500 ISSUES+
Issue 601 | October 10, 2019

BYBLOS BANK SAL
Economic Research & Analysis Department

# COUNTRY RISK WEEKLY BULLETIN

# NEWS HEADLINES

## WORLD

### Global trade to grow by 1.2% in 2019

The World Trade Organization projected growth in global trade at 1.2% in real terms in 2019, down from a forecast of 2.6% in April 2019 and from an actual growth rate of 3% in 2018, due to escalating trade tensions and a slowing global economy. It noted that trade activity in the first half of 2019 decelerated compared to recent years, as export and import growth slowed down across all regions. It forecast world trade activity to pick up to 2.7% in 2020 and to outpace global GDP growth, in case trade tensions ease and activity in developing economies accelerates. It noted that downside risks to the outlook consist of the ongoing trade conflicts, macroeconomic shocks, financial volatility and geopolitical tensions. In parallel, the WTO forecast imports to emerging & developing countries to expand by 1.1% in real terms this year, and those to developed economies to grow by 1.6% in 2019. It projected imports to North America to expand by 2.9%, those to Asia to grow by 1.3%, and imports to Europe to increase by 0.4%, while it anticipated imports to South & Central America to decline by 0.7% in 2019. Further, the WTO expected exports from emerging & developing countries to rise by 2.1% and those from developed economies to expand by 0.4% in 2019. It forecast exports from Asia to grow by 1.8% this year, followed by North America (+1.5%), South & Central America (+1.3%), and Europe (+0.6%).

*Source: World Trade Organization*

## GCC

### Fixed income issuance at $106bn in first nine months of 2019

Total fixed income issuance in Gulf Cooperation Council (GCC) countries reached $106bn in the first nine months of 2019, constituting an increase of 17.1% from $90.5bn in the same period of 2018. Aggregate fixed income in the first nine months of the year consisted of $47.4bn in sovereign bonds, or 44.7% of the total, followed by corporate bonds at $31.6bn (29.8%), sovereign sukuk at $17.7bn (16.7%), and corporate sukuk at $9.3bn (8.8%). Aggregate bonds and sukuk issued by GCC sovereigns reached $65.1bn, or 61.4% of total fixed income issuance in the region in the first nine months of 2019, while bonds and sukuk issued by GCC corporates amounted to $40.9bn or 38.6% of the total. On a monthly basis, GCC sovereigns issued $13.2bn in bonds and sukuk in January, $2.9bn in February, $15.2bn in March, $6bn in April, $0.2bn in May, $4.1bn in June, $4.4bn in July, $5.2bn in August, and $13.9bn in September 2019. In parallel, companies in the GCC issued $1.7bn in bonds and sukuk in January, $2.4bn in February, $4.4bn in March, $15.4bn in April, $4.2bn in May, $1.2bn in June, $4.2bn in July, $3bn in August, and $4.4bn in September 2019. Sovereign issuance in September 2019 consisted of $10bn in bonds issued by the UAE, $1.5bn in bonds and $437.2m in sukuk issued by Qatar, and $1bn in bonds issued by Bahrain. In parallel, corporate issuance in the covered month included $1.5bn in bonds and $1bn in sukuk issued by UAE-based companies, as well as $500m in bonds and $350m in sukuk issued by Qatar-based corporates, and $500m in sukuk issued by Kuwait-based firms.

*Source: KAMCO*

## MENA

### Equity issuance down 57% to $1.7bn in first nine months of 2019

Equity Capital Markets (ECM) issuance in the Middle East & North Africa, which includes equity and equity-related issuances, totaled $1.7bn in the first nine months of 2019, down by 57% from the same period of 2018, and constituting their lowest level for that period since 2004. Initial Public Offerings amounted to $1bn in the covered period, and accounted for 61% of the region's ECM issuance, up from a share of 25.1% in the first nine months of last year. In parallel, debt issuance in the MENA region reached $77.5bn in the first nine months of 2019, up by 5% from the same period of 2018. Debt issuance in Saudi Arabia accounted for $26.6bn, or 34.3% of the total, followed by the UAE and Qatar with $12bn each (15.5% each). Further, the amount of announced mergers and acquisitions (M&A) in the region, which includes inbound, outbound and domestic deals, reached an all-time high of $120.6bn in the covered period and increased by 160% year-on-year. The rise in the amount of M&A deals was mainly driven by Saudi Aramco's acquisition of a 70% stake in Saudi Basic Industries Corporation for $69.1bn. In addition, investment banking fees in the region increased by 15.2% annually to $651.4m in the first nine months of 2019. Syndicated lending fees totaled $268.4m, and accounted for 41% of the overall fee pool, followed by fees from M&A deals with $210.3m (32%), debt capital market underwriting fees with $148.7m (23%), and fees from equity capital markets transactions at $24.1m (4%).

*Source: Refinitiv*

### Competitiveness of travel & tourism sector below global level

The World Economic Forum's Travel & Tourism Competitiveness Index for 2019 indicated that the competitiveness of the travel & tourism (T&T) industry in the Arab world is below global standards, as the region's average score reached 3.6 points compared to the global average of 3.8 points. The Arab region's T&T competitiveness level came below Europe & Eurasia's average of 4.3 points, Asia Pacific (4.2 points), and the Americas (3.9 points), but it was above Sub-Saharan Africa's average of 3.1 points. The index measures the set of factors and policies that enable the sustainable development of the T&T sector. The UAE ranked in 33rd place globally and in first place on the index among 14 Arab countries included in the survey, followed by Qatar (51st), Oman (58th), Bahrain (64th) and Egypt (65th) as the Arab countries with the most competitive T&T sectors. In contrast, Kuwait (96th), Lebanon (100th), Algeria (116th), Mauritania (135th) and Yemen (140th) ranked as the least competitive T&T sectors in the region. In parallel, the UAE (17th), Qatar (29th) and Bahrain (36th) were the top ranked Arab countries on the Enabling Environment Sub-Index. Further, Egypt (45th), Morocco (47th) and Qatar (54th) led Arab countries on the T&T Policy and Enabling Conditions Sub-Index. Finally, the UAE (13th), Qatar (27th) and Bahrain (39th) were the top ranked Arab countries on the Infrastructure Sub-Index; while Egypt (33rd), Morocco (54th) and the UAE (73rd) led Arab countries on the Natural & Cultural Resources Sub-Index.

*Source: World Economic Forum, Byblos Research*

# POLITICAL RISK OVERVIEW - September 2019

## ALGERIA

The government announced that the presidential elections will be held on December 12, 2019, following pressure from the army's Chief of Staff General Ahmed Gaid Salah. However, nationwide demonstrations persisted, demanding the removal of General Gaid Salah and radical reforms to the governing system before holding the elections. Also, several opposition parties indicated that they would boycott the elections. Security forces stepped up the arrests of opposition leaders and prevented people coming from outside Algiers to join the ongoing weekly demonstrations in the capital. Authorities continued to arrest current and former officials on allegations of corruption.

## DEM REP CONGO

Parliament approved the government's program that prioritizes security, employment, healthcare and anti-corruption. Ethnic violence escalated in the northeastern province of Ituri, which resulted in at least 66 deaths. Negotiations started between Ituri provincial authorities and the armed group Cooperative for Development of Congo that was willing to surrender its arms in case authorities granted the group amnesty and integrated its men into the armed forces. The army chiefs of the DRC, Burundi, Rwanda and Uganda met in North Kivu to discuss security conditions in the east of the DRC that are affecting neighboring countries. Belgium and the DRC signed agreements to normalize relations between the two countries, which were broken off since 2017.

## EGYPT

Thousands of Egyptians took to the streets in multiple cities demanding President Abdel Fattah al-Sisi to step down. Protests erupted after former businessman and political activist Mohamed Ali, who lives in Spain, accused the President and the military of corruption in a series of videos and called for the demonstrations. In response, President al-Sisi denied the allegations, and security forces arrested around 2,000 protestors. Islamic State militants continued their attacks in the North Sinai province, while security forces launched a series of raids on suspected Islamist militants' hideout, killing more than 20 insurgents. Egypt, Ethiopia and Sudan failed to resolve the dispute over Ethiopia's construction of its Grand Ethiopian Renaissance Dam on River Nile. Consequently, President al-Sisi called for international intervention in the negotiations.

## IRAN

Tensions intensified between Iran on one side and Saudi Arabia and the U.S. on the other side, as the latter side accused Iran of being involved in the attacks on the Saudi Aramco oil facilities in September. Iran seized two ships around the Strait of Hormuz, as it claimed that they were smuggling fuel to the UAE. The United Kingdom accused Iran of selling oil to Syria, breaching the European Union's sanctions. Iran threatened to further breach the nuclear deal if the deal signatories do not provide economic support to Iran by November 2019. Still, the U.S. continued to impose additional sanctions on Iran, including on the Central Bank of Iran. An Iranian delegation met with French officials to discuss the possibility of a $15bn credit line from Europe before the end of 2019, in exchange for Tehran returning to full compliance with the nuclear deal. However, the U.S. refused to issue the needed sanction waivers for the credit line.

## IRAQ

The Iraqi government maintained a neutral stance towards the rising tensions between the U.S. and Iran. In parallel, unclaimed drone strikes targeted a weapons depot and a base of the Iranian-backed Popular Mobilization Units (PMU) in Anbar province. Prime Minister Adel Abdul Mahdi blamed Israel for the airstrikes. Also, unidentified assailants launched several rockets at the Green Zone area in Baghdad. Further, the fight against the Islamic State continued in Salah al-Din, Nineveh, Anbar and Diyala provinces.

## LIBYA

Fighting continued between the Libyan National Army (LNA) and forces aligned with the UN-backed Government of National Accord (GNA) in the capital city of Tripoli, as well as in the northern cities of Misrata and Sirte, and in the central Jufra district. Forces loyal to the GNA conducted a strike on the LNA stronghold of Tarhunah, which killed eleven LNA military personnel, including three senior military officers. Four U.S. airstrikes killed 43 suspected Islamic State (IS) militants near the southern town of Murzuq. United Nations envoy Ghassan Salamé held high-level meetings in Ankara, Cairo and Abu Dhabi, in an attempt to obtain commitments from foreign leaders to stop providing weapons to local proxies in Libya.

## SUDAN

Prime Minster Abdalla Hamdok appointed 18 out of 20 ministers to the country's first Cabinet since the ousting of President Omar al-Bashir. PM Hamdok launched an investigation into June's deadly crackdown on protesters. Security forces fired shots and tear gas to break up demonstrations in the city of Nyala in South Darfur, as students protested high prices and bread shortages. The Sudanese government and armed opposition groups signed a roadmap for peace, which was brokered and also signed by South Sudan. Sudan and South Sudan agreed to reopen the border areas between the two countries to improve bilateral trade and the freedom of movement. The Sovereign Council ordered the closure of Sudan's borders with Libya and the Central African Republic, citing unspecified "security and economic dangers".

## SYRIA

Regime forces backed by Russia continued to advance against rebels in the Idlib province. Russia, Turkey and Iran signed a joint communiqué to establish a constitutional committee consisting of members from the Syrian regime, the opposition and civil society to draft a new constitution. The regime called for the immediate withdrawal of U.S. and Turkish troops from Syria. Regime forces fired at protesters who were calling for the removal of Iranian-backed militias in Salihiya, near Deir al-Zour. Syria and Iraq reopened al-Qaim border crossing, which has been closed since 2012. Suspected Israeli airstrikes killed several Iranian and pro-Iranian fighters near the Iraqi border.

## TURKEY

The Turkish army targeted the Kurdistan Workers' Party (PKK) militants and positions in northern Iraq. Small-scale protests against the PKK erupted following an explosion in the Diyarbakır province. Turkish and U.S. forces began joint military operations to set up a planned safe zone across the Syrian-Turkish border, carrying out the first ground patrol in Tel Abyad in Syria. Turkish officials threatened to carry out an offensive against the Kurdish-led People's Protection Units (YPG) if the U.S. fails to create the safe zone.

## YEMEN

Fighting continued between the Southern Transitional Council and forces loyal to President Abdrabbuh Mansour Hadi in the southern Abyan and Shebwa governorates. Huthi rebels claimed responsibility for a drone attack on the Saudi Aramco oil facilities on September 14, but Saudi Arabia, the U.S. and other foreign governments held Iran responsible for the attacks. On September 27, Saudi Arabia agreed to a partial ceasefire in four Yemeni areas, including Sanaa, after a surprise move by Huthi rebels to declare a unilateral ceasefire. Huthi rebels also announced the unconditional release of 350 prisoners as part of the prisoners' exchange deal under the Stockholm Agreement signed in December 2018.

*Source: International Crisis Group, Newswires*

# OUTLOOK

## MENA

### Growth to pick up to 2.75% in 2020-21 period

The World Bank projected real GDP growth in the Middle East & North Africa (MENA) region to average 0.6% in 2019, down from a forecast of 1.4% in April 2019 and from a growth rate of 1.2% in 2018. It noted that the worsening growth prospects in the MENA region reflect slower economic activity in oil-exporting countries. It expected economic activity in MENA oil exporters to contract by 0.3% in 2019, compared to a forecast of an expansion of 0.9% in April 2019, mainly due to lower hydrocarbon output, weak external demand, the decline in global oil prices since April 2019, and a steeper-than-expected economic contraction in Iran. It projected growth in Gulf Cooperation Council (GCC) countries to decelerate from 2% in 2018 to 1.1% in 2019. Further, it forecast real GDP growth in oil-importing economies at 4.1% in 2019, nearly unchanged from 2018, as it expected strong economic activity in Egypt (5.6%) and Djibouti (7.2%) to offset subdued low-single digit growth rates in other oil importers.

In parallel, the World Bank anticipated growth in the MENA region to accelerate to 2.6% in 2020 and 2.9% in 2021 if the planned infrastructure investments in GCC economies materialize. It expected economic activity in oil-exporting countries to accelerate by 2% in 2020 and 2.3% in 2021. It projected Iran's real GDP to grow by 0.1% 2020 and by 1% in 2021, following a contraction of 8.7% in 2019, if the impact of U.S. sanctions fades. It projected growth in Gulf Cooperation Council (GCC) countries at 2.2% in 2020 and 2.7% in 2021. Further, it anticipated real GDP growth in oil-importing economies at 4.4% in 2020 and 4.6% in 2021, mainly due to sustained strong growth in Egypt and Djibouti. It considered that risks to the MENA region's outlook are tilted to the downside and include heightened global economic challenges and rising geopolitical tensions that could weigh on external demand and trigger capital outflows from highly indebted countries.

*Source: World Bank*

## NIGERIA

### Economic outlook remains challenging

The International Monetary Fund indicated that Nigeria's outlook under current policies continues to be challenging, and that the pace of economic recovery is slow. It added that real GDP growth reached 2% in the first half of 2019 due to subdued private consumption and the investors' wait-and-see attitude. It projected growth to pick up to 2.3% by the end of this year, driven by the recovery in the hydrocarbon sector and in agricultural output.

In parallel, the Fund pointed out that public spending increased in the first half of 2019 due to carryovers from 2018 to 2019, while government revenues underperformed significantly relative to the budget target. It noted that the authorities' optimistic revenue projections led to higher-than-anticipated financing needs, which increased the government's reliance on expensive borrowing from the Central Bank of Nigeria (CBN) to finance the fiscal deficit. Further, it considered that the government's initiatives to boost revenues in the 2020 budget will only partially offset lower hydrocarbon export receipts and the impact of the planned increase in minimum wages. As a result, it anticipated the country's overall fiscal deficit to remain wide in the 2019-20 period. Further, the IMF said that the current account balance shifted to a deficit in the first half of 2019, following three years of surpluses, driven by one-off increases in imports. It added that Nigeria's foreign currency reserves declined to below $42bn at the end of August 2019, mainly due to a decrease in foreign holdings of short-term securities and equity. It expected the current account deficit to persist, while it anticipated capital outflows to continue to weigh on foreign currency reserves.

As such, the IMF urged authorities to draft and implement a coherent and coordinated set of policies and structural reforms to reduce the economy's vulnerabilities and improve growth prospects over the medium term. It called for an ambitious revenue-based fiscal consolidation in order to reduce the reliance on the CBN to finance the fiscal deficit. Also, it considered that managing the vulnerabilities that arise from large amounts of maturing bills issued by the CBN requires stopping the latter's direct interventions, the introduction of longer-term government instruments to absorb excess liquidity, and transitioning towards a unified market-determined exchange rate.

*Source: International Monetary Fund*

## TURKEY

### Real GDP growth to recover to 2.2% in 2020

Credit Suisse projected Turkey's real GDP to contract by 0.2% in 2019 relative to a previous forecast of a contraction of 1.6%, while it expected economic activity to expand by 2.2% in 2020. It said that economic activity outperformed expectations in the second quarter of 2019 due to the fiscal stimulus and rising net exports. It noted that the positive contribution to growth from household and government spending was almost entirely offset by the ongoing decline in investment activity, which reflects the distress in the corporate sector and the erosion of Turkey's institutional anchors. Also, it pointed out that a slowdown in the Eurozone's economic activity would weigh on Turkey's growth outlook. In addition, it questioned how policy makers will accommodate President Erdogan's aspiration to boost real GDP growth to 5% in 2020 and to lower the policy rate to single digits without risking an adverse market reaction. It considered that the Central Bank of the Republic of Turkey (CBRT) has limited space to ease monetary policy, and expected the policy rate to reach 16% by the end-2019 relative to 16.5% currently.

Further, it projected the current account balance to shift from a deficit of 3.5% of GDP in 2018 to a surplus of 0.4% of GDP in 2019, due to lower imports. Still, it indicated that Turkey's external financing requirements are high at between 23% of GDP and 23.5% of GDP in the 2019-20 period. It added that Turkey's capital account remains under pressure due to weak external investor confidence in the country's policies and ongoing deleveraging in the banking sector. In addition, it indicated that the CBRT's gross foreign currency reserves stood at $99.4bn at the end of July 2019, while its short-term foreign currency position was at $16.5bn, which shows low reserve coverage for the country's short-term external debt stock.

In parallel, Credit Suisse expected the fiscal deficit to widen from 3.1% of GDP in 2018 to 4.9% of GDP in 2019, due to a pick-up in non-interest spending and weaker revenues since August 2018. It pointed out that Turkey's fiscal position could be worse than reported, due to contingent liabilities. It noted that the government is considering revenue-enhancing measures, which it could incorporate in its upcoming three-year fiscal plan.

*Source: Credit Suisse*

## SAUDI ARABIA

### Government initiatives reduce unemployment rate in second quarter of 2019

Jadwa Investment indicated that the unemployment rate in Saudi Arabia regressed from 12.5% in the first quarter of 2019 to 12.3% in the second quarter of the year, mainly due to a significant drop in youth unemployment from 36.3% in the first quarter to 30.8% in the second quarter. It said that the labor force participation rate grew from 63.3% in the first quarter of 2019 to 66% in the second quarter of the year, supported by the Ministry of Labor's measures to promote the hiring of Saudi citizens in the private sector. It added that the public administration hired 6,000 nationals in the covered quarter, followed by the mining sector (800 Saudis), and the accommodation & food services sector (700 Saudis). It expected new regulations, such as tourism initiatives and allowing businesses to operate for 24 hours a day to support hiring in related sectors. It anticipated private-sector activity to accelerate, which would increase job opportunities in the Kingdom. In parallel, it indicated that 132,000 expatriates exited the labor market in the second quarter of 2019, the lowest number of departures since the third quarter of 2017. It added that a total of 1.9 million expatriates left the labor market since 2017. In comparison, it noted that the number of expatriates working in households grew by 28% year-on-year in the second quarter of 2019, supported by a significant increase in drivers at private households. It noted that expatriates working in households are exempt from levies. It added that the levies on expatriates in the corporate sector range at between SAR500 and SAR600 per employee per month, and are scheduled to rise to between SAR700 and SAR800 in 2020.

*Source: Jadwa Investment*

## BAHRAIN

### Sovereign ratings affirmed, outlook 'negative'

Capital Intelligence Ratings affirmed Bahrain's long-term local- and foreign-currency sovereign ratings at 'BB', with a 'negative' outlook. It indicated that the ratings and outlook reflect the country's deteriorating net external asset position, relatively weak public finances, and limited capacity to withstand further declines in hydrocarbon prices. It projected Bahrain's real GDP to grow by 1.8% in 2019 and by an average of 2.2% annually in the 2020-21 period, driven by infrastructure and development projects funded by the $10bn financial assistance package received from Kuwait, Saudi Arabia and the UAE. Further, it forecast the central government's fiscal deficit to narrow from 11.7% of GDP in 2018 to 8.4% of GDP in 2019 and to 7% of GDP in 2021, in case authorities continue to contain current spending and if hydrocarbon revenues from the new oilfield materialize. It projected the public debt to exceed 100% of GDP this year under current policies, and considered that the debt level is unlikely to decline in the medium term amid modest GDP growth and wide fiscal deficits. In parallel, it expected Bahrain's current account deficit to narrow to 3.6% of GDP, driven by lower imports and higher tourism receipts. It added that foreign currency reserves increased to $2.3bn at the end of July 2019, covering 1.1 months of imports. However, it said that Bahrain's external financing needs remain large and refinancing risks increased. Still, it noted that the country benefits from continuous access to international capital markets and from financial support from GCC countries.

*Source: Capital Intelligence Ratings*

## MOROCCO

### Outlook on ratings revised to 'stable' on expected improvement in fiscal balance

S&P Global Ratings affirmed at 'BBB-/A-3' Morocco's long-term and short-term sovereign credit ratings, and revised the outlook from 'negative' to 'stable'. It attributed the outlook revision to its expectations that the country's fiscal position will improve gradually, supported by the government's comprehensive budgetary strategy and privatization program. It added that the privatization process will reduce the contingent liability risk for the sovereign's balance sheet. It forecast the fiscal deficit to narrow from 3.7% of GDP in 2019 to 3% of GDP in 2022 and projected the public debt level to stabilize at about 53% of GDP over the same period. It noted that the government plans to address the shortfall in tax revenues in 2019 mainly by reducing current spending. It added that subsidies for liquefied petroleum gas decreased following the implementation of a hedging strategy to reduce the impact of higher hydrocarbon prices. S&P considered that the ongoing shift in Morocco's economic structure, driven by strong foreign direct investment and a more resilient agricultural sector, supports economic growth prospects and stability. It projected real GDP growth to increase from 3% in 2018 to 4.2% by 2022. However, it noted that economic growth remains vulnerable to volatility in the agricultural sector and to the ongoing economic slowdown in Europe, which represents about 70% of Morocco's export markets. Still, it considered that the change in economic structure, along with stronger economic growth, will reduce economic vulnerabilities from persistent current account and fiscal deficits. It expected the current account deficit to narrow from 5.5% of GDP in 2018 to 2.7% of GDP in 2022, driven by rising exports.

*Source: S&P Global Ratings*

## CÔTE d'IVOIRE

### Private investments and export diversification driving strong growth

The International Monetary Fund considered that the performance of Côte d'Ivoire's government under the IMF-supported program was satisfactory in the first half of 2019. It added that the country's economic transformation program is proceeding, driven by private investments and efforts to diversify exports. It projected the country's economic growth to be strong in 2019 and 2020, despite a deteriorating external environment. Also, it expected the inflation rate to remain well below the threshold of 3% for members of the Western Africa Economic and Monetary Union (WAEMU). Further, it anticipated the fiscal deficit in 2019 to converge to the regional norm of 3% of GDP for WAEMU members, meeting a key program objective. In parallel, the Fund reached a staff level agreement with Côte d'Ivoire on a one-year extension of the program to December 2020, as well as on fiscal policy measures for the 2020 budget to secure key program objectives. It added that the measures would allow the country to keep its fiscal deficit in 2020 in compliance with the convergence criteria of WAEMU countries, as well as to secure debt sustainability and the fiscal space to finance the 2016-20 National Development Program. It encouraged the government to continue to increase public revenues. It also welcomed the authorities' efforts to restructure and monitor state-owned enterprises, and to improve customs administration and the electricity sector.

*Source: International Monetary Fund*

# BANKING

## KUWAIT

### Banks' ratings affirmed on high probability of government support

Fitch Ratings affirmed at 'AA-' the long-term Issuer Default Rating (IDR) of National Bank of Kuwait (NBK) and at 'A+' the IDR of Kuwait Finance House (KFH), Burgan Bank, Gulf Bank, Al Ahli Bank of Kuwait (ABK), Commercial Bank of Kuwait (CBK), Boubyan Bank, Ahli United Bank Kuwait (AUBK), Warba Bank, Kuwait International Bank (KIB) and Industrial Bank of Kuwait (IBK). It noted that all the banks' long-term IDRs have a 'stable' outlook. It indicated that the ratings reflect the extremely high probability of support from the Kuwaiti authorities to all domestic banks in case of need, irrespective of their size, franchise, funding structure and level of government ownership. In parallel, Fitch affirmed at 'a-' the Viability Rating (VR) of NBK, at 'bbb-' the VR of Boubyan Bank and AUBK, at 'bb+' the ratings of KFH, Gulf Bank, ABK and IBK, at 'bb' the VR of Burgan Bank and CBK, and at 'bb-' the ratings of Warba Bank and KIB. It pointed out that Kuwaiti banks continue to benefit from a stable operating environment despite the economic impact of lower oil prices. It said that the VR of NBK is supported by the bank's leading franchise, diversified business model, stable asset quality and profitability, solid capitalization, as well as by steady funding and liquidity positions. But it noted that the rating is constrained by NBK's high loan concentration. In parallel, it indicated that the VR of KFH is constrained by the bank's high-risk appetite and significant operations in challenging foreign markets. However, it added that the rating is supported by the bank's leading Islamic franchise in Kuwait, solid asset quality, resilient profitability, good capital ratios and stable funding position.

*Source: Fitch Ratings*

## SAUDI ARABIA

### Banks' earnings to remain broadly stable in 2020

Goldman Sachs projected the earnings of Saudi banks to be broadly flat in 2020, as it anticipated that the banks' lower net interest margins (NIMs), amid declining global interest rates, would be offset by higher lending growth. It forecast the banks' NIMs to decrease by 15 basis points (bps) in 2020, as the decline in their asset yields would only be partially offset by lower funding costs. It noted that a large part of the banks' asset base has a floating interest rate, while a large part of the funding base is non-interest bearing. But it anticipated that the banks' lending would grow by 6% in 2020, which would balance the contraction in the banks' NIMs and leave their aggregate earnings unchanged year-on-year. It expected lending growth in the 2019-20 period to be supported by rising capital expenditures, higher retail mortgages and lower interest rates. It pointed out that retail mortgages account for about 10% of aggregate loans, which suggests that there is room for further growth in this segment. It added that the yields on mortgage loans are currently at 7% on average, which is higher than the aggregate asset yield of around 4%. As such, it estimated that a 20% growth in mortgage lending could offset a contraction of 10 bps in the banks' NIMs. In parallel, it forecast Saudi banks' return on equity to regress from 14.4% in 2019 to 13.6% in 2020, and their return on assets to slightly decrease from 2.17% in 2019 to 2.05% in 2020.

*Source: Goldman Sachs*

## OMAN

### Negative outlook on banking sector maintained

Moody's Investors Service maintained its 'negative' outlook on Oman's banking system, due to the banks' deteriorating asset quality and tight funding conditions, as well as to the government's weakening capacity to support banks in case of need. First, it expected the banks' asset quality to deteriorate due to tight controls over public spending, delayed payments in the construction and contracting sectors, and weak consumer confidence. It anticipated the challenging conditions in the country to weigh significantly on the quality of the banks' corporate loans portfolio. As such, it projected problem loans to increase from 2.8% at end-June 2018 to about 3% to 3.5% over the next 12 to 18 months. It added that the banks' high sector and single borrower concentrations pose additional downside risks to their asset quality. Second, it anticipated funding and liquidity pressures to remain elevated in Oman, due to the banks' high dependence on government deposits that have been constrained by the drop in global oil prices, as well as to robust credit growth and the government's increased borrowing from local banks. It projected lending growth at around 6.5% during the 2019-20 period, which will exceed the modest increase in bank deposits and keep liquidity tight. In parallel, the agency indicated that the profitability of Omani banks is robust, but it expected it to slightly decline. It anticipated that the banks' net interest margins will narrow in line with the cuts in U.S. interest rates, while their loan-loss provisioning will increase as problem loans rise. Further, it expected the banks' capital levels to remain sound. It forecast the banking sector's tangible common equity at between 13% and 15% of risk-weighted assets over the next 12 to 18 months, compared to a ratio of 13.3% in June 2019.

*Source: Moody's Investors Service*

## EGYPT

### Rate cuts and easing inflation to support banks' revenues

Moody's Investors Service considered that the decision of the Central Bank of Egypt (CBE) to lower its benchmark interest rates by 100 basis points in September 2019 is credit positive for Egyptian banks, as it will support their revenues. It expected the CBE to further reduce its benchmark interest rates next year, as the inflation level is currently below the target rate of 9%. It anticipated that lower interest rates would boost business confidence and economic growth, as well as support lending activity and expand the banks' business opportunities. It forecast lending growth to exceed 15% in 2020, while it anticipated the pressure on the banks' asset quality to remain subdued. In parallel, the agency said that the cuts in interest rates will weigh on the banks' net interest margins. It expected the banks' loan and investment books to fully incorporate the decline in interest rates, while it said that a portion of deposits, mainly demand deposits, are non-interest bearing or already earn very low rates. However, it anticipated that strong lending growth and improved business generation would offset the pressure on the banks' net interest margins. It noted that state-owned banks will be able to better contain the drop in their net interest margins than privately-owned banks, as the state-owned banks' more expensive funding products gradually mature and new deposit products are priced lower.

*Source: Moody's Investors Service*

# ENERGY / COMMODITIES

## Brent oil prices to average $63.4 p/b in 2019

ICE Brent crude oil front-month prices have been trading at between $57 per barrel (p/b) and $59 p/b since the end of September 2019, below the prices that prevailed prior to the attack on the Aramco oil facilities in Saudi Arabia on September 14. The drop in oil prices is due to renewed concerns about weak global demand and economic growth in the run-up to the upcoming round of trade talks between the U.S. and China on October 10, 2019. However, unrest in OPEC members Ecuador and Iraq, as well as heightened geopolitical risks in the Middle East, limited the decline in oil prices. Still, the U.S. Energy Information Administration (EIA) expected uncertainties about the global economy and demand growth to continue to outweigh the impact of oil supply disruptions on prices. Further, the EIA projected OPEC's oil output to average 29.8 million barrels per day (b/d) in 2019, down by 2.1 million b/d from 2018, and to average 29.6 million b/d in 2020. In parallel, it expected U.S. oil production to average 12.3 million b/d in 2019, up by 1.3 million b/d from 2018, and to average 13.2 million b/d in 2020. As such, it anticipated the increase in U.S. output to more than offset OPEC's production cuts in 2020, which would exert downward pressure on oil prices in the first half of 2020. As a result, the EIA projected Brent oil prices to average $63.4 p/b in 2019, while it reduced its forecast for 2020 to $60 p/b from $62 p/b previously.

*Source: U.S. EIA, Refinitiv, Byblos Research*

## OPEC's oil basket price up 5% in September 2019

The price of the reference basket of the Organization of Petroleum Exporting Countries averaged $62.36 per barrel (p/b) in September 2019, constituting an increase of 4.6% from $59.62 p/b in the preceding month. Angola's Girassol posted a price of $65.36 p/b, followed by Equatorial Guinea's Zafiro at $64.47 p/b and Nigeria's Bonny Light at $64.02 p/b. In parallel, the 14 prices included in the OPEC reference basket posted monthly increases between $1.38 p/b and $12.62 p/b in September 2019.

*Source: OPEC, Byblos Research*

## Libya's oil & gas receipts at $2bn in August 2019

Libya's oil & gas revenues reached $14.5bn in the first eight months of 2019, constituting a decrease of 4.7% from $15.2bn in the same period last year. Oil & gas receipts amounted to $2bn in August 2019, down by 5.8% from $2.2bn in July 2019 and up by 29.7% from $1.6bn in the same month of 2018. Crude oil revenues declined by 4.5% month-on-month to $1.9bn in August, while gas revenues dropped by 19.5% to $110.6m. The decrease in hydrocarbon receipts in August was mainly due to the closure in the first half of the month of the pipeline linking the Sharara oilfield, the country's largest oilfield, to the Zawiya oil refinery.

*Source: National Oil Corporation, Byblos Research*

## Ghana becomes largest gold producer in Africa

Ghana surpassed South Africa to become the largest gold producer in Africa in 2018. Ghana's gold output reached 4.8 million ounces in 2018, up by 12% from 4.3 million ounces in 2017, and exceeded South Africa's production of 4.2 million ounces. Mining operators in Ghana have benefitted from low extraction costs, less stringent policies and the opening of new mines. Also, the country's gold production is expected to be supported by the reopening of AngloGold Ashanti's Obuasi mine by the end of 2019.

*Source: Ghana's Chamber of Mines*

## Base Metals: Aluminum prices down 16% in first nine months of 2019

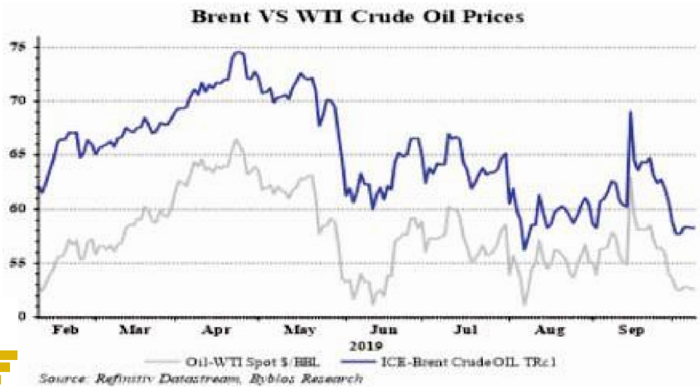
The LME cash price of aluminum averaged $1,807 per ton in the first nine months of 2019, constituting a decrease of 16.2% from an average of $2,156 a ton in the same period of 2018. Prices gradually declined by 6.1% from a recent high of $1,797 a ton reached on September 11, 2019 to $1,686 a ton on October 2, 2019, their lowest level since October 26, 2016. The decrease in prices was mainly driven by concerns about demand for the metal, particularly from the transport and packaging industries, amid ongoing global trade tensions. Demand for aluminum was significantly affected by the downturn in the global automotive sector, which accounts for more than 30% of the metal's consumption. In parallel, the latest available figures show that global aluminum production declined by 0.6% to 42.5 million tons in the first eight months of 2019, as Chinese output decreased by 0.75% in the covered period, while supply from the rest of the world regressed by 0.45%. In addition, LME-registered aluminum stocks decreased to their lowest level since 2008, while Shanghai Futures Exchange stocks currently stand at a two-year low. However, declining output and inventories failed to offset the ongoing decrease in aluminum prices, as worries about weak demand continue to dominate market sentiment.

*Source: International Aluminium Institute, Refinitiv*

## Precious Metals: Palladium prices to increase by 41% in 2019, to decline thereafter

Palladium prices averaged $1,450 per troy ounce in the first nine months of 2019, constituting a rise of 46.5% from an average of $988.4 an ounce in the same period of 2018. They also increased from an average of $1,386 per ounce in the second quarter of 2019 to $1,533 an ounce in the third quarter of the year. The rise in prices is mainly due to robust autocatalyst demand, as well as to strong demand for palladium from the Chinese chemicals sector. Overall, prices are projected to increase by 41% to an average of $1,455 an ounce in 2019. However, they are forecast to decline to $1,290 per ounce in 2020 due to an anticipated rise in palladium supply, as well as to lower autocatalyst demand amid expectations of palladium-to-platinum substitution in catalytic converters. In parallel, Citi Research projected global palladium demand to increase by 1.9% to 10.4 million ounces in 2019 due to higher autocatalyst and industrial demand. On the production side, it forecast global supply of palladium to expand by 3.1% to 10.2 million ounces in 2019, reflecting increased output from Russia and North America. As such, it expected the production deficit in the palladium market to narrow from 324,000 ounces in 2018 to 212,000 ounces in 2019.

*Source: Citi Research, Byblos Research*



# COUNTRY RISK METRICS

| Countries | LT Foreign currency rating | | | | | General gvt. balance/ GDP (%) | Gross Public debt (% of GDP) | External debt / GDP (%) | Short-Term External Debt by Rem. Mat./ CARs | Gvt. Interest Exp./ Rev. (%) | Gross Ext. Fin. needs / (CAR + Use. Res.) (%) | Current Account Balance / GDP (%) | Net FDI / GDP (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | S&P | Moody's | Fitch | CI | IHS | | | | | | | | |
| **Africa** | | | | | | | | | | | | | |
| Algeria | - | - | - | - | BB+ | | | | | | | | |
| | - | - | - | - | Negative | -5.2 | 36.9* | 2.2 | - | - | - | -9.1 | - |
| Angola | B- | B3 | B | - | B- | | | | | | | | |
| | Negative | Stable | Negative | - | Stable | 2.4 | 88.1 | 45.7** | 50.5 | 26.7 | 102.2 | 1.3 | 1 |
| Egypt | B | B2 | B+ | B+ | B+ | | | | | | | | |
| | Stable | Stable | Stable | Stable | Positive | -9.5 | 92.6 | 37.1 | 51.8 | 45 | 115.4 | -2.4 | 3 |
| Ethiopia | B | B1 | B | | B+ | | | | | | | | |
| | Stable | Negative | Negative | - | Stable | -3 | 61.1 | 31.8** | 27.2 | 3.6 | 146.2 | -6.5 | 4.1 |
| Ghana | B | B3 | B | - | BB- | | | | | | | | |
| | Stable | Stable | Stable | - | Stable | -7 | 59.6 | 27.9** | 38.9 | 31.9 | 121.8 | -3.2 | 6 |
| Ivory Coast | - | B3 | B+ | - | B+ | | | | | | | | |
| | - | Stable | Stable | - | Stable | -4 | 52.2 | 35.9** | - | - | - | -3.4 | - |
| Libya | - | - | - | - | B- | | | | | | | | |
| | - | - | - | - | Stable | -7.4 | - | - | - | - | - | 2 | - |
| Dem Rep | CCC+ | Caa1 | - | - | CCC | | | | | | | | |
| Congo | Positive | Stable | - | - | Stable | -0.5 | 15.7 | 12.9** | 4.4 | 3 | 104.1 | -0.5 | 2.8 |
| Morocco | BBB- | Ba1 | BBB- | - | BBB | | | | | | | | |
| | Stable | Stable | Stable | - | Stable | -3.7 | 65.2* | 33.2 | 30.6 | 7.4 | 93 | -4.5 | 2.1 |
| Nigeria | B | B2 | B+ | - | BB- | | | | | | | | |
| | Stable | Stable | Stable | - | Stable | -4.5 | 28.4 | 8.8** | 67.6 | 22.8 | 104.2 | 2.1 | 0.7 |
| Sudan | - | - | - | - | CC | | | | | | | | |
| | - | - | - | - | Negative | -8.5 | 163.2 | 161.2 | - | - | - | -11.5 | - |
| Tunisia | - | B2 | B+ | - | BB- | | | | | | | | |
| | - | Negative | Negative | - | Negative | -4.6 | 77 | 83.1 | - | - | - | -11.2 | - |
| Burkina Faso | B | - | - | - | B+ | | | | | | | | |
| | Stable | - | - | - | Stable | -4.7 | 43 | 23.8** | 21 | 4.6 | 145.4 | -7.5 | 2.8 |
| Rwanda | B+ | B2 | B+ | - | B+ | | | | | | | | |
| | Stable | Stable | Stable | - | Stable | -2.6 | 40.7 | 40.1** | 13.2 | 5.1 | 102.8 | -7.8 | 2.9 |
| **Middle East** | | | | | | | | | | | | | |
| Bahrain | B+ | B2 | BB- | BB | BB+ | | | | | | | | |
| | Stable | Stable | Stable | Negative | Stable | -8.4 | 100.2 | 189.9 | 201.7 | 22.3 | 327.6 | -3.6 | 0.4 |
| Iran | - | - | - | B | BB- | | | | | | | | |
| | - | - | - | Stable | Negative | -4.1 | 30.0 | 2.0 | - | - | - | -0.4 | - |
| Iraq | B- | Caa1 | B- | - | CC+ | | | | | | | | |
| | Stable | Stable | Stable | - | Stable | -5.2 | 50.2 | 32.1 | 3.7 | 2.2 | 100.9 | -6.7 | 1.0 |
| Jordan | B+ | B1 | BB- | B+ | BB+ | | | | | | | | |
| | Stable | Stable | Stable | Stable | Stable | -4.0 | 94.8 | 72.1 | 63.6 | 9.4 | 151.0 | -8.2 | 4.5 |
| Kuwait | AA | Aa2 | AA | AA- | AA- | | | | | | | | |
| | Stable | Stable | Stable | Stable | Stable | 9.5 | 17.8 | 45.8 | 32.8 | 0.55 | 87.9 | 7.4 | -5.5 |
| Lebanon | B- | Caa1 | CCC | B | B- | | | | | | | | |
| | Negative | Stable | - | Negative | Negative | -11.7 | 157.8 | 191.3 | 136.8 | 50.1 | 136.2 | -28.2 | 2.8 |
| Oman | BB | Ba1 | BB+ | BBB- | BBB- | | | | | | | | |
| | Negative | Negative | Stable | Stable | Negative | -9.9 | 61.3 | 99.6 | 44.9 | 4.5 | 140.3 | -8.7 | 1.5 |
| Qatar | AA- | Aa3 | AA- | AA- | A+ | | | | | | | | |
| | Stable | Stable | Stable | Stable | Stable | 6.1 | 52.7 | 106.7 | 60.9 | 3.4 | 173.9 | 4.6 | -1.0 |
| Saudi Arabia | A- | A1 | A | A+ | AA- | | | | | | | | |
| | Stable | Stable | Stable | Stable | Stable | -7.9 | 23.7 | 30.4 | 8.0 | 1.2 | 36.9 | 3.5 | 0.3 |
| Syria | - | - | - | - | C | | | | | | | | |
| | - | - | - | - | Stable | - | - | - | - | - | - | - | - |
| UAE | - | Aa2 | - | AA- | AA- | | | | | | | | |
| | - | Stable | - | Stable | Stable | -0.8 | 19.2 | 68.7 | - | - | - | 5.9 | -0.8 |
| Yemen | - | - | - | - | CC | | | | | | | | |
| | - | - | - | - | Stable | -5.1 | 54.7 | 18.1 | - | - | - | 0.7 | - |

# COUNTRY RISK METRICS

| Countries | S&P | Moody's | Fitch | CI | IHS | General gvt. balance/ GDP (%) | Gross Public debt (% of GDP) | External debt / GDP (%) | Short-Term External Debt by Rem. Mat./ CARs | Gvt. Interest Exp./ Rev. (%) | Gross Ext. Fin. needs / (CAR + Use. Res.) (%) | Current Account Balance / GDP (%) | Net FDI / GDP (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | LT Foreign currency rating | | | | | | | | | | | | |
| **Asia** | | | | | | | | | | | | | |
| Armenia | - | Ba3 | B+ | - | B- | | | | | | | | |
| | - | Stable | Positive | - | Stable | -1.8 | 48.5 | 81.7 | - | - | - | -6.2 | - |
| China | A+ | A1 | A+ | - | A | | | | | | | | |
| | Stable | Stable | Stable | - | Stable | -4.8 | 50.5 | - | 40.0 | 2.1 | 64.2 | 0.4 | 0.8 |
| India | BBB- | Baa2 | BBB- | - | BBB | | | | | | | | |
| | Stable | Stable | Stable | - | Stable | -6.6 | 69.8 | - | 39.5 | 19.4 | 90.7 | -2.5 | 1.6 |
| Kazakhstan | BBB- | Baa3 | BBB | - | BBB | | | | | | | | |
| | Stable | Positive | Stable | - | Stable | 0.5 | 21.9 | - | 25.7 | 4.7 | 87.4 | 0.6 | 1.5 |
| Pakistan | B- | B3 | B- | - | CCC | | | | | | | | |
| | Stable | Negative | Stable | - | Negative | -6.5 | 72.1 | 30.4 | 50.1 | 28.3 | 144.3 | -6.1 | 0.87 |
| **Central & Eastern Europe** | | | | | | | | | | | | | |
| Bulgaria | BBB- | Baa2 | BBB | - | BBB | | | | | | | | |
| | Positive | Stable | Positive | - | Stable | 0.1 | 20.5 | - | 26.0 | 2.0 | 100.8 | 3.9 | 1.9 |
| Romania | BBB- | Baa3 | BBB- | - | BBB- | | | | | | | | |
| | Stable | Stable | Stable | - | Negative | -2.9 | 36.6 | - | 25.8 | 4.2 | 95.1 | -4.6 | 2.4 |
| Russia | BBB- | Baa3 | BBB | - | BBB- | | | | | | | | |
| | Stable | Stable | Stable | - | Stable | 2.8 | 14.0 | - | 17.2 | 2.6 | 57.4 | 7.0 | -1.3 |
| Turkey | B+ | B1 | BB- | BB- | B+ | | | | | | | | |
| | Stable | Negative | Negative | Negative | Negative | -3.6 | 29.1 | - | 84.3 | 5.9 | 176.4 | -3.6 | 1.0 |
| Ukraine | B | Caa1 | B- | - | B- | | | | | | | | |
| | Stable | Stable | Stable | - | Stable | -2.3 | 63.9 | - | 59.3 | 9.3 | 129.2 | -3.7 | 1.0 |

** Central Government*
*** External debt, official debt, debtor based*
*Source: International Monetary Fund; IHS Markit; S&P Global Ratings; Byblos Research - The above figures are estimates for 2018*

# SELECTED POLICY RATES

| | Benchmark rate | Current (%) | Last meeting | | Next meeting |
|---|---|---|---|---|---|
| | | | Date | Action | |
| | | | | | |
| USA | Fed Funds Target Rate | 1.75-2.00 | 18-Sep-19 | Cut 25bps | 29-Oct-19 |
| Eurozone | Refi Rate | 0.00 | 12-Sep-19 | No change | 24-Oct-19 |
| UK | Bank Rate | 0.75 | 19-Sep-19 | No change | 07-Nov-19 |
| Japan | O/N Call Rate | -0.10 | 19-Sep-19 | No change | 31-Oct-19 |
| Australia | Cash Rate | 0.75 | 01-Oct-19 | Cut 25bps | 05-Nov-19 |
| New Zealand | Cash Rate | 1.00 | 25-Sep-19 | No change | 13-Nov-19 |
| Switzerland | 3 month Libor target | -1.25-(-0.25) | 19-Sep-19 | No change | 12-Dec-19 |
| Canada | Overnight rate | 1.75 | 04-Sep-19 | No change | 30-Oct-19 |
| **Emerging Markets** | | | | | |
| China | One-year Loan Prime Rate | 4.20 | 20-Sep-19 | Cut 5bps | 21-Oct-19 |
| Hong Kong | Base Rate | 2.25 | 19-Sep-19 | Cut 25bps | N/A |
| Taiwan | Discount Rate | 1.375 | 19-Sep-19 | No change | 19-Dec-19 |
| South Korea | Base Rate | 1.50 | 30-Aug-19 | No change | 16-Oct-19 |
| Malaysia | O/N Policy Rate | 3.00 | 12-Sep-19 | No change | 05-Nov-19 |
| Thailand | 1D Repo | 1.50 | 25-Sep-19 | No change | 06-Nov-19 |
| India | Reverse repo rate | 5.15 | 04-Oct-19 | Cut 25bps | 05-Dec-19 |
| UAE | Repo rate | 2.25 | 18-Sep-19 | Cut 25bps | N/A |
| Saudi Arabia | Repo rate | 2.50 | 18-Sep-19 | Cut 25bps | N/A |
| Egypt | Overnight Deposit | 13.25 | 26-Sep-19 | Cut 100bps | 14-Nov-19 |
| Turkey | Repo Rate | 16.50 | 12-Sep-19 | Cut 325bps | 24-Oct-19 |
| South Africa | Repo rate | 6.50 | 19-Sep-19 | No change | 21-Nov-19 |
| Kenya | Central Bank Rate | 9.00 | 23-Sep-19 | No change | N/A |
| Nigeria | Monetary Policy Rate | 13.50 | 20-Sep-19 | No change | 26-Nov-19 |
| Ghana | Prime Rate | 16.00 | 20-Sep-19 | No change | 25-Nov-19 |
| Angola | Base rate | 15.50 | 01-Oct-19 | No change | 25-Nov-19 |
| Mexico | Target Rate | 7.75 | 26-Sep-19 | Cut 25bps | 14-Nov-19 |
| Brazil | Selic Rate | 5.50 | 18-Sep-19 | Cut 50bps | 30-Oct-19 |
| Armenia | Refi Rate | 5.50 | 10-Sep-19 | Cut 25bps | 29-Oct-19 |
| Romania | Policy Rate | 2.50 | 03-Oct-19 | No change | 06-Nov-19 |
| Bulgaria | Base Interest | 0.00 | 01-Oct-19 | No change | 01-Nov-19 |
| Kazakhstan | Repo Rate | 9.25 | 09-Sep-19 | Raised 25bps | 28-Oct-19 |
| Ukraine | Discount Rate | 16.50 | 05-Sep-19 | Cut 50bps | 24-Oct-19 |
| Russia | Refi Rate | 7.00 | 06-Sep-19 | Cut 25bps | 25-Oct-19 |

Economic Research & Analysis Department
Byblos Bank Group
P.O. Box 11-5605
Beirut - Lebanon
Tel: (+961) 1 338 100
Fax: (+961) 1 217 774
E-mail: research@byblosbank.com.lb
www.byblosbank.com

# BYBLOS BANK GROUP

## LEBANON

Byblos Bank S.A.L
Achrafieh - Beirut
Elias Sarkis Avenue - Byblos Bank Tower
P.O.Box: 11-5605 Riad El Solh - Beirut 1107 2811- Lebanon
Phone: (+ 961) 1 335200
Fax: (+ 961) 1 339436

## IRAQ

Erbil Branch, Kurdistan, Iraq
Street 60, Near Sports Stadium
P.O.Box: 34 - 0383 Erbil - Iraq
Phone: (+ 964) 66 2233457/8/9 - 2560017/9
E-mail: erbilbranch@byblosbank.com.lb

Sulaymaniyah Branch, Kurdistan, Iraq
Salem street, Kurdistan Mall - Sulaymaniyah
Phone: (+ 964) 773 042 1010 / (+ 964) 773 041 1010

Baghdad Branch, Iraq
Al Karrada - Salman Faeq Street
Al Wahda District, No. 904/14, Facing Al Shuruk Building
P.O.Box: 3085 Badalat Al Olwiya – Iraq
Phone: (+ 964) 770 6527807 / (+ 964) 780 9133031/2
E-mail: baghdadbranch@byblosbank.com.lb

Basra Branch, Iraq
Intersection of July 14th, Manawi Basha Street, Al Basra – Iraq
Phone: (+ 964) 770 4931900 / (+ 964) 770 4931919
E-mail: basrabranch@byblosbank.com.lb

## UNITED ARAB EMIRATES

Byblos Bank Abu Dhabi Representative Office
Al Reem Island – Sky Tower – Office 2206
P.O.Box: 73893 Abu Dhabi - UAE
Phone: (+ 971) 2 6336050 - 2 6336400
Fax: (+ 971) 2 6338400
E-mail: abudhabirepoffice@byblosbank.com.lb

## ARMENIA

Byblos Bank Armenia CJSC
18/3 Amiryan Street - Area 0002
Yerevan - Republic of Armenia
Phone: (+ 374) 10 530362 Fax: (+ 374) 10 535296
E-mail: infoarm@byblosbank.com

## BELGIUM

Byblos Bank Europe S.A.
Brussels Head Office
Rue Montoyer 10
Bte. 3, 1000 Brussels - Belgium
Phone: (+ 32) 2 551 00 20
Fax: (+ 32) 2 513 05 26
E-mail: byblos.europe@byblosbankeur.com

## UNITED KINGDOM

Byblos Bank Europe S.A., London Branch
Berkeley Square House
Berkeley Square
GB - London W1J 6BS - United Kingdom
Phone: (+ 44) 20 7518 8100
Fax: (+ 44) 20 7518 8129
E-mail: byblos.london@byblosbankeur.com

## FRANCE

Byblos Bank Europe S.A., Paris Branch
15 Rue Lord Byron
F- 75008 Paris - France
Phone: (+33) 1 45 63 10 01
Fax: (+33) 1 45 61 15 77
E-mail: byblos.europe@byblosbankeur.com

## CYPRUS

Limassol Branch
1, Archbishop Kyprianou Street, Loucaides Building
P.O.Box 50218
3602 Limassol - Cyprus
Phone: (+ 357) 25 341433/4/5 Fax: (+ 357) 25 367139
E-mail: byblosbankcyprus@byblosbank.com.lb

## NIGERIA

Byblos Bank Nigeria Representative Office
161C Rafu Taylor Close - Off Idejo Street
Victoria Island, Lagos - Nigeria
Phone: (+ 234) 706 112 5800
(+ 234) 808 839 9122
E-mail: nigeriarepresentativeoffice@byblosbank.com.lb

## ADIR INSURANCE

Dora Highway - Aya Commercial Center
P.O.Box: 90-1446
Jdeidet El Metn - 1202 2119 Lebanon
Phone: (+ 961) 1 256290
Fax: (+ 961) 1 256293