

#### GDP GROWTH AND ECONOMIC FORECASTS:

The **Coincident Indicator** — a compound index of a number of economic indicators published by BDL that acts as an estimate of GDP—showed an improvement in its figures in 2013, by recording a YTD increase of 1.1% in the first half of 2013 relative to the 1.7% fall attained in the first half of 2012.

IMF and World Bank growth expectations however are not in concordance with the positive results of the Coincident Indicator index.

IMF growth rate of the Lebanese economy is projected at 1.5% for 2012 as the political standoff and the escalating Syrian conflict continue to hamper growth. Provided the situation improves in the second half of 2013, only then will IMF growth expectations climb back up to reach 2% in 2013 and 4% in 2014.

Similarly, **World Bank** estimations are expected to be 2.3% in 2013 and 4% in 2014.

#### MANY SECTOR INDICATORS SAW A DOWNTURN IN THEIR RESULTS WHEN ANALYZING THEIR ECONOMIC SITUATION IN 2013 VIS-A-VIS 2012:

##### • Real Estate:

The **Number of Property Sale Transactions** fell by 5.2% in the first seven months of 2013 relative to the same period in 2012, of which transactions by foreigners fell by 6.3% and transactions by locals fell by 5.1%.

**Area of Construction Permits** and the **Number of Construction Permits** also fell in the first seven months of 2013 relative to 2012, whereby the former fell by 13.7% and the later by 5.5%. However, **Cement Deliveries** recorded a 2.7% increase in the first half of 2013 relative to the same period in 2012.

##### • Tourism:

**Number of Tourists** fell by 13.5% in the first seven months of 2013 relative to the 12.3% fall observed in the same period in 2012. This was due to the local and regional situation deterring Arab tourists from visiting the country.

In the first seven months of 2013 however, **Airport Passengers** saw a 4.7% increase in traffic. This was mainly due to the continued increase in the number of displaced Syrians flying in and out of Lebanon.

##### • Fiscal Performance

**Fiscal Deficit** reached USD 1,509 Million in the first four months of 2013, a widening of 38.3% relative to the same period in 2012. This weakening in the Fiscal Balance came about due to a rise in total expenditures while revenues fell.

The 0.8% fall in **Total Revenues**, which reached USD 3,136 Million in the first four months of 2013, was mainly driven by a fall in budget revenues. As such, tax revenues witnessed a 1.3% fall while non tax revenues saw a 6.6% decline.

**Total Expenditures** reached USD 4,645 Million in the first four months of 2013, which was mainly driven by a 7.6% rise in **General Expenditures**, of which 1.5% are **EDL Transfers**. EdL continues to pose a heavy burden on the government budget despite a 7.4% reduction in Electricity Production in the first four months of 2013 and a subsequent fall in the Price/Ton of oil.

##### • Value of Foreign Assets:

**Foreign Assets** held at BdL continued to fall in the first half of 2013, as YTD growth in foreign assets fell by 5.5% compared to the 3.2% fall witnessed in the first half of 2012.

This slowdown was mainly due to the 27.5% reduction in **Gold Reserves**, which came following the decline in the price of Gold in 2013.

With regards to **Foreign Currency Reserves**, this component however registered a growth of 5.8% in the first half of 2013 compared to the 5.0% decline attained in the same period in 2012.

##### • Kafalat Loans:

Figures released by the Kafalat Corporation show that the **Value of Loans** extended to small and medium companies under the guarantee of Kafalat fell by 18.4% in the first seven months of 2013 relative to the same period in 2012. Similarly, the **Number of Loans** also fell by 21.0% over the same period.

#### HOWEVER, DESPITE THE CHALLENGES BEING FACED BY THE LEBANESE ECONOMY, A NUMBER OF SECTORS SAW AN IMPROVEMENT IN THEIR FIGURES OR CONTINUED TO REGISTER POSITIVE GROWTH RESULTS OVER THE 2013 PERIOD:

##### • Trade Flows :

The **Value of the Trade Deficit** fell by 2.6% in the first half of 2013 compared to the figures attained in the same period in 2012. This is mainly due to a rise in Exports and a fall in Imports compared to the previous year.

In the first half of 2013, **Value of Exports** witnessed a rise of 6.6% relative to the same period in 2012. This rise was mainly driven by a growth in Syrian demand, as the closure and relocation of Syrian businesses has led to a substantial gap in supply in their economy.

Total **Value of Imports** (including Oil Products) on the other hand, saw a 0.8% fall in the first half of 2013 relative to the same period in 2012. In reality, this is due to a statistical bias in the compilation of Oil Products in 2012 of Lebanese Customs Figures. Once oil products are excluded, imports show a rise of 6.1% over the same period.

##### • Balance of Payments:

The **Balance of Payments** saw a net improvement in the first half of 2013, as its deficit fell to USD 382 Million from the USD 1,021 Million attained in the same period in 2012. This decline was the combined result of a 5.4% rise in **Capital Inflows** and the 2.6% fall in the **Trade Deficit** over the said period.

##### • Port Statistics:

**Volume of Goods** and **Value of Revenues** at the Beirut Port witnessed a respective rise of 17.4% and 24.5% up to June 2013 compared to the same period attained in June 2012, due to the increased use of maritime transport for trading purposes by both the Lebanese and Syrians, as a result of the Syrian crisis. This increase has led to port congestion at the Port of Beirut.

##### • Banking Sector Deposits

Total value of **Private Sector Deposits** in the commercial banking sector continued to show positive growth results in 2013. In the first half of 2013, they grew by 5.0% relative to the 3.6% increase attained in the same period in 2012. As such, private sector deposits reached USD 131,266 Million, accounting for 83% of total commercial bank assets by June 2013.

##### • Claims to the Private and Public Sector

YTD growth in **Total Claims** rose by 4.0% in the first half of 2013 relative to the YTD increase of 2.7% in the same period in 2012. In particular:

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i. **Claims to the Private Sector** by 3.1% over the same period in 2013 compared to the 4.3% rise observed in the first half of 2012. As such, loans to the private sector now account for 58% of total claims and 25% of total commercial bank assets.

ii. **Claims to the Public Sector** rose by 5.3% in the first half of 2013 compared to the 0.5% rise observed over the same period in 2012. As such, loans to the public sector account for 42% of total claims and 21% of total assets.

##### Disclaimer:

The most recent month is highlighted for each of the following indicators:

- Coincident Indicator: June 2013
- Real Estate: Jan-July 2013
- Tourism: H1 2013
- Fiscal Performance: Jan-April 2013
- Trade: H1 2013
- Balance of Payments: H1 2013
- Port Statistics: H1 2013
- Banking Sector Deposits: June 2013
- Claims to the Private and Public Sector: June 2013
- Value of Foreign Assets: June 2013

## KEY ECONOMIC INDICATORS

### AUGUST 2013 ISSUE

| GENERAL INDICES  | Footnote | Period   | 2013    | 2012    | 2013/2012<br>% Δ | 2011    | 2012/2011<br>% Δ | 2010    | 2009    | 2008    |
|--|----------|----------|---------|---------|------------------|---------|------------------|---------|---------|---------|
| Nominal GDP, IMF (Billions USD)                          | 1        |          | 44.0    | 41.8    |                  | 39.0    | 7.2%             | 37.1    | 34.7    | 29.7    |
| Economic Growth Rate (IMF)                               |          |          | 2.0%    | 1.5%    |                  | 1.5%    | 0.0%             | 7.0%    | 9.0%    | 8.6%    |
| Projected[1] Average/ Estimated[2] GDP Growth            | 2&3      |          | 1.2%    | 1.4%    |                  | 5.2%    | -73.5%           | 7.0%    | 9.0%    |         |
| Latest IMF   |          |          | 2.0%    | 1.5%    |                  |         | -                | -       | -       | -       |
| Latest World Bank  |          |          | 2.3%    | 1.4%    |                  |         |                  |         |         |         |
| Inflation Rate (%)                                       | 4        | Jan-July | 128.4   | 125.9   | 2.0%             | 115.6   | 8.9%             | 109.30  | 106.20  | 107.2   |
| Electricity Production (Millions Kwh)                    | 5        | Jan-June | 5,516   | 5,590   | -1.3%            | 6,112   | -8.5%            | 6,011   | 5,662   | 5,287   |
| Coincidence Indicator (1993 =100)                        | 5        | June     | 265.5   | 261.0   | 1.7%             | 261.8   | -0.3%            | 248.0   | 229.0   | 197.9   |
| Growth in Coincident Indicator (%)                       |          | YTD June | 1.1%    | -1.7%   |                  | 2.5%    |                  | 3.1%    | 9.3%    | 5.5%    |
| Number of New Car Registrations                          | 6        | Jan-July | 20,521  | 20,187  | 1.7%             | 18,556  | 8.8%             | 19,639  | 18,666  | 17,822  |
| <b>LABOR</b>   |          |          |         |         |                  |         |                  |         |         |         |
| Number of Renewed Work Permits given to Foreign Workers  | 7        | Annual   |         | 137,034 |                  | 123,975 | 10.5%            | 114,810 | -       | -       |
| Number of 1st Time Work Permits given to Foreign Workers | 7        | Annual   |         | 53,985  |                  | 60,981  | -11.5%           | 45,005  | -       | -       |
| <b>CONSTRUCTION AND REAL ESTATE</b>                      |          |          |         |         |                  |         |                  |         |         |         |
| Cement Deliveries (000s Tons)                            | 5        | Jan-June | 2,656   | 2,587   | 2.7%             | 2,661   | -2.8%            | 2,587   | 2,368   | 1,976   |
| Construction Permits area (000s of Sq m)                 | 8        | Jan-July | 7,582   | 8,789   | -13.7%           | 10,051  | -12.6%           | 10,158  | 6,823   | 6,098   |
| Total Number of New Permits                              | 8        | Jan-July | 10,114  | 10,702  | -5.5%            | 11,108  | -3.7%            | 9,696   | 8,141   | 6,610   |
| Total Value of Real Estate Sales (Millions of USD)       | 9        | Jan-July | 4,652   | 4,787   | -2.8%            | 4,535   | 5.6%             | 5,631   | 3,027   | 3,192   |
| Total Number of Transactions/Contracts                   | 9        | Jan-July | 96,377  | 106,427 | -9.4%            | 118,426 | -10.1%           | 120,489 | 90,425  | 90,813  |
| Total Number of Buildings                                | 9        | Jan-July | 158,436 | 162,607 | -2.6%            | 169,582 | -4.1%            | 168,902 | 150,573 | 149,400 |
| Total Number of Property Sales                           | 9        | Jan-July | 38,127  | 40,202  | -5.2%            | 44,093  | -8.8%            | 54,099  | 40,485  | 41,988  |

[1] World Economic Outlook Report, April 2013 [2] Institutions considered in the computation of the 2012 projected average GDP Growth include IMF, World Bank, Economic Intelligence Unit, Institute of International Finance, EFG Hermes, HSBC, Merrill Lynch, Standard Chartered Bank, Barclays Capital, ESCWA and Barclays Capital [3] Estimates for 2011, 2010, 2009 and 2008 are based solely on Lebanese National Account Figures [4] Central Administration of Statistics [5] Banque du Liban [6] Association of Car Importers in Lebanon [7] Ministry of Labor [8] Order of Architects in Beirut and Tripoli [9] Real Estate Directorate

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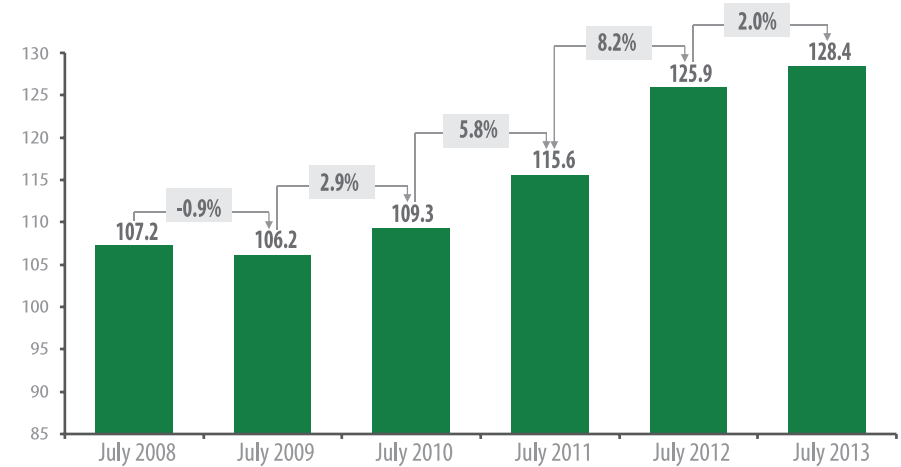


### GDP GROWTH (IN PERCENTAGE; 2004-2013F)



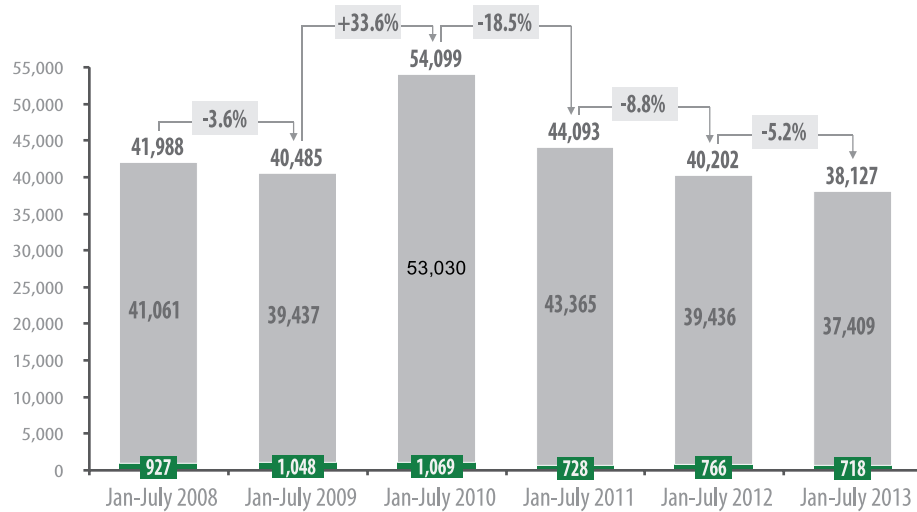
Source: 2004 to 2010- Lebanese National Accounts  
2011e, 2012e and 2013f based on latest IMF Figures

### EVOLUTION IN CONSUMER PRICE INDEX (DEC 2007=100)



Source: Central Administration of Statistics

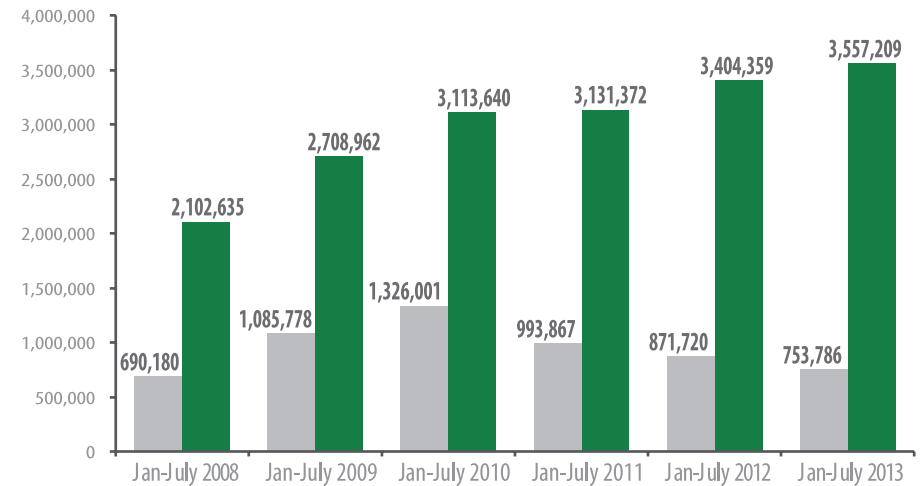
### EVOLUTION OF THE NUMBER OF PROPERTY TRANSACTIONS (IN NUMBER OF TRANSACTIONS; 2008-2013)



Note: Property Transactions include both Local and Foreign Transactions  
Source: Real Estate Directorate at the Ministry of Finance

Local Transactions  
Foreign Transactions

### EVOLUTION IN THE NUMBER OF TOURISTS AND AIRPORT PASSENGERS (2008-2013)



Source: Ministry of Tourism and Rafic Hariri Airport

Tourism  
Airport Passengers



| TRADE   | Footnote | Period   | 2013     | 2012     | 2013/2012<br>% Δ | 2011    | 2012/2011<br>% Δ | 2010      | 2009      | 2008    |
|---|----------|----------|----------|----------|------------------|---------|------------------|-----------|-----------|---------|
| Exports Value (Millions of USD), of which:        | 10       | Jan-June | 2,316    | 2,173    | 6.6%             | 2,118   | 2.6%             | 2,113     | 1,689     | 1,747   |
| Industrial Exports (excluding Gold Ingots)        | 11       | Jan-June | 1,744    | 1,539    | 13.3%            | 1,620   | -5.0%            | 1,610     | 1,269     | 1,479   |
| Exports Volume (Millions of Tons)                 | 10       | Jan-June | 1.57     | 1.15     | 36.0%            | 1.50    | -23.1%           | 1.47      | 1.43      | 1.70    |
| Imports Value (Millions of USD), of which:        | 10       | Jan-June | (10,796) | (10,882) | -0.8%            | (9,228) | 17.9%            | (8,579)   | (7,830)   | (7,315) |
| Industrial Machinery                              | 11       | Jan-June | (166)    | (145)    | 14.4%            | (123)   | 17.9%            | (113)     | (105)     | (85)    |
| Mineral Fuels and Oils                            | 10       | Jan-June | (2,657)  | (3,213)  | -17.3%           | (1,698) | 89.2%            | (1,573)   | (1,508)   | (1,879) |
| Imports Value, excl Oil Products                  | 10       | Jan-June | (8,139)  | (7,669)  | 6.1%             | (7,530) | 1.9%             | (7,006)   | (6,322)   | (5,436) |
| Imports Volume (Millions of Tons), of which:      | 10       | Jan-June | 7.44     | 8.09     | -8.0%            | 6.63    | 22.0%            | 7.10      | 7.07      | 6.15    |
| Mineral Fuels and Oils                            | 10       | Jan-June | 2.88     | 3.59     | -19.9%           | 2.24    | 60.6%            | 2.58      | 3.35      | 2.56    |
| Imports Volume, excl Oil Products                 | 10       | Jan-June | 4.56     | 4.49     | 1.6%             | 4.39    | 2.4%             | 4.52      | 3.71      | 3.59    |
| Trade Deficit (Millions of USD)                   | 10       | Jan-June | (8,480)  | (8,709)  | -2.6%            | (7,110) | 22.5%            | (6,466)   | (6,141)   | (5,568) |
| Capital Inflows (Millions of USD), of which:      |          | Jan-June | 8,100    | 7,688    | 5.4%             | 6,631   | 15.9%            | 7,780     | 8,243     | 5,650   |
| Balance of Payments (Millions of USD)             | 12       | Jan-June | (382)    | (1,021)  | -62.6%           | (479)   | 113.2%           | 1,314     | 2,102     | 82      |
| Value of Transit Goods (Millions of USD)          | 10       | Jan-June | 231.9    | 171.0    | 35.6%            | 198.9   | -14.0%           | 191.4     | 225.8     | 147.0   |
| Port Activity (000s Tons of Goods)                | 13       | Jan-June | 4,092    | 3,486    | 17.4%            | 3,245   | 7.4%             | 3,289     | 3,126     | 2,882   |
| Port Revenues (Millions of USD)                   | 13       | Jan-June | 105.9    | 85.1     | 24.5%            | 79.2    | 7.4%             | 80.6      | 76.8      | 59.3    |
| Total TEU (Twenty Foot Equivalent Unit) of which: | 13       | Jan-June | 558,162  | 514,768  | 8.4%             | 501,049 | 2.7%             | 472,307   | 508,730   | 441,152 |
| Transshipment                                     |          | Jan-June | 184,917  | 209,237  | -11.6%           | 211,495 | -1.1%            | 173,408   | 221,137   | 197,775 |
| <b>TOURISM</b>                                    |          |          |          |          |                  |         |                  |           |           |         |
| Number of Tourists                                | 14       | Jan-July | 753,786  | 871,720  | -13.5%           | 993,867 | -12.3%           | 1,326,001 | 1,085,778 | 690,180 |
| Hotel Occupancy Rates                             | 15       | Jan-May  | 58%      | 66%      | -12.1%           | 52%     | 26.9%            | 72%       | 70%       | 36%     |
| Evolution in Tourism Spending                     | 16       | Jan-June |          |          | -18%             |         | 20%              |           |           |         |
| Number of Airport Passengers (in Millions)        | 17       | Jan-July | 3.56     | 3.40     | 4.7%             | 3.13    | 8.6%             | 3.11      | 2.71      | 2.11    |

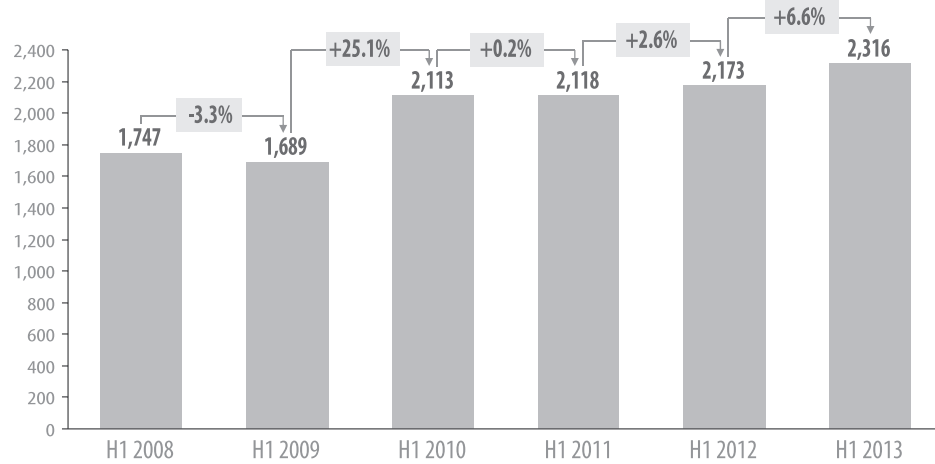
[10] Lebanese Customs at Ministry of Finance [11] Ministry of Industry

[12] Banque du Liban [13] Beirut Port [14] Ministry of Tourism [15] Ernst and Young [16] Global Blue [17] Rafic Hariri Airport

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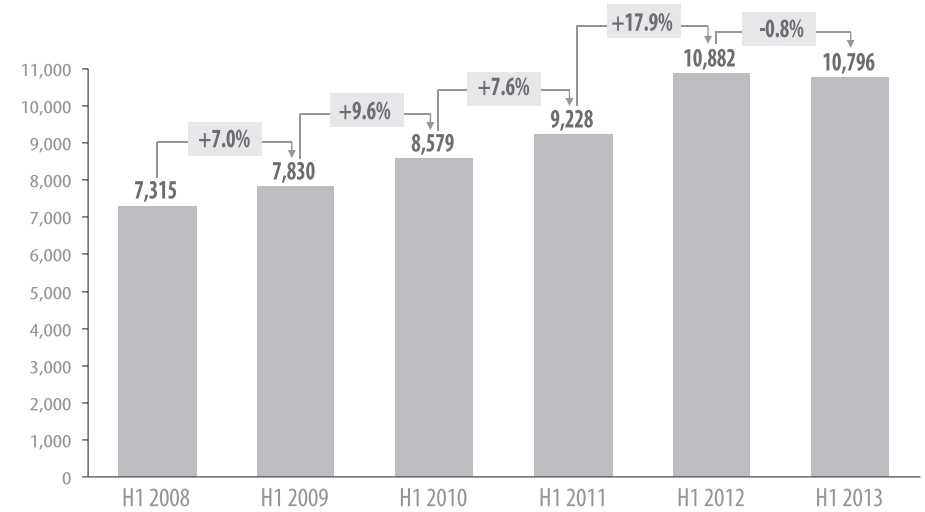


### EVOLUTION OF EXPORTS (IN MILLIONS OF USD; 2008 TO 2013)



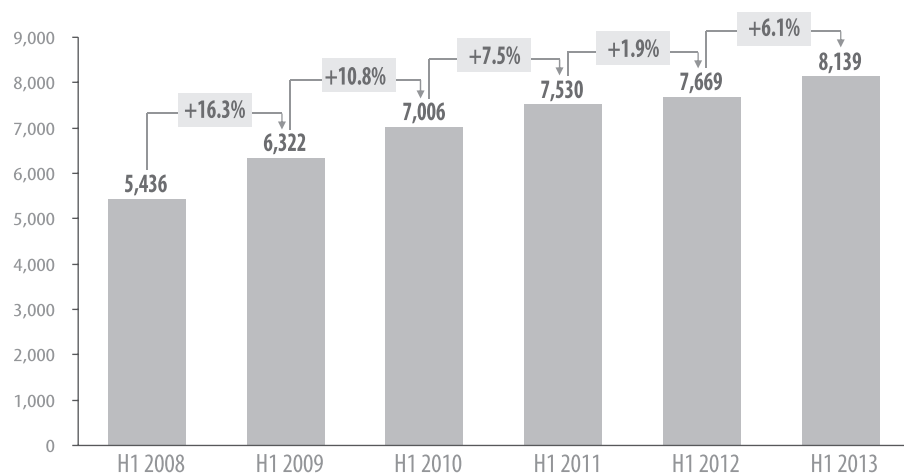
Source: Lebanese Customs

### EVOLUTION OF IMPORTS (INCLUDING OIL PRODUCTS) (IN MILLIONS OF USD; 2008 TO 2013)



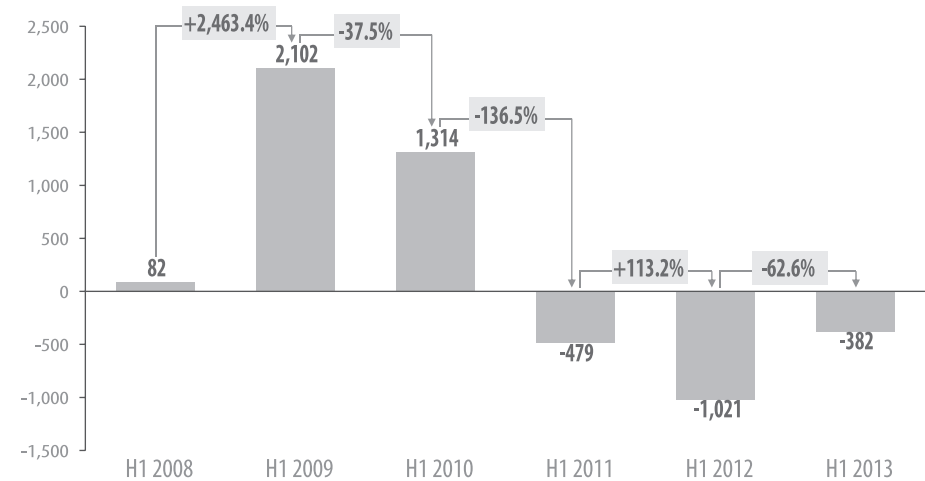
Source: Lebanese Customs

### EVOLUTION OF IMPORTS (EXCLUDING OIL PRODUCTS) (IN MILLIONS OF USD; 2008 TO 2013)



Source: Lebanese Customs

### EVOLUTION OF BALANCE OF PAYMENTS (IN MILLIONS OF USD; 2008 TO 2013)



Source: BdL



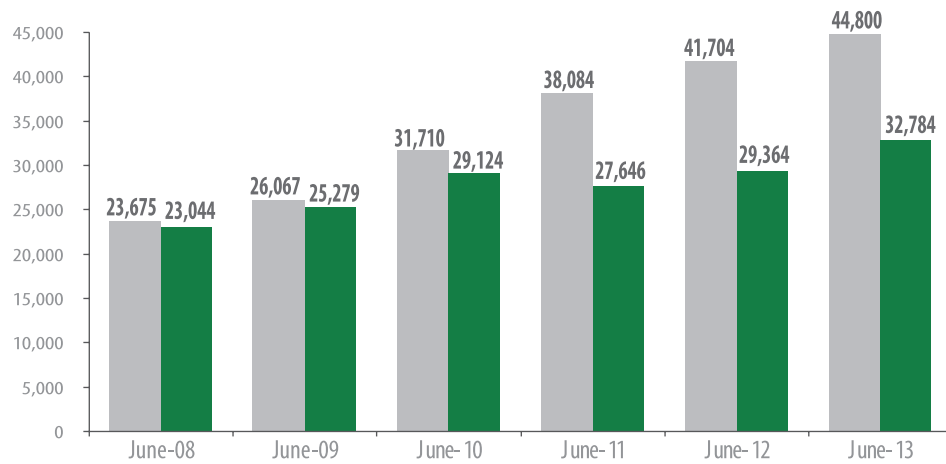
| BANKING                                       | Footnote | Period   | 2013    | 2012    | 2013/2012<br>% Δ | 2011    | 2012/2011<br>% Δ | 2010    | 2009    | 2008   |
|---|----------|----------|---------|---------|------------------|---------|------------------|---------|---------|--------|
| <b>Commercial Banks Indicators:</b>           |          |          |         |         |                  |         |                  |         |         |        |
| Commercial Banking Assets (Millions USD)      | 18       | June     | 157,945 | 145,897 | 8.3%             | 135,430 | 7.7%             | 121,680 | 103,620 | 88,451 |
| Growth in Commercial Banking Assets (%)       | 18       | YTD June | 4.0%    | 3.8%    |                  | 5.1%    |                  | 5.6%    | 9.9%    | 7.5%   |
| Private Sector Deposits (Millions USD)        | 18       | June     | 131,266 | 119,883 | 9.5%             | 111,482 | 7.5%             | 100,122 | 85,778  | 72,089 |
| Growth in Private Sector Deposits (%)         | 18       | YTD June | 5.0%    | 3.6%    |                  | 4.0%    |                  | 4.6%    | 10.3%   | 7.1%   |
| Loans to the Private Sector (Millions of USD) | 18       | June     | 44,800  | 41,704  | 7.4%             | 38,084  | 9.5%             | 31,710  | 26,067  | 23,675 |
| Growth in Loans to the P.S (%)                | 18       | YTD June | 3.1%    | 4.3%    |                  | 9.0%    |                  | 11.8%   | 4.1%    | 15.9%  |
| <b>BdL Indicators:</b>                        |          |          |         |         |                  |         |                  |         |         |        |
| Foreign Assets (Millions of USD), of which:   | 18       | June     | 42,812  | 43,747  | -2.1%            | 42,264  | 3.5%             | 38,885  | 29,283  | 21,236 |
| Growth in Foreign Assets (%)                  | 18       | YTD June | -5.5%   | -3.2%   |                  | 1.6%    |                  | 8.9%    | 16.7%   | 21.9%  |
| Foreign Currency Reserves                     | 18       | June     | 31,716  | 29,260  | 8.4%             | 28,335  | 3.3%             | 27,415  | 20,620  | 12,622 |
| Growth in Foreign Currency Reserves (%)       | 18       | YTD June | 5.8%    | -5.0%   |                  | -0.9%   |                  | 6.8%    | 20.8%   | 29.1%  |
| Gold Reserves                                 | 18       | June     | 11,096  | 14,487  | -23.4%           | 13,929  | 4.0%             | 11,470  | 8,663   | 8,614  |
| Growth in Gold Reserves(%)                    | 18       | YTD June | -27.5%  | 0.6%    |                  | 7.1%    |                  | 14.0%   | 7.9%    | 12.7%  |
| Lebanese Pound Deposit Rate (%)               | 18       | June     | 5.39    | 5.45    | -1.1%            | 5.62    | -3.0%            | 5.83    | 6.96    | 7.25   |
| Lebanese Pound Lending Rate (%)               | 18       | June     | 7.87    | 7.44    | 5.8%             | 7.59    | -2.0%            | 8.37    | 9.76    | 10.09  |
| USD Deposit Rate (%)                          | 18       | June     | 2.86    | 2.78    | 2.9%             | 2.81    | -1.1%            | 2.75    | 3.18    | 3.55   |
| USD Lending Rate (%)                          | 18       | June     | 6.97    | 7.15    | -2.5%            | 6.98    | 2.4%             | 7.03    | 7.24    | 7.28   |
| 3-Month TB Yield (%)                          | 18       | June     | 4.44    | 4.44    | 0.0%             | 3.93    | 13.0%            | 3.94    | 4.94    | 5.22   |
| 6 Month TB Yield (%)                          | 18       | June     | 4.99    | 4.99    | 0.0%             | 4.50    | 10.9%            | 4.43    | 6.61    | 7.22   |
| 12 Month TB Yield (%)                         | 18       | June     | 5.35    | 5.35    | 0.0%             | 4.81    | 11.2%            | 4.88    | 6.89    | 7.75   |
| 36-Month TB Coupon (%)                        | 18       | June     | 6.61    | 6.61    | 0.0%             | 6.03    | 9.6%             | 5.97    | 8.70    | 9.47   |

[18] Banque du Liban

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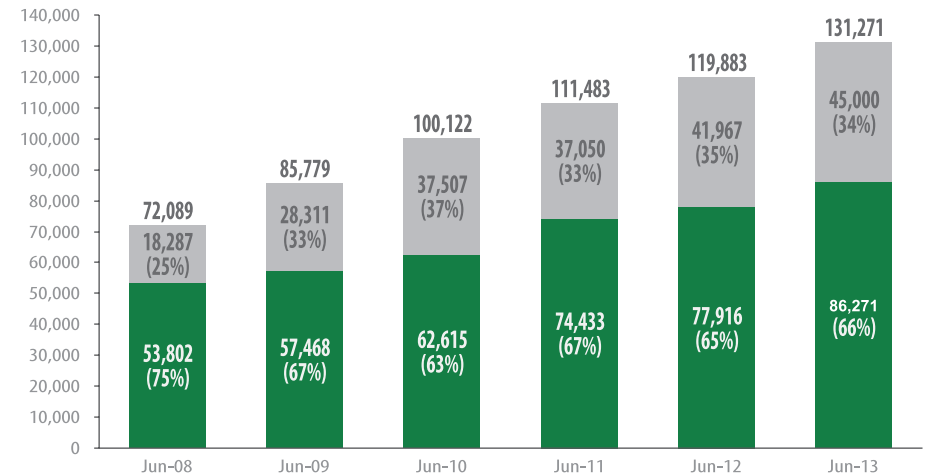
### TOTAL LOANS TO THE PRIVATE (RESIDENT AND NON RESIDENT) AND PUBLIC SECTOR (MILLIONS OF USD; 2008-2013)



Source: Banque du Liban

■ Total Loans to the Private Sector  
■ Total Loans to the Public Sector

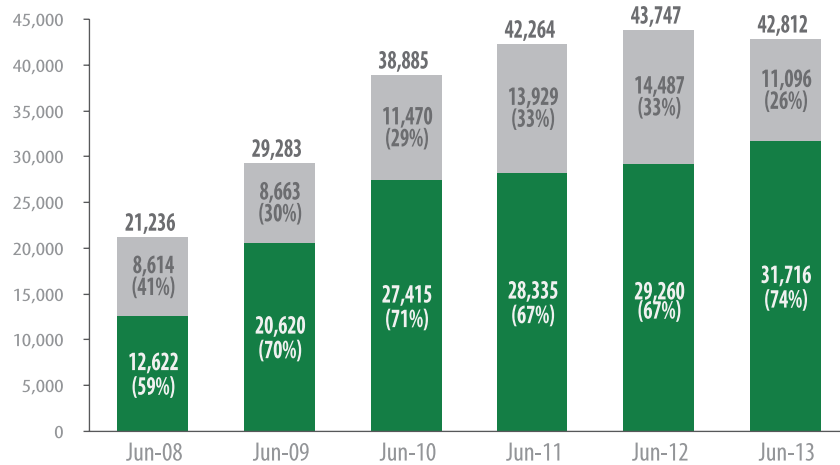
### VALUE OF BANK DEPOSITS (LEBANESE AND FOREIGN CURRENCY) (IN MILLIONS USD; 2008-2013)



Note: Bank Deposits defined as Resident Private Sector Deposits (excluding Public Sector)  
Source: Banque du Liban

■ Lebanese Deposits  
■ Foreign Currency Deposits

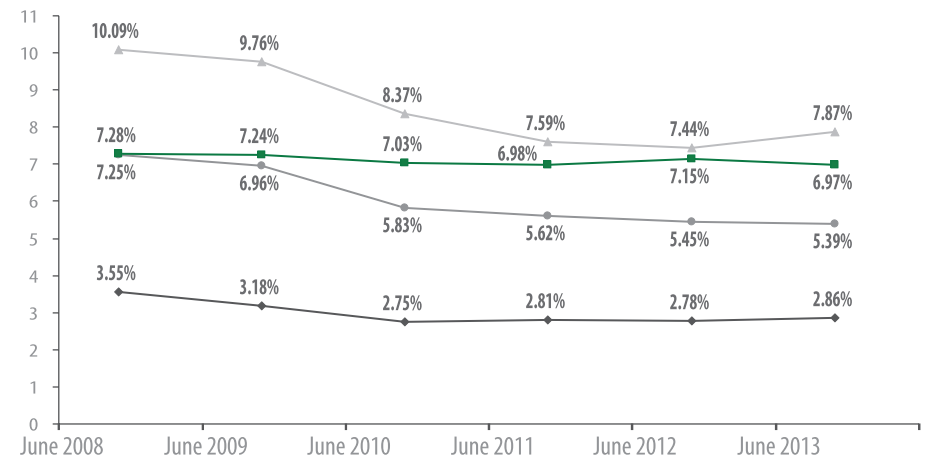
### VALUE OF FOREIGN ASSETS HELD BY BDL (IN MILLIONS USD; 2008-2013)



Source: Banque du Liban

■ Gold  
■ Foreign Currency

### LBP AND USD DEPOSIT AND LOAN RATES (IN PERCENTAGE; 2008-2013)



Source: Banque du Liban



| FINANCE                                       | Footnote | Period   | 2013    | 2012    | 2013/2012<br>% Δ | 2011   | 2012/2011<br>% Δ | 2010    | 2009   | 2008   |
|---|----------|----------|---------|---------|------------------|--------|------------------|---------|--------|--------|
| M3 Money Supply (Million USD)                 | 18       | June     | 107,309 | 100,360 | 6.9%             | 94,233 | 6.5%             | 86,738  | 74,685 | 63,555 |
| Growth in M3 Money (%)                        | 18       | YTD June | 3.2%    | 3.2%    |                  | 2.3%   |                  | 5.7%    | 8.8%   | 6.2%   |
| Market Capitalization (Millions USD)[16]      | 19       | Jan-July | 10,562  | 10,250  | 3.0%             | 11,247 | -8.9%            | 12,507  | 11,557 | 15,942 |
| Value of Traded Shares (Millions of USD)      | 19       | Jan-July | 184.7   | 291.5   | -36.6%           | 374.4  | -22.1%           | 1,578.7 | 629.0  | 861.0  |
| Volume of Traded Shares (Millions of Shares)  | 19       | Jan-July | 28.0    | 39.3    | -28.8%           | 56.4   | -30.2%           | 238.6   | 81.1   | 36.3   |
| Value of Kafalat Loans (Millions USD)[17]     | 20       | Jan-July | 67.7    | 83.0    | -18.4%           | 93.3   | -11.0%           | 100.9   | 77.7   | 74.0   |
| Number of Kafalat Loans                       | 20       | Jan-July | 481     | 609     | -21.0%           | 691    | -11.9%           | 852     | 588    | 535    |
| Value of Cleared Checks (Millions of USD)[18] | 21       | Jan-June | 35,534  | 34,787  | 2.1%             | 34,748 | 0.1%             | 34,023  | 25,183 | 24,427 |
| Number of Cleared Checks (in Millions)[19]    | ] 21     | Jan-June | 6.51    | 6.41    | 1.6%             | 6.35   | 1.0%             | 6.76    | 5.85   | 5.48   |

#### EXCHANGE RATE MARKETS

|                                |    |            |         |        |       |         |        |         |         |    |
|--------------------------------|----|------------|---------|--------|-------|---------|--------|---------|---------|----|
| YoY USD-LBP Exchange Rate[20]  | 22 | July close | 1,512.5 | 1,502  | 0.7%  | 1,507.5 | -0.4%  | 1,507.5 | 1,507.5 | na |
| YoY EURO-USD Exchange Rate[21] | 23 | July close | 1.3263  | 1.2322 | 7.6%  | 1.4334  | -14.0% | 1.268   | 1.4075  | na |
| YoY GBP-USD Exchange Rate[22]  | 23 | July close | 1.5238  | 1.5748 | -3.2% | 1.6374  | -3.8%  | 1.5613  | 1.6493  | na |
| YoY USD-JPY Exchange Rate[23]  | 23 | July close | 98.03   | 78.46  | 24.9% | 77.67   | 1.0%   | 86.79   | 95.56   | na |

[19] Beirut Stock Exchange

[20] Kafalat

[21] Association des Banques du Liban

[22] BLOM Bank "Lebanon Brief" Reports

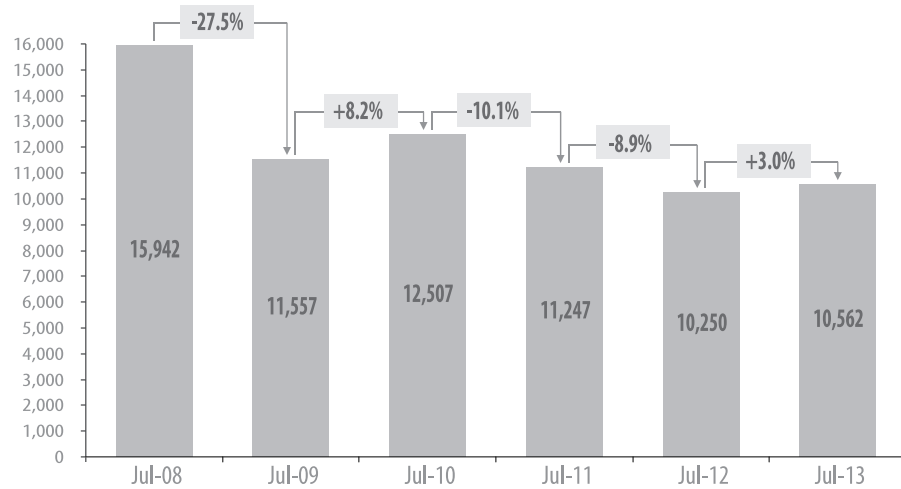
[23] Bloomberg.com - Interactive Currency Charts

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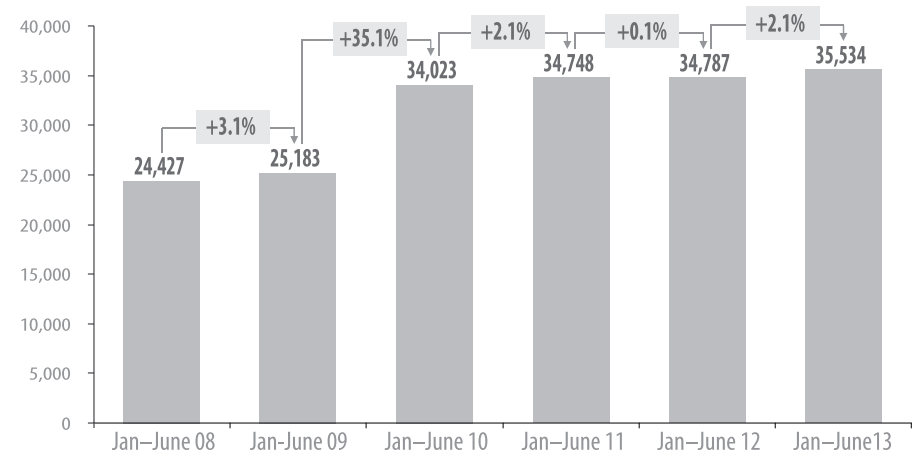


### VALUE OF MARKET CAPITALIZATION (IN MILLIONS USD; 2008-2013)



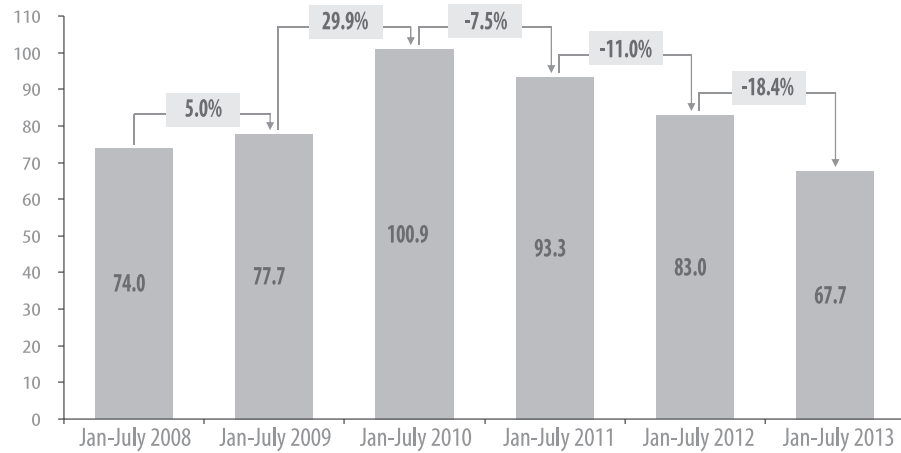
Source: Beirut Stock Exchange

### EVOLUTION OF THE VALUE OF CLEARED CHECKS (IN MILLIONS USD; 2008-2013)



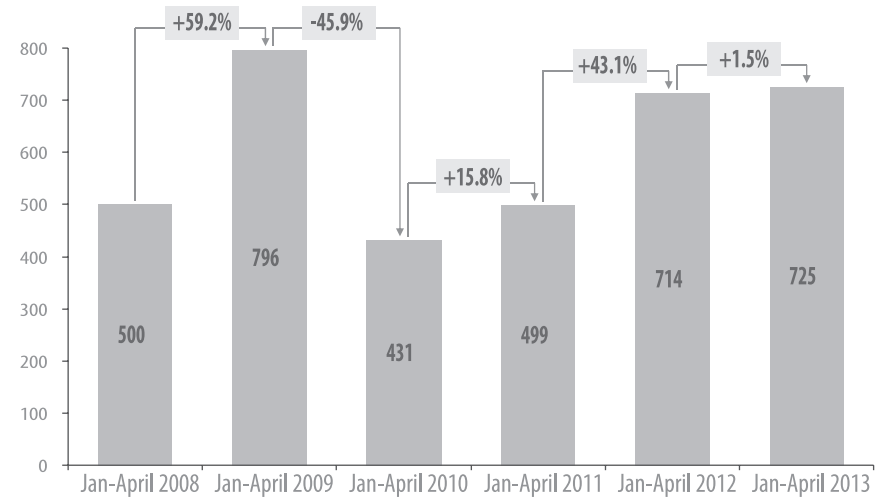
Source: Banque du Liban

### EVOLUTION OF VALUE OF KAFALAT LOANS (IN MILLIONS USD; 2008-2013)



Source: Kafalat S.A.L

### EVOLUTION OF EDL TRANSFERS (IN MILLIONS OF USD; 2008-2013)



Source: Banque du Liban



| PUBLIC FINANCE [24]                                   | Footnote | Period   | 2013    | 2012    | 2013/2012<br>% Δ | 2011    | 2012/2011<br>% Δ | 2010  | 2009    | 2008  |
|---|----------|----------|---------|---------|------------------|---------|------------------|-------|---------|-------|
| Total Revenues (Million USD)                          | 24       | Jan-Apr  | 3,136   | 3,160   | -0.8%            | 2,540   | 24.4%            | 2,822 | 2,771   | 2,167 |
| Total Expenditures (Million USD)                      | 24       | Jan-Apr  | 4,645   | 4,252   | 9.3%             | 3,939   | 7.9%             | 3,503 | 3,981   | 3,157 |
| Fiscal Balance (Million USD)                          | 24       | Jan-Apr  | (1,509) | (1,091) | 38.3%            | (1,399) | -22.0%           | (681) | (1,210) | (990) |
| Total Primary Balance (Million USD)                   | 24       | Jan-Apr  | (269)   | 192     | -240.6%          | 18      | 958.5%           | 678   | 164     | 243   |
| Public Debt (Billions USD)                            | 25       | Jan-June | 60.0    | 55.3    | 8.6%             | 52.5    | 5.2%             | 51.0  | 47.3    | 44.5  |
| Budget Revenues (Millions USD), of which:             | 24       | Jan-Apr  | 2,944   | 3,021   | -2.6%            | 2,388   | 26.5%            | 2,678 | 2,647   | 1,942 |
| Tax Revenues, of which:                               | 24       | Jan-Apr  | 2,278   | 2,308   | -1.3%            | 2,093   | 10.3%            | 2,173 | 1,874   | 1,381 |
| Misc Tax Rev  | 24       | Jan-Apr  | 991     | 990     | 0.0%             | 859     | 15.2%            | 812   | 646     | 535   |
| Customs Rev   | 24       | Jan-Apr  | 468     | 461     | 1.5%             | 469     | -1.6%            | 589   | 555     | 266   |
| VAT Rev   | 24       | Jan-Apr  | 819     | 857     | -4.4%            | 764     | 12.1%            | 771   | 673     | 580   |
| Non Tax Rev   | 24       | Jan-Apr  | 666     | 713     | -6.6%            | 295     | 141.7%           | 506   | 774     | 561   |
| Budget Expenditures (Millions of USD)[25], of which:  | 24       | Jan-Apr  | 3,61    | 6 3,492 | 3.6%             | 3,711   | -5.9%            | 3,219 | 2,741   | 2,325 |
| General Expenditures, of which:                       | 24       | Jan-Apr  | 2,377   | 2,209   | 7.6%             | 2,294   | -3.7%            | 1,860 | 1,366   | 1,091 |
| EdL   | 24       | Jan-Apr  | 725     | 714     | 1.5%             | 499     | 43.1%            | 431   | 796     | 500   |
| Interest Payments, of which:                          | 24       | Jan-Apr  | 1,190   | 1,224   | -2.8%            | 1,353   | -9.5%            | 1,323 | 1,346   | 1,110 |
| Lebanese Lira Interest Payments                       | 24       | Jan-Apr  | 7 83    | 774     | 1.2%             | 8 26    | -6.2%            | 844   | 818     | 645   |
| Foreign Currency Interest Payments                    | 24       | Jan-Apr  | 406     | 450     | -9.7%            | 527     | -14.6%           | 479   | 527     | 465   |
| Principal Repayments                                  | 24       | Jan-Apr  | 50      | 59      | -15.5%           | 64      | -8.5%            | 36    | 29      | 123   |
| Budget Expenditures (Millions of USD) [26], of which: | 26       | Jan-Mar  | 2,884   | 2,746   | 5.0%             | 2,776   | -1.1%            | 2,471 | 2,708   | 2,060 |
| Personnel Cost, of which:                             | 26       | Jan-Mar  | 9 88    | 990     | -0.3%            | 992     | -0.2%            | 818   | 758     | 585   |
| Salaries and Wages                                    | 26       | Jan-Mar  | 647     | 629     | 3.0%             | 704     | -10.7%           | 568   | 511     | 381   |
| Retirement + End of Service                           | 26       | Jan-Mar  | 2 81    | 300     | -6.4%            | 2 41    | 24.5%            | 205   | 201     | 175   |
| Transfers to EdL                                      | 26       | Jan-Mar  | 5 72    | 541     | 5.6%             | 3 34    | 61.9%            | 335   | 720     | 342   |
| Debt Service, of which:                               | 26       | Jan-Mar  | 7 78    | 846     | -8.0%            | 9 53    | -11.2%           | 958   | 939     | 848   |
| Lebanese Lira Interest Payments                       | 26       | Jan-Mar  | 5 27    | 540     | -2.3%            | 5 90    | -8.5%            | 609   | 323     | 472   |
| Foreign Currency Interest Payments                    | 26       | Jan-Mar  | 2 18    | 262     | -16.7%           | 3 18    | -17.5%           | 318   | 590     | 258   |
| Capital Expenditures                                  | 26       | Jan-Mar  | 124     | 157     | -20.8%           | 149     | 5.4%             | 115   | 100     | 90    |

[24] Ministry of Finance- Fiscal Performance Sheet [25] Byblos Report LTW 318

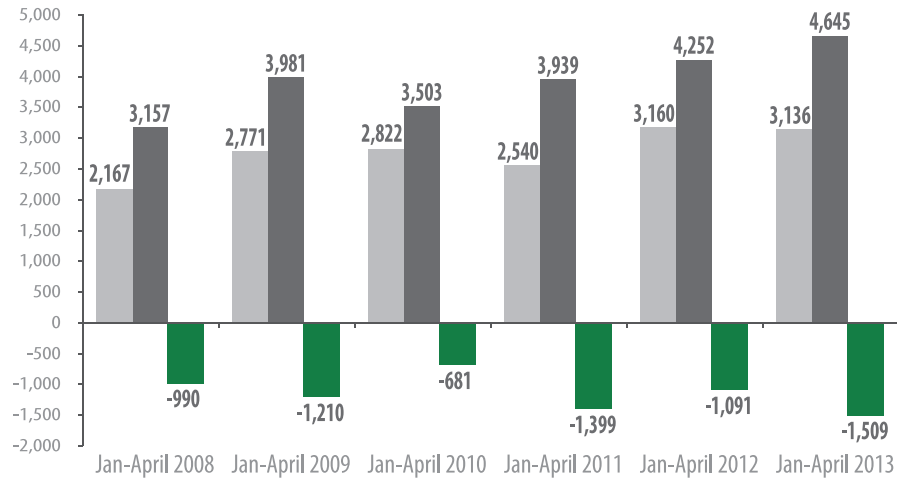
[26] Public Finance Monitor

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### EVOLUTION OF TOTAL REVENUES, EXPENDITURES AND FISCAL BALANCE

(IN MILLIONS USD; 2008-2013)

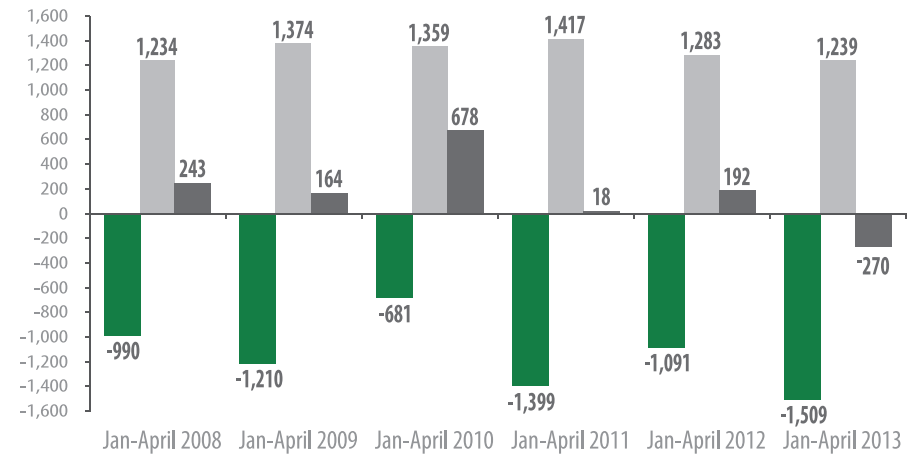


Source: Ministry of Finance

■ Revenues ■ Expenditures ■ Fiscal Balance

### EVOLUTION OF EDL TRANSFERS

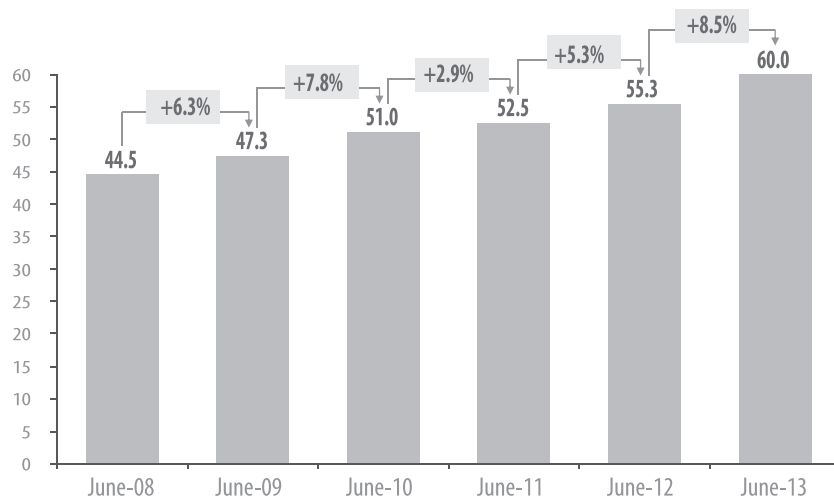
(IN MILLIONS OF USD; 2008-2013)



Source: Banque du Liban

### EVOLUTION OF GROSS PUBLIC DEBT

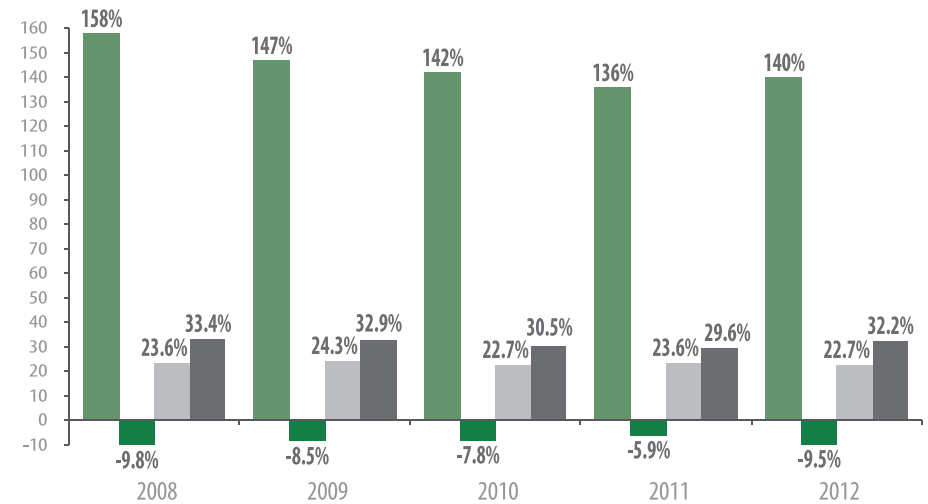
(IN BILLIONS OF USD; 2008-2013)



Source: Banque du Liban

### EVOLUTION OF DEBT/GDP, DEFICIT/GDP, REVENUES/GDP AND EXPENDITURES/GDP

(IN PERCENTAGE; 2008-2012)



Source: Ministry of Finance

■ Debt/ GDP ■ Revenues/ GDP ■ Deficit/ GDP ■ Expenditures/ GDP

