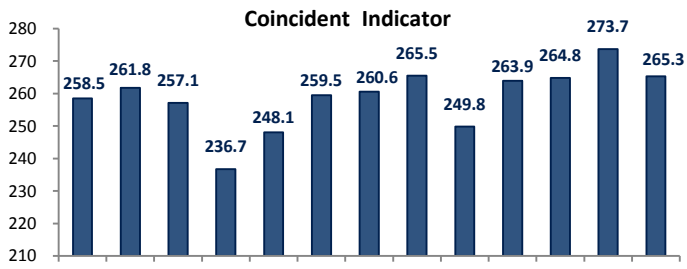


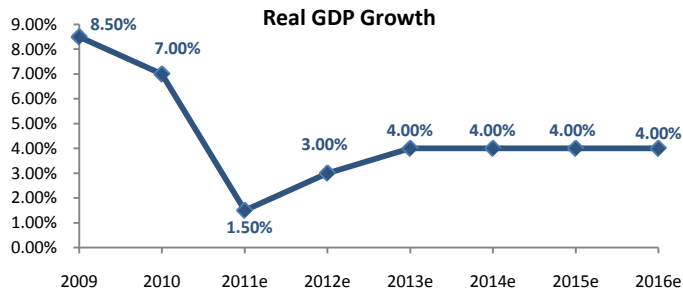
LEBANON ECONOMIC HIGHLIGHTS: May 2012

Coincident Indicator (INDIC) up 2.6% YOY in May 2012:

In May 2012, the coincident indicator witnessed an increase of **2.6% YOY** from 258.5 in May 2011 to 265.3 in May 2012. The indicator decreased -3.1% MOM from 273.7 in April 2012. Coincident indicator was created in 1994 by the BDL as a monthly estimate of the Gross Domestic Product (GDP). It includes eight economic indicators that seek to reflect the current state of the economy in Lebanon. The economic variables that compose the coincident indicator are: electricity production, cement deliveries, cleared checks, money supply M3, passengers flows, imports of petroleum derivatives, imports and exports.



Source: BDL

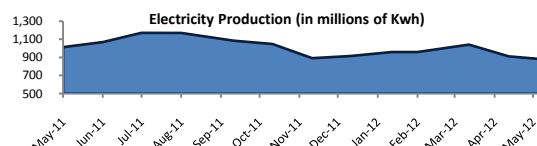


Source: IMF

According to the IMF, the Lebanese economy is expected to have a growth rate of 1.5% in 2011. The estimated rate for 2012 is 3.0% and it is forecasted to stabilize at 4.0% for the following four years into 2016.

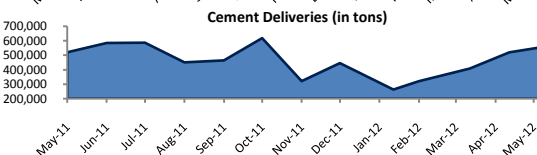
Electricity Production:

Electricity production decreased -13.6% YOY and -4.0% MOM to 876 million of Kwh.



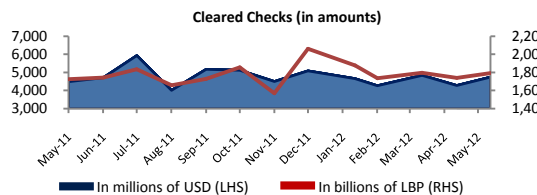
Cement Deliveries:

Cement deliveries, an indicator of construction activity, increased by 8.0% YOY to 562,429 tons and 8.1% MOM. Construction permits, an indicator of future supply in the real estate sector, increased 22.2% YOY.



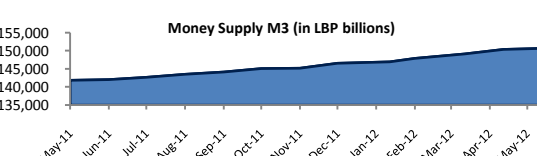
Cleared Checks:

The total value of cleared checks in both LBP and USD increased 5.2% YOY to USD 5,934 million. The cleared checks in LBP increased by 3.9% YOY to LBP 1,793 billion and 3.0% MOM, and those in USD increased 5.6% YOY to USD 4,745 million and 10.8% MOM.



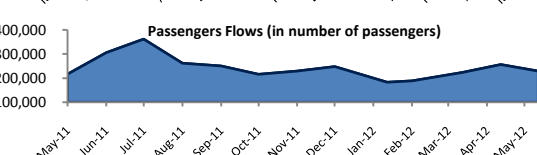
Money Supply M3:

M3 rose increased by 6.2% YOY and 0.2% MOM to LBP 150,683 billion (USD 100.0 billion), of which 59.2% is denominated in foreign currencies. Lending activities for commercial banks remained the major catalyst for money supply.



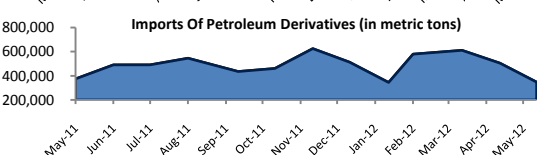
Passengers Flows:

The number of passengers arriving to Lebanon increased by 5.9% YOY but decreased -10.6% MOM to 229,138. The number of tourists visiting Lebanon reached 556,558 in the first 5 months of 2012, 6.7% lower than last year.



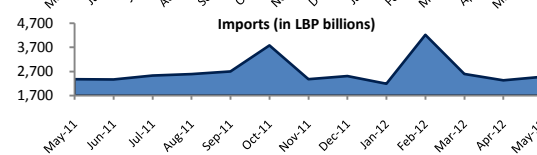
Imports Of Petroleum Derivatives:

Imports of petroleum derivatives decreased by -7.1% YOY and -31.2% MOM to 347,581 metric tons of petroleum derivatives.



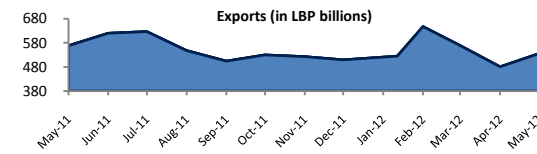
Imports:

Imports increased by 4.2% YOY to LBP 2,481 billion and 6.3% MOM. In the first 5 months of 2012, USA topped the list of imports by country of origin with 15.7%. Italy came next with 7.7%, followed by China with 7.5%.



Exports:

Exports totaled LBP 535 billion reflecting a decrease of -5.8% YOY but increase of 11.3% MOM. South Africa outperformed in terms of exports by country of destination with 19.7%, followed by Switzerland with 12.4% and UAE with 8.5%.



Source: BDL

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