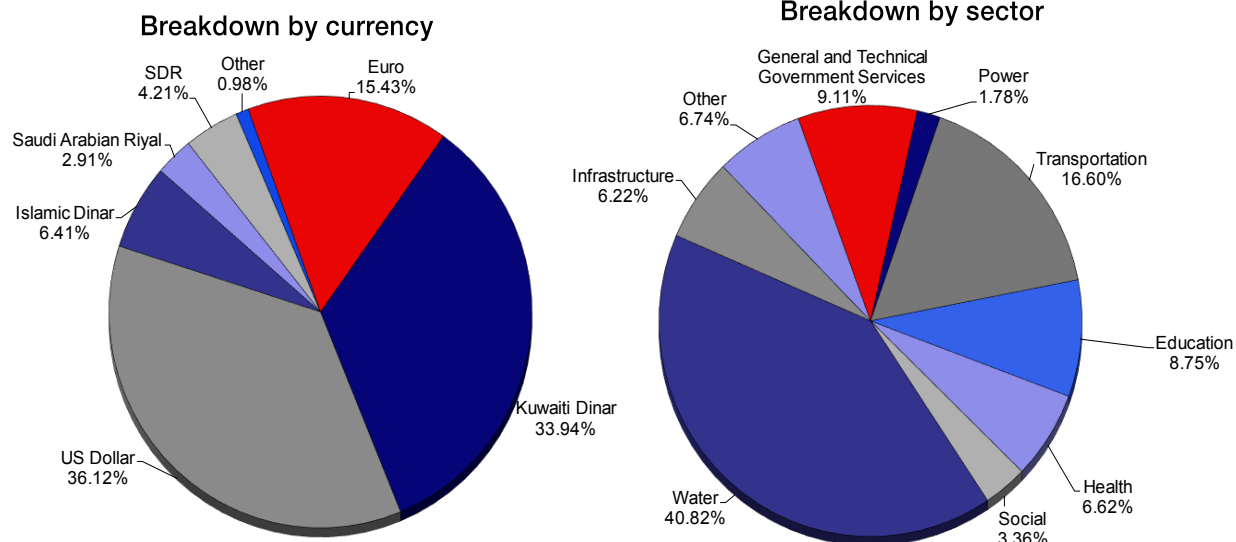
	July				August				September				Frequency	
Auction Date	5	12	19	26	2	9	16	23	30	6	13	20		27
Issue Date	8	15	22	29	5	12	19	26	2-Sept	9	16	23	30	
3 M	x		x		x		x		x		x		x	7
6 M		x		x		x		x		x		x		6
12 M	x		x		x		x		x		x		x	7
2 Y				x				x				x		3
3 Y		x				x				x				3
5 Y	x		x		x		x		x		x		x	7
7 Y		x				x				x				3
10 Y				x				x				x		3

\*Auctions falling on holidays will be rescheduled accordingly.

Source: MOF

# FOREIGN CURRENCY DEBT DATA

## Bilateral and Multilateral Loans (as of end- December 2020)



Source: MOF

The gross outstanding debt comprises less than 2.2% of loans in foreign currency amounting to LBP 3,142 billion, which is mostly for project financing.

## Marketable Eurobonds end December 2020

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