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S&P Global Ratings raised Lebanon's long-term rating in local currency (LC) to CCC+ in February 13th, 2026 from CCC and upheld its short-term LC rating at C; with a stable future outlook. However, S&P maintained Lebanon's rating in foreign currency (FC) at Selective Default (SD).

Several reasons were behind S&P's latest ratings for Lebanon. For the FC rating, S&P kept its rating at SD following Hassan Diab's government default on its FC debt in March 2020 without any progress in rescheduling this debt. In case the government succeeded in restructuring its debt, an upgrade in FC rating is very likely.

As for LC rating, three consecutive years of fiscal surpluses was a major reason of rating upgrade along with the advancement, though slow, in required reforms to reach an IMF deal. Three out of four pre-requisite financial reforms are either completed or in progress. Bank Secrecy Law passed the Lebanese parliament in April 2025, followed by Bank Restructuring Law in July 2025 but cannot be adopted before issuing the Deposit Recovery Law which is known as "Financial Gap Law" as it is linked to it. As for the Deposit Recovery Law, it was transferred to the Lebanese Parliament for approval. The last reform required is a medium-term sustainable fiscal plan.

S&P not only rated Lebanon's LC and FC debt. It also did two scenarios, an Upside scenario and a Downside scenario for LC debt rating. The Upside scenario assumes that Lebanon shows improvement in structural economic imbalances, healthier fiscal outcomes in addition to restoration of the financial sector and developing the State's economy, resulting in rating upgrade. On the other hand, the Downside scenario assumes the Lebanese government rescheduling the LC debt within the FC debt rescheduling program or increasingly failing to make payments on its commercial LC debt in full and on time. In this case, Lebanon's rating might be downgraded in the upcoming 12 months.

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