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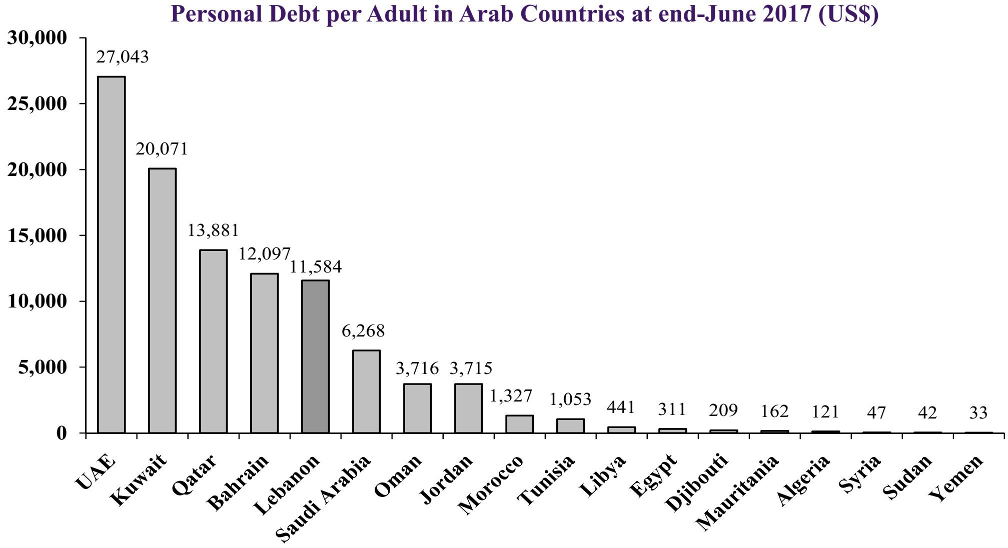
BYBLOS BANK SAL
Economic Research & Analysis Department

LEBANON THIS WEEK

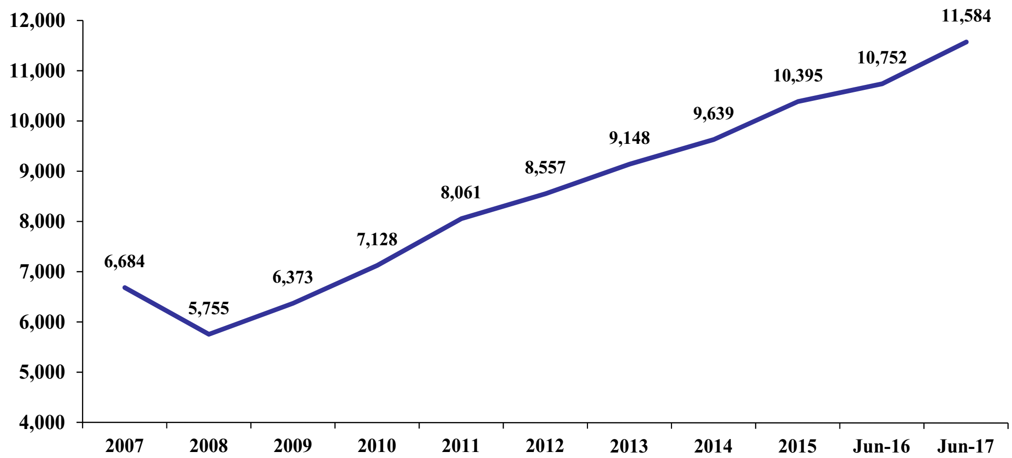
In This Issue

Charts of the Week

Personal Debt per Adult in Arab Countries at end-June 2017 (US$)



Personal Debt per Adult in Lebanon (US$)



Source: Credit Suisse, Byblos Bank

Quote to Note

"The direction of political developments in the last couple of weeks is undoubtedly positive for Lebanese credit."

Citi, on the decline in uncertainties that followed the unexpected resignation of Prime Minister Saad Hariri last month

Number of the Week

134: Lebanon's rank out of 137 countries on the quality of electricity supply, according to the World Economic Forum's Global Competitiveness Index for 2017-18

Lebanon in the News

$m *(unless otherwise mentioned)*	2016	Aug 2016	May 2017	Jun 2017	Jul 2017	Aug 2017	% Change*
Exports	2,977	340	240	214	217	251	(26.32)
Imports	18,705	1,951	1,559	1,454	1,619	1,594	(18.29)
Trade Balance	(15,728)	(1,610)	(1,320)	(1,240)	(1,402)	(1,343)	(16.59)
Balance of Payments	1,238	1,788	(592)	(758)	100	368	(79.40)
Checks Cleared in LBP	19,892	1,616	1,769	1,681	1,845	1,869	15.66
Checks Cleared in FC	48,160	4,205	3,904	3,882	4,310	4,100	(2.50)
Total Checks Cleared	68,052	5,821	5,673	5,563	6,155	5,969	2.54
Budget Deficit/Surplus	(3,667.15)	(452.21)	550.56	(496.83)	31.76	(513.46)	13.54
Primary Balance	1,297.65	(172.37)	1,192.83	(71.52)	300.34	(192.77)	11.84
Airport Passengers***	7,610,231	917,286	601,253	652,852	975,003	1,067,441	16.37

$bn *(unless otherwise mentioned)*	2016	Aug 2016	May 2017	Jun 2017	Jul 2017	Aug 2017	% Change*
BdL FX Reserves	34.03	35.67	32.75	33.89	33.04	34.03	(4.59)
In months of Imports	21.83	18.28	21.00	23.31	20.41	21.35	16.77
Public Debt	74.89	74.05	76.72	76.45	76.89	77.27	4.35
Bank Assets	204.31	195.77	206.89	208.16	208.48	209.39	6.95
Bank Deposits (Private Sector)	162.50	157.09	166.14	167.73	168.39	169.16	7.68
Bank Loans to Private Sector	57.18	56.38	57.87	58.42	58.61	58.67	4.07
Money Supply M2	54.68	54.00	54.73	55.12	55.02	55.59	2.96
Money Supply M3	132.80	128.15	136.11	137.51	138.01	138.92	8.41
LBP Lending Rate (%)****	8.23	8.29	8.48	8.39	8.33	8.10	(19bps)
LBP Deposit Rate (%)	5.56	5.56	5.57	5.51	5.56	5.55	(1bps)
USD Lending Rate (%)	7.35	7.28	7.36	7.27	7.25	7.29	1bps
USD Deposit Rate (%)	3.52	3.39	3.62	3.58	3.64	3.63	24bps
Consumer Price Index**	(0.80)	(0.80)	4.30	3.50	3.10	5.10	-

** Year-on-Year ** Year-on-Year percentage change ***includes arrivals, departures, transit*
***** Starting January 2016, lending rates in Lebanese pounds are reported before any subsidy or facility from reserve requirements according to Intermediate Circular No 389, and as such they are not comparable year-on-year*
Note: bps i.e. basis points
Source: Association of Banks in Lebanon, Banque du Liban, Ministry of Finance, Central Administration of Statistics, Byblos Research

Capital Markets

Most Traded Stocks on BSE	Last Price ($)	% Change*	Total Volume	Weight in Market Capitalization
Audi Listed	5.60	1.82	1,303,975	20.06%
BLOM Listed	11.06	0.00	140,700	21.31%
Solidere "A"	7.94	(1.00)	109,639	7.11%
Audi GDR	5.60	0.00	51,000	6.02%
BLOM GDR	11.65	1.39	32,721	7.71%
Byblos Common	1.58	(1.25)	28,497	8.01%
Solidere "B"	7.91	(0.50)	28,396	4.61%
HOLCIM	14.50	(1.09)	2,000	2.54%
Byblos Pref. 09	102.40	0.39	1,000	1.84%
Byblos Pref. 08	101.60	0.30	1,000	1.82%

*Source: Beirut Stock Exchange (BSE); *Week-on-week*

Sovereign Eurobonds	Coupon %	Mid Price $	Mid Yield %
Dec 2017	4.00	99.96	4.70
Nov 2018	5.15	98.63	6.72
May 2019	6.00	99.13	6.64
Mar 2020	6.38	98.50	7.10
Oct 2022	6.10	95.38	7.26
Jun 2025	6.25	92.63	7.56
Nov 2026	6.60	93.75	7.57
Feb 2030	6.65	91.38	7.75
Apr 2031	7.00	93.38	7.81
Nov 2035	7.05	92.00	7.89

Source: Byblos Bank Capital Markets

	Dec 4-8	Nov 27-Dec 1	% Change	November 2017	November 2016	% Change
Total shares traded	1,711,130	283,463	503.7	3,450,710	6,376,852	(45.9)
Total value traded	$12,665,976	$3,087,739	310.2	$43,641,250	$48,997,196	(10.9)
Market capitalization	$11.16bn	$10.86bn	3.49	$10.87bn	$11.95bn	(9)

Source: Beirut Stock Exchange (BSE)

Lebanon in the News

Tax increases weigh on consumer confidence in third quarter of 2017

The results of the Byblos Bank/AUB Consumer Confidence Index for the third quarter of 2017 show that the Index regressed by 13.5% in July from the preceding month, dropped by 5.5% in August and declined by 2.2% in September 2017. The Index averaged 58.4 in the third quarter of the year compared to an average of 54.8 in the second quarter of 2017. In addition, the Byblos Bank/AUB Present Situation Index averaged 56.5 in the third quarter of 2017 and grew by 9.7% from the preceding quarter, while the Byblos Bank/AUB Expectations Index averaged 59.7 and improved by 4.8% from the second quarter of 2017. Further, the average monthly score of the Index in the third quarter of 2017 was 44.8% lower than the quarterly peak score of 105.8 registered in the fourth quarter of 2008, and remained 39.6% below the annual peak score of 96.7 reached in full year 2009.

Consumer sentiment throughout the third quarter of 2017 was influenced by the ratification by Parliament of the tax law that raised taxes on consumption, income and profits, and increased fees on a large number of public services; as well as by the across-the-board increase in the wages and salaries of public sector employees and workers. The steep decline of the Byblos Bank/AUB Consumer Confidence Index in July, and its continuing decline in August and September, show that the negative impact of the tax hikes on sentiment is more significant than any potential positive impact of the public-sector wage increase.

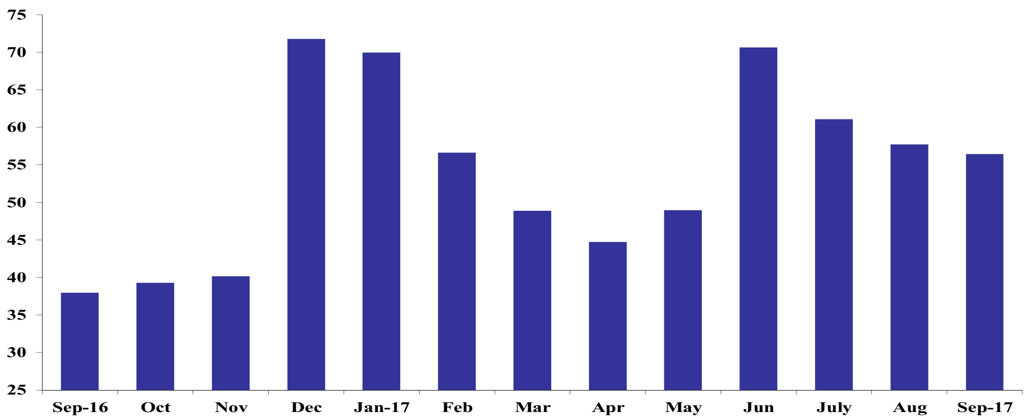
In fact, the positive impact of the wage increase was limited to public sector employees, as the value of the sub-index for this segment of the population surged by 72% in July and was the highest by far among all occupational categories. Moreover, the confidence level of public sector employees remained the highest among all occupational categories throughout the third quarter, while the confidence level of all other occupational categories continued to regress in August and September.

In addition, the results of the Index's survey show that 10.9% of the Lebanese polled in the third quarter of 2017 expected their financial condition to improve in the coming six months, while 66.6% of respondents believed that their financial situation will deteriorate and 20.2% forecast their financial condition to remain the same over the covered period. Moreover, 10% of the Lebanese surveyed in September 2017 expected business conditions in Lebanon to improve in the coming six months, while 74% anticipated them to deteriorate, up from 68.2% in July and 70% in August 2017.

The results of the Byblos Bank/AUB Consumer Confidence Index for the third quarter of 2017 show that female consumers had a higher level of confidence than their male counterparts, and consumers in the 21 to 29 year-old bracket posted the highest confidence level relative to citizens in other age brackets during the covered quarter. Households with an income of $2,500 or more per month continued to be more confident than those earning less. Moreover, public sector employees were more optimistic than the self-employed, private sector employees, students, housewives and the unemployed in the third quarter. In addition, consumers in Mount Lebanon posted the highest confidence level across administrative districts, or mohafaza, followed by consumers in the North, Beirut, the South and the Bekaa. Further, Druze consumers had a higher level of confidence than their counterparts among other religious affiliations during the covered quarter, followed by Christian, Sunni and Shiite consumers.

The Byblos Bank/AUB Consumer Confidence Index is a measure of the sentiment and expectations of Lebanese consumers toward the economy and their own financial situation. The index is compiled, implemented and analyzed in line with international best practices and according to criteria from leading consumer confidence indices worldwide. It is composed of two sub-indices, the Byblos Bank/AUB Present Situation Index and the Byblos Bank/AUB Expectations Index. The Byblos Bank Economic Research & Analysis Department has been calculating the index on a monthly basis since July 2007, with January 2009 as its base month. The index is based on a face-to-face monthly survey of a nationally representative sample of 1,200 males and females living throughout Lebanon. The monthly field survey is conducted by Statistics Lebanon Ltd, a market research and opinion-polling firm.

Byblos Bank/AUB Consumer Confidence Index*



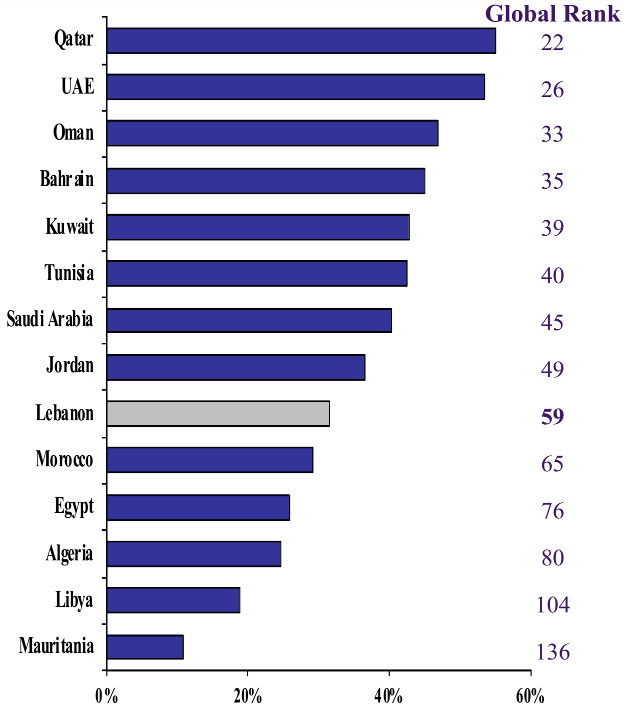
**on a monthly basis*

Source: Byblos Bank Economic Research & Analysis Department, based on surveys conducted by Statistics Lebanon

Lebanon ranks 59th globally, ninth among Arab countries on entrepreneurship ecosystem

The Global Entrepreneurship Development Institute (GEDI), a Washington DC-based non-profit research organization, ranked Lebanon in 59th place among 137 countries worldwide and in ninth place among 14 Arab countries on its Global Entrepreneurship Index (GEI) for 2018. Lebanon also came in 10th place among 38 upper middle-income countries (UMICs) included in the survey. Globally, Lebanon's rank improved by four spots from the 2017 survey, while its regional rank was unchanged year-on-year.

Global Entrepreneurship Index for 2018 Scores & Rankings of Arab Countries



Source: GEDI, Byblos Research

The GEI measures the quality and dynamics of a country's entrepreneurship ecosystem at the micro and macro levels. It assesses the efficiency of ecosystems for start-ups and attempts to highlight the bottlenecks that erode the competitive advantages of new firms. The GEI is a composite of 14 pillars grouped in three sub-indices that are the Entrepreneurial Attitudes Sub-Index, the Entrepreneurial Abilities Sub-Index and the Entrepreneurial Aspirations Sub-Index. A country's score, which ranges between zero and 100, is the simple average of the three sub-indices, with a higher score reflecting a better ecosystem for entrepreneurship.

Globally, Lebanon's entrepreneurial ecosystem is better than the ecosystem of Namibia, Azerbaijan and Kazakhstan, and is less developed than that of Costa Rica, South Africa and Malaysia among economies with a GDP of $10bn or more. Lebanon received a score of 31.5 points, lower than the global average score of 34.2 points, but higher than the UMICs' average score of 27.7 points. Also, Lebanon's score was lower than the Arab countries' average score of 36 points and the Gulf Cooperation Council (GCC) countries' average score of 47.3 points, but it was higher than the non-GCC Arab countries' average score of 27.5 points. The United States has the best entrepreneurial ecosystem globally with a score of 83.6 points, while Chad has the worst environment for entrepreneurs with a score of 9 points.

Globally, Lebanon ranked ahead of Hungary, Croatia and Iran, and came behind Morocco, Indonesia and Jamaica on the Entrepreneurial Attitudes Sub-Index. This category identifies the attitudes of a country's population towards entrepreneurship, such as recognizing opportunities, accepting the risks associated with business start-ups, and having the skills to launch a business successfully. Lebanon came ahead of only Egypt, Libya and Mauritania among Arab countries.

Also, Lebanon ranked ahead of Kyrgyzstan, Thailand and Namibia, and came behind Russia, Armenia and Georgia on the Entrepreneurial Abilities Sub-Index. This category reflects the characteristics of the entrepreneurs and their businesses, including motivation, education, the number of businesses that are in technology sectors, and the level of competition among entrepreneurs. Lebanon ranked ahead of Libya, Egypt, Jordan, Morocco, Algeria and Mauritania among Arab countries.

Finally, Lebanon ranked ahead of Egypt, Spain and Morocco, and came behind Jordan, Latvia and Azerbaijan on the Entrepreneurial Aspirations Sub-Index. This category reflects the early-stage entrepreneur's effort to introduce new products or services, to develop new production processes, to penetrate foreign markets, to substantially increase the company's staff, and to finance the business with formal or informal venture capital. Lebanon ranked ahead of Egypt, Morocco, Saudi Arabia, Algeria, Libya and Mauritania among Arab countries.

Components of the 2018 Global Entrepreneurship Index for Lebanon

	Global Rank	UMICs Rank	Arab Rank	Lebanon Score (%)	Global Average	UMICs Average	Arab Average
Entrepreneurial Attitudes	71	20	11	28.0	33.4	28.4	34.1
Entrepreneurial Abilities	66	15	9	27.9	34.2	26.4	33.5
Entrepreneurial Aspirations	51	8	8	38.6	34.9	28.2	40.4

Source: Global Entrepreneurship Development Institute, Byblos Research

Sovereign bonds performance improves in second half of November 2017

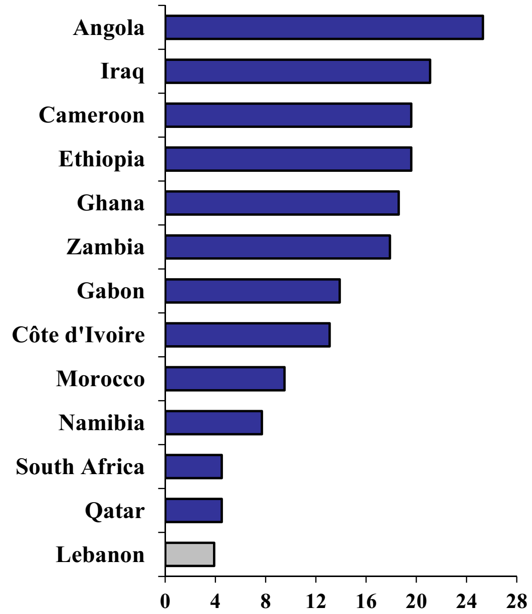
Figures issued by Citi Research indicate that Lebanon's sovereign debt posted a return of 3.9% in the first 11 months of 2017, constituting the second lowest return among 33 emerging markets included in the Citi EM Sovereign Bond Index. Lebanon's sovereign debt performed better than only Bolivia (+1.1%).

Lebanon underperformed the overall emerging markets' return of 9% and the 'B'-rated sovereigns' return of 13.2% during the covered period. Also, Lebanon's sovereign debt posted the lowest return among 13 countries in the Middle East & Africa (ME&A) region in the first 11 months of 2017.

Further, Lebanon's sovereign debt posted a return of -3.3% in November 2017, constituting the second lowest return in emerging markets during the covered month, ahead of only Belize (-6.3%). Lebanon underperformed the emerging markets' return of -0.2% and the 'B'-rated sovereigns' return of 0.7% in November 2017. It also posted the lowest return in the ME&A region in November 2017.

However, Lebanon's sovereign debt posted a return of 0.2% in the week ending November 30, 2017, similar to the 'B'-rated sovereigns' return and outperforming the emerging markets' return of 0.1%. In addition, Lebanon's sovereign debt posted a return of 0.7% in the week ending November 16, 2017, constituting the third highest return among 40 emerging markets, and outperformed the emerging markets' return of -0.5% and the 'B'-rated sovereigns' return of -0.3% in the covered week. Also, Lebanon's sovereign debt posted the third highest return among 15 ME&A economies in the covered week.

Sovereign Debt Performance in the Middle East & Africa in First 11 Months of 2017 (%)

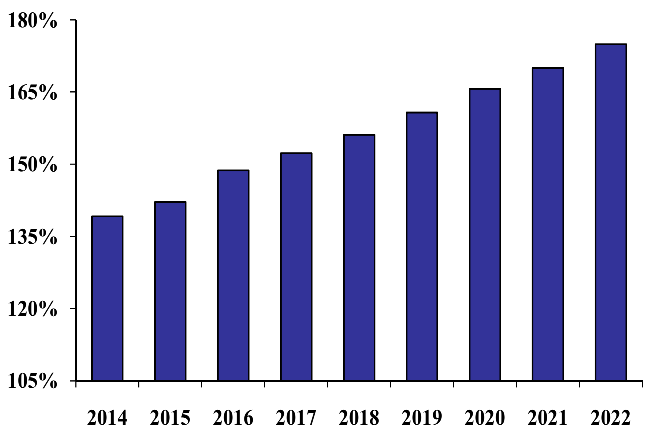


Source: Citi Research, Byblos Research

Gross public debt at $78.5bn at end-October 2017

Lebanon's gross public debt reached $78.5bn at the end of October 2017, constituting an increase of 4.8% from $74.9bn at the end of 2016 and a rise of 5.3% from $74.5bn at end-October 2016. In nominal terms, the gross public debt grew by $3.6bn in the first 10 months of 2017 relative to an increase of $4.2bn in the same period of 2016. Debt denominated in Lebanese pounds totaled $49.5bn at end-October 2017, up by 5.8% from the end of 2016 and by 8.8% from end-October 2016; while debt denominated in foreign currency stood at $29bn, constituting a growth of 3.1% from end-2016 and was unchanged from a year earlier. Local currency debt accounted for 63.1% of the gross public debt at the end of October 2017 compared to 61.1% a year earlier, while foreign currency-denominated debt represented the balance of 36.9% relative to 38.9% at end-October 2016. The weighted interest rate on outstanding Treasury bills was 6.9% and that on Eurobonds was 6.44% in October 2017. Further, the weighted life on Eurobonds was 6.86 years, while that on Treasury bills was 1,365 days.

Lebanon's Gross Public Debt (% of GDP)



Source: International Monetary Fund

Commercial banks held 42.5% of the public debt as at end-October 2017 relative to 46.6% of the total at the end of October 2016. Banque du Liban (BdL) held 51.6% of the Lebanese pound-denominated public debt at the end of October 2017 relative to 44.1% a year earlier, while commercial banks held 33.6% of the local debt compared to 40.2% at end-October 2016. Also, public agencies, financial institutions and the public held 14.8% of the local debt at end-October 2017, down from 15.8% a year earlier. Further, holders of Eurobonds and special T-bills in foreign currencies accounted for 92.3% of foreign currency-denominated debt holders at the end of October 2017, followed by multilateral institutions with 4.6% and foreign governments with 3.1%. In addition, the net public debt, which excludes public sector deposits at the BdL and at commercial banks from overall debt figures, grew by 5.8% annually to $68.1bn at end-October 2017. Further, the gross market debt accounted for about 64% of the total public debt. Gross market debt is the total public debt less the portfolios of the BdL, the National Social Security Fund, bilateral and multilateral loans, as well as Paris II related debt.

In parallel, S&P Global Ratings rates Lebanon's long-term foreign and local currency sovereign credit ratings at 'B-'. But the agency's Credit Default Swap Market Derived Signal Score, an indicator of risk appetite by foreign investors, shows that Lebanon's sovereign debt is considered by the market to have a 'B-' risk level as at December 8, 2017, which is similar to the S&P rating.

Fiscal deficit narrows by 45% to $1.4bn in first eight months of 2017, equivalent to 15% of expenditures

Figures released by the Finance Ministry show that the fiscal deficit reached $1.4bn in the first eight months of 2017 and narrowed by 45.1% from $2.5bn in the same period of 2016. The deficit was equivalent to 15% of total budget and Treasury expenditures compared to 27% of total spending in the first eight months of 2016. Government expenditures reached $9.2bn and decreased by 1.7% from the same period last year, while revenues grew by 14.3% annually to $7.9bn. As such, the narrowing of the deficit reflects an increase of $983.6m in total revenues and a decline of $156.8m in overall expenditures during the covered period. The rise in revenues is mainly due to an increase of $638m in receipts from the tax on profits, as banks paid a one-off tax on the revenues that they generated from the swap operations that they conducted with Banque du Liban last year. The decline in spending mainly reflects a drop of 42.7%, or $534.6m, in Treasury expenditures due to a decrease of 79.8%, or $551.8m, in transfers to municipalities.

On the revenues side, tax receipts grew by 21.7% to $6.1bn in the first eight months of 2017, of which 26.3%, or $1.6bn, were in VAT receipts that increased by 7.7% year-on-year. Tax receipts accounted for 82.2% of budgetary revenues and for 77.1% of total Treasury and budgetary receipts in the covered period. The distribution of other tax revenues shows that receipts from taxes on income, profits & capital gains jumped by 48.7% year-on-year to $2.35bn in the first eight months of 2017; receipts from customs increased by 3.4% to $953.3m; revenues from property taxes improved by 21% to $643.6m; receipts from taxes on goods & services grew by 15% to $290m, and revenues from stamp fees increased by 7.2% to $227.2m.

The distribution of income tax receipts shows that the tax on profits accounted for 57.5% of income tax revenues in the first eight months of 2017, followed by the tax on interest deposits with 16.8%, taxes on wages & salaries with 16.3% and the capital gains tax with 8.1%. Revenues from taxes on profits jumped by 89.6% in the covered period, those from the capital gains tax grew by 28.8%, receipts from the tax on interest deposits improved by 17.4% and receipts from taxes on wages & salaries increased by 7.1%. Also, the distribution of property taxes shows that revenues from real estate registration fees increased by 24% to $415.9m in the first eight months of the year, receipts from the built property tax improved by 21% to $153.3m and revenues from the inheritance tax grew by 6.4% to $74.4m. Further, non-tax budgetary receipts decreased by 8.7% year-on-year to $1.3bn in the first eight months of 2017. They mainly included $824.7m in revenues generated from government properties that regressed by 17.2% year-on-year, as well as $386.3m in receipts generated from administrative fees and charges that rose by 14.2% year-on-year. Receipts from telecommunications services decreased by 33.5% to $530.7m, due to delays in transfers to the Treasury from the Telecom Ministry. They accounted for 64.3% of income from government properties and for 40.4% of non-tax budgetary revenues.

On the expenditures side, budgetary spending, which includes general expenditures and debt servicing, grew by 4.6% annually to $8.5bn in the first eight months of 2017. General budgetary spending increased by 3.5% to $5.4bn, and included $841.5m in transfers to Electricité du Liban that jumped by 1.6 times year-on-year, as well as $774.3m in outlays from previous years that regressed by 13.4%, among others. Further, debt servicing totaled $3.1bn in the first eight months of 2017 and grew by 6.6% from the same period last year. Debt servicing accounted for 33.8% of total expenditures and for 36.7% of budgetary spending, while it absorbed 39.8% of overall revenues and 42.4% of budgetary receipts in the covered period. Interest payments on Lebanese pound-denominated debt grew by 8.8% year-on-year to $2bn in the first eight months of the year and debt servicing on foreign currency debt increased by 3.3% to $966.5m. The primary budget balance posted a surplus of $2bn, or 23% of budgetary expenditures, in the first eight months of 2017, while the overall primary balance posted a surplus of $1.74bn, or 18.8% of spending.

Comparative Fiscal Results in First Eight Months of each Year

	2016 (US$m)	2017 (US$m)	Change (%)
Budget revenues	6,417	7,369	14.8
Tax revenues	4,978	6,057	21.7
Non-tax revenues	1,438	1,313	-8.7
of which Telecom revenues	*798*	*531*	*-33.5*
Budget expenditures	8,152	8,530	4.6
Budget Surplus/Deficit	**(1,736)**	**(1,161)**	**-33.1**
In % of budget expenditures	*(21.3%)*	*(13.6%)*	
Budget Primary Surplus	**1,197**	**1,966**	**64.2**
In % of budget expenditures	*14.7%*	*23%*	
Treasury Receipts	460	490	-6.7
Treasury Expenditures	1,252	717	-42.7
Total Revenues	6,876	7,860	14.3
Total Expenditures	9,404	9,248	-1.7
Total Deficit	**(2,528)**	**(1,388)**	**-45.1**
In % of total expenditures	*(26.9%)*	*(15%)*	
Total Primary Surplus/Deficit	**405.1**	**1,739**	**329.3**
In % of total expenditures	4.3%	18.8%	

Source: Ministry of Finance, Byblos Research

Lebanon in the News

Economic impact of political crisis is manageable

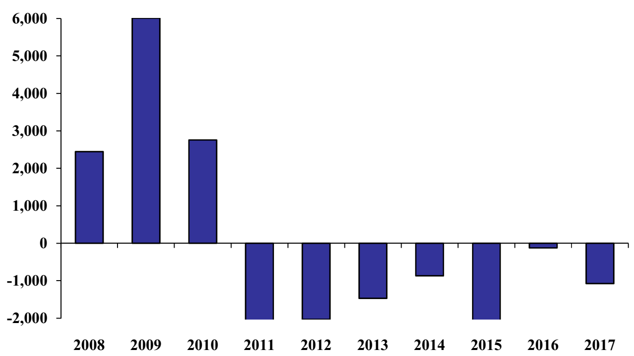
Merrill Lynch considered that the political crisis that was triggered by the sudden resignation of Prime Minister Saad Hariri on November 4, 2017 has ended, given the withdrawal of the resignation and the emergence of a domestic political consensus in Lebanon on the policy of non-intervention in regional conflicts. It anticipated that the near-term economic impact of the crisis will be broadly manageable. It noted that the International Support Group for Lebanon that convened in Paris on December 8 would give credibility to the domestic political consensus. It said that capital outflows from Lebanon and the widening of the spreads on the external debt, which followed the resignation of Prime Minister Hariri, have been in line with the market's reaction to other shocks in the country in 2005 and 2006. It considered that Lebanese banks would gradually recover the deposits that exited the system over the coming months as political tensions recede. It noted that Banque du Liban's (BdL) foreign assets decreased by $1.6bn in November, while domestic banks withdrew $1.4bn from their deposits at BdL and benefited from a $1.3bn loan from BdL to meet their liquidity needs. In addition, it pointed out that banks took other measures to ease liquidity pressures, including prohibiting customers from withdrawing term-deposits prior to maturity and by increasing interest rates on Lebanese pounds deposits to between 7.5% and 9%.

In parallel, Merrill Lynch indicated that Lebanon's external debt currently trades at an implied rating of between 'CCC' and 'CCC+' relative to the actual sovereign rating of 'B-' by S&P Global Ratings and Fitch Ratings, and of 'B3' by Moody's Investors Service. It noted that a substantial risk premium is priced-in in the current spreads of Lebanon's external debt, which it expects to normalize in the near term. Also, it anticipated the spreads on Lebanon's external debt, which widened since early November, to narrow amid improved domestic political conditions and international support. Also, it did not expect a downgrade of Lebanon's sovereign ratings because the latter already incorporate a high degree of political risks.

Balance of payments posts deficit of $1bn in first 10 months of 2017

Figures issued by Banque du Liban (BdL) show that Lebanon's balance of payments posted a deficit of $1.1bn in the first 10 months of 2017 compared to a deficit of $125.3m in the same period of 2016. The balance of payments posted a deficit of $887.8m in October 2017 compared to a surplus of $457.2m in September 2017 and a deficit of $680.2m in October 2016. The October 2017 deficit was caused by a $460m drop in the net foreign assets of BdL and by a $428m decline in those of banks and financial institutions. The cumulative deficit over the first 10 months of 2017 was caused by a decline of $3.57bn in the net foreign assets of banks and financial institutions, and was partly offset by an increase of $2.49bn in those of the BdL. The balance of payments posted surpluses of $7.9bn in 2009, $3.3bn in 2010 and $1.2bn in 2016, and deficits of $2bn in 2011, $1.5bn in 2012, $1.1bn in 2013, $1.4bn in 2014 and $3.4bn in 2015.

Balance of Payments* (US$m)



**in the first 10 months of each year*
Source: Banque du Liban

Treasury transfers to Electricité du Liban up 62% to $842m in first eight months of 2017

Figures released by the Finance Ministry show that Treasury transfers to Electricité du Liban (EdL) totaled $841.5m in the first eight months of 2017, constituting an increase of 61.5% from $521.2m in the same period of 2016. The ministry said that reimbursements to the Kuwait Petroleum Corporation (KPC) and to the Algerian energy conglomerate Sonatrach totaled $832m, or 99% of transfers, in the covered period, while EdL's debt servicing represented the balance of $9.5m, or 1.1% of the total. It attributed the rise in transfers to an increase of $323.8m, or 63.7%, in payments to KPC and Sonatrach in the first eight months of 2017, which was marginally offset by a decrease of $3.5m or 27%, in debt servicing.

The ministry said that the rise in payments to KPC and Sonatrach is due to a 24.3% year-on-year increase in oil prices at the time the oil contracts were executed, and an increase of 27.8% in the quantity of imported fuel oil that was partly offset by a decrease of 4.8% in the quantity of imported gas. Also, it pointed out that EdL contributed 2% of the repayments to the two oil suppliers in the first eight months of 2017, down from 7.7% in the same period of 2016. EdL transfers accounted for 13.7% of primary expenditures in the first eight months of 2017, compared to 8.1% in the same period of 2016. They constituted the third largest expenditures item after debt servicing and public sector salaries & wages in overall fiscal spending. EdL transfers were equivalent to 5.1% of GDP in 2012, 4.2% of GDP in each of 2013 and 2014, 2.2% of GDP in 2015 and 1.8% of GDP in 2016.

Lebanon down 19 spots in 10 years on prosperity index

The Legatum Institute's 2017 Prosperity Index ranked Lebanon in 105th place among 149 countries globally, in 34th place among 40 upper middle-income countries (UMICs) and in 10th place among 18 Arab countries. Based on the same set of countries, Lebanon's rank was unchanged from the 2016 survey. However, its rank regressed by seven spots from 98th place in the 2012 report and by 19 spots from 86th place on the 2007 index.

The Legatum Institute assesses the prosperity of citizens based on their material wealth and social well-being. The data covers 104 variables grouped in nine sub-indices that are the Economy, the Business Environment, Governance, Education, Health, Safety & Security, Personal Freedom, Social Capital and the Natural Environment, each identified as a foundation of prosperity. The rankings are based on the simple average of the scores of the nine sub-indices for each country.

Globally, Lebanon has a higher level of prosperity than Azerbaijan, Senegal and Laos and a lower level than Russia, Zambia and Tanzania among economies with a GDP of $10bn or more. Also, it is more prosperous than only Azerbaijan, Algeria, Iran, Gabon, Venezuela, Libya and Iraq among UMICs.

Lebanon ranked ahead of Algeria, Azerbaijan, Ukraine and Gabon and came behind China, Cambodia and Zimbabwe on the Governance Sub-Index. This category measures a country's performance on the effectiveness and accountability of the government, the level of democracy and political participation, and the rule of law. Lebanon ranked ahead of only Algeria, Azerbaijan, Gabon, Iran, Belarus, Iraq, Libya and Venezuela among UMICs. It also came ahead of Algeria, Iraq, Mauritania, Syria, Libya and Yemen among Arab countries.

Prosperity Index for 2017

	Arab Rank	Global Rank
UAE	1	39
Qatar	2	47
Bahrain	3	62
Oman	4	73
Saudi Arabia	5	78
Kuwait	6	80
Jordan	7	92
Tunisia	8	94
Morocco	9	97
Lebanon	**10**	**105**
Djibouti	11	110
Algeria	12	116
Egypt	13	120
Libya	14	136
Iraq	15	142
Mauritania	16	144
Sudan	17	147
Yemen	18	149

Source: Legatum Institute, Byblos Research

Also, Lebanon ranked ahead of Ecuador, Macedonia and South Africa, and came behind Ukraine, Botswana and Serbia on the Economy Sub-Index. This category measures a country based on the openness of its economy, macroeconomic indicators, foundations for growth, economic opportunity and financial sector efficiency. Lebanon also ranked ahead of Ecuador and Macedonia, and came behind Botswana and Serbia among UMICs. Regionally, Lebanon came behind the UAE, Bahrain, Qatar, Kuwait, Saudi Arabia, Oman and Morocco.

Further, Lebanon came ahead of Belarus, Kuwait and Croatia, and ranked behind the Dominican Republic, Armenia and Paraguay on the Business Environment Sub-Index. This category measures a country's entrepreneurial environment, its business infrastructure, barriers to innovation, and its labor market flexibility. Lebanon also ranked ahead of Belarus and Croatia, and came behind Paraguay and Dominican Republic among UMICs; while it ranked ahead of Kuwait and Jordan, and came behind Morocco and Tunisia and in the Arab region.

Finally, Lebanon ranked ahead of Ukraine, Mexico and Gabon, and came behind Pakistan, El Salvador and Cameroon on the Social Capital Sub-Index. This category measures the strength of personal relationships, social networks support, social norms and civic participation in a country. Lebanon also ranked ahead of Mexico and Gabon, and ranked behind Serbia and Bulgaria among UMICs; while it came ahead of Egypt, Djibouti, Algeria, Mauritania, Morocco and Yemen regionally.

Components of the 2017 Prosperity Index for Lebanon

Sub-Index	Global Rank	Change in Rank	Arab Rank	UMICs Rank
Economy	89	-10	8	26
Business Environment	97	-	9	28
Governance	126	+5	12	32
Education	102	-1	11	36
Health	85	-2	12	28
Safety & Security	64	+16	7	16
Personal Freedom	122	-2	8	30
Social Capital	114	+15	12	30
Natural Environment	87	-5	6	28

Source: Legatum Institute, Byblos Research

Trade deficit at $13.2bn in first 10 months of 2017

The total value of imports reached $15.6bn in the first 10 months of 2017, constituting a decrease of 0.9% from the same period of 2016; while the aggregate value of exports declined by 4.8% to reach $2.4bn in the covered period. As such, the trade deficit was unchanged at $13.2bn in the first 10 months of 2017 due to a year-on-year decline of $140m in imports, which was partly offset by a $119.1m decrease in exports. The drop in imports mainly reflects a decline of $372.6m, or 11.2%, in the value of imported oil & mineral fuels, which was mainly offset by a rise of $117.8m, or 8.2%, in the value of imported vehicles, aircraft & vessels, and an increase of $87.7m, or 12.8%, in the value of imported vegetable products.

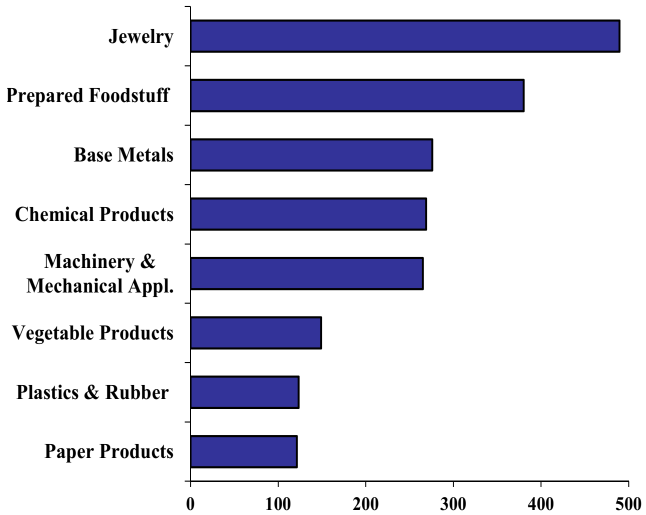
Also, the value of imported oil & mineral fuels reached $2.95bn in the first 10 months of 2017 and accounted for 18.9% of total imports in the covered period, compared to a share of 21.1% in the first 10 months of 2016. In volume terms, imports of oil & mineral fuels decreased by 7.8% year-on-year to 7.1 million tons.

In addition, the decline in exports was caused by a drop of $235.8m, or 32.5%, in the value of exported jewelry in the first 10 months of the year, which was partly offset by an increase of $77.6m, or 39.1%, in the value of exported base metals and a rise of $27.7m, or 2.7 times, in the value of exported mineral products. Further, the coverage ratio was 15.2% in the first 10 months of 2017 compared to 15.8% in the same period of 2016.

In parallel, exports to Switzerland doubled in the first 10 months of 2017, those to Syria expanded by 43.3% and exports to Iraq grew by 7%, while exports to South Africa decreased by 52.1%, those to Saudi Arabia declined by 13.2% and exports to the UAE regressed by 0.8%. Re-exports totaled $650.3m in the first 10 months of 2017 compared to $423.5m in the same period of 2016. Also, the Port of Beirut was the exit point for 50.4% of Lebanon's total exports in the first 10 months of 2017, followed by the Hariri International Airport (31.5%), the Port of Tripoli (8.3%), the Masnaa crossing point (4.4%), the Arida crossing point (3.7%), the Port of Saida (1%) and the Abboudieh crossing point (0.7%).

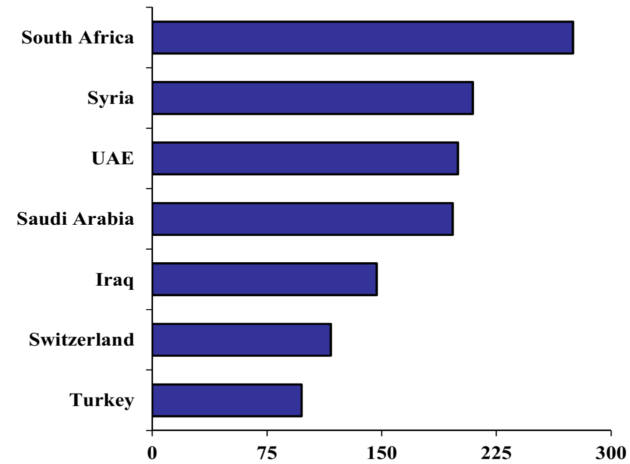
Lebanon's main non-hydrocarbon imports were chemical products that reached $1.75bn in the first 10 months of 2017 and accounted for 11.2% of the total. Imports of machinery & mechanical appliances followed at $1.61bn (10.3%), then vehicles, aircraft & vessels at $1.56bn (10%), prepared foodstuff at $1.15bn (7.4%), base metals at $1.05bn (6.8%), jewelry at $800.5m (5.1%) and vegetable products at $773.6m (5%). The Port of Beirut was the entry point for 71.6% of Lebanon's merchandise imports in the first 10 months of 2017, followed by the Hariri International Airport (18.8%), the Port of Tripoli (6.8%), the Port of Saida (1.9%), the Masnaa crossing point (0.4%), the Arida crossing point (0.3%), and the Abboudieh and the Tyre crossing points (0.1% each).

Main Lebanese Exports* ($m)



**in the first 10 months of 2017*
Source: Lebanese Customs Administration, Byblos Research

Main Destinations of Lebanese Exports*($m)



**in the first 10 months of 2017*
Source: Lebanese Customs Administration, Byblos Research

China was the main source of imports with $1.6bn, or 10.1% of the total, in the first 10 months of 2017, followed by Italy with $1.4bn (9.1%), Greece with $1.14bn (7.3%), Germany with $1.02bn (6.5%), the United States with $950.7m (6.1%) and France with $604.5m (3.9%). Imports from Greece grew by 1.3 times year-on-year in the first 10 months of 2017, those from Italy improved by 22% and imported goods from Germany increased by 5.4%, while imported goods from China decreased by 11.1%, those from the United States dropped by 5.8% year-on-year and imports from France were unchanged year-on-year in the first 10 months of 2017.

Corporate Highlights

Fitch Ratings affirms Byblos Bank's ratings at 'B-', outlook 'stable'

Fitch Ratings affirmed at 'B-' the long-term Issuer Default Ratings (IDRs) of Byblos Bank sal, and maintained its 'stable' outlook on the ratings. It also kept the Bank's Viability Ratings at 'b-'. It indicated that the Bank's long-term IDRs are driven by its intrinsic strengths. It said that the ratings are limited by the sovereign ratings due to the Bank's substantial holdings of government debt and of Certificates of Deposits issued by Banque du Liban (BdL), as well as by the difficult operating environment. It added that the 'stable' outlook mirrors the outlook on the sovereign.

The agency indicated that Byblos Bank has a strong domestic franchise and brand name that supports revenue generation and deposit growth. It added that the Bank's experienced management has demonstrated its ability to implement well-articulated and consistent strategic objectives, as well as to implement effective corporate governance. In addition, it pointed out that Byblos Bank's balance sheet is well-balanced between liquid and non-liquid assets. But it noted that the Bank's exposure to the sovereign and BdL is a source of risk. Still, it viewed such exposure as unavoidable amid the decline in domestic lending opportunities.

Further, Fitch said that the Bank has prudent underwriting standards for loans, with acceptable diversification by economic sector and single obligor. It added that the Bank's loan book is resilient, with a stable non-performing loans ratio of 4.7% at the end of June 2017 that compares well with similarly-rated peers. It added that the Bank's loan-loss reserve coverage is adequate. In addition, it said that Byblos Bank's balance sheet is very liquid with a loans-to-deposits ratio of 31% at the end of June 2017. It added that the Bank's large placement with BdL and its holdings of sovereign securities underpin its liquidity flexibility. Also, it noted that the Bank's deposits have been historically stable and well-diversified, which mitigates liquidity maturity mismatches. In parallel, it added that the Bank is cost-efficient and has low impairment charges.

Fitch indicated that Lebanese authorities would have a high willingness to support Byblos Bank in case of need, given its systemic importance to the banking sector and to the economy as a whole. But it noted that the authorities' ability to provide such support cannot be relied upon. The agency said that it would upgrade the Bank's ratings in case of a sovereign upgrade or a substantial reduction in the bank's exposure to the government or to BdL relative to its capital. But it considered that it is unlikely that it will upgrade the ratings in the short- to medium-term, given the Bank's key role in financing the sovereign that keeps its exposure to the latter elevated.

RYMCO increases size of its securitization fund

Auto dealer Rasamny Younis Motor Company sal (RYMCO) increased by $7.3m to $17.9m the size of its securitization fund, RYMCO Drive IV SIF, through securitizing a portfolio of 848 auto loans extended by the firm to car rental companies, individuals and corporate clients. The transaction consisted of the issuance of $6.2m in senior Class A Notes that were fully subscribed by five local banks, and of a $1.1m subordinated Class B Note that was subscribed in full by RYMCO for credit enhancement purposes.

The Class A Notes mature on June 30, 2021 and the Class B Note mature on June 30, 2022, while their legal maturity date is at end-2026. The fund will pay investors an annual fixed coupon rate of 7.5% on the Class A Notes, while the coupon rate on the Class B Note remains undetermined. The fund offers a three-year revolving period during which additional eligible assets could be financed through the same structure. The company launched in December 2016 the RYMCO Drive IV SIF, its first securitization fund in Lebanese pounds, by securitizing a portfolio of 859 auto loans, of which $9m in Class A notes and $1.6m in Class B notes. RYMCO Drive IV SIF was established under the Lebanese securitization Law No. 705 of December 2005, following the authorization of the Capital Markets Authority. It is the fourth securitization fund for RYMCO since the automotive firm first tapped the securitization market in 2009.

Established in 1957, RYMCO is the exclusive distributor in Lebanon of Nissan, Infiniti and GMC brands. RYMCO accounted for 14% of new cars sold in Lebanon during the first 11 months of 2017 and is the second largest distributor in the country. The deal was structured, arranged and managed by Bemo Securitisation sal (BSEC), a wholly-owned subsidiary of Banque BEMO sal.

SGBL acquires two banks in Europe

Société Générale de Banque au Liban (SGBL) sal announced that it signed an agreement with the KBL European Private Bankers Group (KBL epb) to acquire KBP Richelieu Bank in France and KBL Bank Monaco, two subsidiaries of KBL epb. It noted that the acquisition is subject to the approval of the regulatory authorities in Lebanon, France, Europe and Monaco. Further, SGBL indicated that the two banks would operate under a new entity, the Compagnie Financière Richelieu, following the completion of the acquisition in the first half of 2018. It added that the new entity will provide private banking and asset management services. It pointed that the acquisition is part of SGBL's international development strategy.

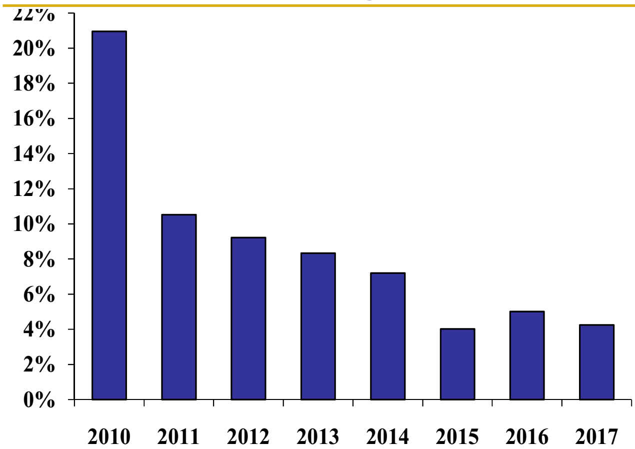
The Luxembourg-based KBL European Private Bankers Group provides private banking services in 50 cities across Europe. The group's affiliates also include Puilaetco Dewaay in Belgium and Luxembourg, Merck Finck in Germany, InsingerGilissen in the Netherlands, Brown Shipley in the United Kingdom, as well as wealth management company KBL España.

SGBL sal posted unaudited consolidated net profits of $171.3m in the first nine months of 2017 compared to net earnings of $121.5m in same period of 2016. Its total assets reached $20.8bn at the end of September 2017, up by 9% from end-2016, while loans & advances to customers, excluding those to related parties, increased by 8.1% from end-2016 to $4.8bn. Also, customer deposits, excluding those from related parties, totaled $15.9bn at end-September 2017 and increased by 9.7% from the end of 2016.

Banking sector assets at $216bn at end-October 2017

The consolidated balance sheet of commercial banks operating in Lebanon shows that total assets stood at $215.8bn at the end of October 2017, constituting an increase of 5.6% from the end of 2016 and a growth of 8.1% from end-October 2016. Loans extended to the private sector reached $59.1bn at the end of October 2017, up by 3.4% from end-2016 and by 4.3% from a year earlier. Loans to the resident private sector totaled $53.2bn, constituting an increase of 4.2% from end-2016 and a rise of 5.5% year-on-year; while credit to the non-resident private sector totaled $5.9bn at end-October 2017 and regressed by 3.6% from end-2016 and by 5% from a year earlier. In nominal terms, credit to the private sector grew by $1.95bn in the first 10 months of 2017 relative to an increase of $2.46bn in the same period of 2016. Lending to the resident private sector increased by $2.17bn in the first 10 months of 2017 relative to a growth of $2.41bn in the same period of 2016, while credit to the non-resident private sector decreased by $220.8m in the first 10 months of the year compared to an increase of $52.4m in the same period of 2016. The dollarization rate in private sector lending regressed to 70.1% at end-October 2017 from 73.1% a year earlier.

Resident Private Sector Lending Growth*
(% Change)



** in the first 10 months of each year*
Source: Association of Banks in Lebanon, Byblos Research

In addition, claims on non-resident banks reached $10.74bn at the end of October 2017 and decreased by 4.4% from $11.24bn at the end of 2016, while claims on the public sector stood at $33.35bn at end-October 2017, down by 3.9% from end-2016. The average lending rate in Lebanese pounds was 8.24% in October 2017, while the rate in US dollars was at 7.39%. Further, the deposits of commercial banks at Banque du Liban totaled $100.7bn at end-October 2017, constituting an increase of 12.8% from end-2016 and a growth of 15.4% from a year earlier.

In parallel, private sector deposits of the non-financial sector totaled $169.4bn at the end of October 2017, increasing by 4.2% from the end of 2016 and by 7.5% from a year earlier. Deposits in Lebanese pounds reached $55.4bn at end-October 2017, nearly unchanged from end-2016 and up by 0.8% year-on-year; while deposits in foreign currencies totaled $114bn and grew by 6.5% from end-2016 and by 11% from end-October 2016. Aggregate non-resident deposits reached $35.5bn at the end of October 2017, up by 4.5% from end-2016 and by 7.9% from a year earlier. In nominal terms, private sector deposits grew by $239.5m in January, by $1.12bn in February, by $492.9m in March, by $1.13bn in April, by $655.4m in May, by $1.6bn in June, by $656.1m in July, by $767.5m in August and by $309.5m in October, while they regressed by $63.7m in September 2017. As such, total private sector deposits rose by $6.9bn in the first 10 months of 2017 compared to an increase of $6.07bn in the same period of 2016. Resident private sector deposits grew by $5.4bn in the first 10 months of 2017 relative to a growth of $5.03bn in the same period of 2016, while non-resident deposits rose by $1.54bn in the first 10 months of the year compared to an increase of $1.04bn in the same period of 2016. Further, foreign-currency deposits grew by $7bn in the first 10 months of 2017 relative to an increase of $4.3bn in the same period of 2016.

In parallel, deposits of non-resident banks reached $7.45bn at the end of October 2017 and increased by 18.7% from end-2016 and by 9.4% from a year earlier. The dollarization rate of deposits was 67.3% at the end of October 2017, up from 66.9% end-September 2017 and compared to 65.1% a year earlier. Further, the average deposit rate in Lebanese pounds was 5.56% in October 2017 compared to 5.53% a year earlier, while the same rate in US dollars was 3.72% relative to 3.43% in October 2016.

The ratio of private sector loans-to-deposits in foreign currency stood at 36.4%, well below Banque du Liban's limit of 70% and compared to 40.4% a year earlier. The same ratio in Lebanese pounds was 31.9% at end-October 2017 relative to 27.7% at the end of October 2016. As such, the ratio of total private sector loans-to-deposits reached 34.9%, down from 36% at end-October 2016. The banks' aggregate capital base stood at $18.65bn at end-October 2017, up by 2.3% from $18.24bn at the end of 2016.

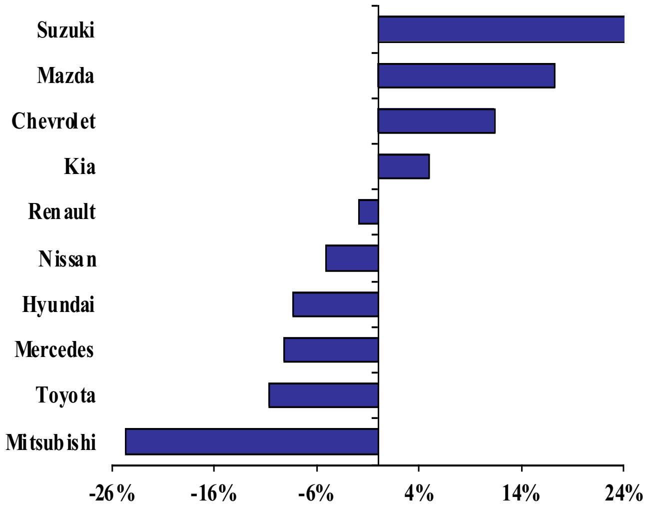
New car sales up 1% in first 11 months of 2017

Figures released by the Association of Automobile Importers in Lebanon show that dealers sold 33,996 new passenger cars in the first 11 months of 2017, constituting an increase of 1.1% from 33,613 cars sold in the same period of 2016. Individuals and institutional clients purchased 2,420 new cars in January, 2,562 vehicles in February, 3,136 automobiles in March, 2,536 cars in April, 3,182 vehicles in May, 4,362 automobiles in June, 3,690 cars in July, 3,475 vehicles in August, 2,571 automobiles in September, 3,390 cars in October and 2,672 vehicles in November 2017.

Japanese cars accounted for 36.8% of total sales in the first 11 months of 2017, followed by Korean vehicles with a 33.8% share, European automobiles (20.1%), American cars (8%) and Chinese vehicles (1.3%). The sales of new Chinese cars jumped by 74%, the demand for American automobiles increased by 15.3% and the number of Japanese vehicles sold grew by 0.7% year-on-year in the first 11 months of 2017; while the number of European cars sold declined by 2.2% and the sales of Korean vehicles regressed by 0.8% year-on-year.

Kia is the leading brand in the Lebanese market with 6,971 vehicles sold in the first 11 months of 2017, followed by Hyundai with 4,483 new cars sold, Toyota (3,968), Nissan (3,052), Suzuki (1,815), Chevrolet (1,664) and Renault (1,659). In parallel, 2,457 new commercial vehicles were sold in the first 11 months of 2017, up by 3.7% from 2,369 commercial vehicles purchased in the same period of 2016. Overall, car dealers sold 36,453 new passenger automobiles and commercial vehicles in the first 11 months of 2017, up by 1.3% from 35,982 vehicles sold in the same period of 2016.

Sales of Top 10 Car Brands in First 11 Months of 2017 (% change*)



** year-on-year*
Source: AIA, Byblos Research

In parallel, the number of new vehicles sold by Lebanon's top five distributors reached 24,001 in the first 11 months of 2017 and accounted for 65.8% of new car sales. NATCO sal sold 6,978 vehicles, equivalent to 19.1% of the total, followed by Rasamny Younis Motor Co. sal with 5,091 cars (14%), Century Motor Co. sal with 4,581 automobiles (12.6%), Boustany United Machineries sal with 4,339 vehicles (12.1%), and Bassoul Heneiné sal with 2,952 cars (8.1%).

Ratio Highlights

(in % unless specified)	2014	2015	2016e	Change*
Nominal GDP ($bn)	50.0	51.1	52.0	
Public Debt in Foreign Currency / GDP	51.2	53.0	54.2	1.26
Public Debt in Local Currency / GDP	81.9	84.6	89.6	4.98
Gross Public Debt / GDP	133.1	137.6	144.0	6.42
Total Gross External Debt / GDP**	170.0	174.7	176.6	1.90
Trade Balance / GDP	(34.4)	(29.5)	(30.0)	(0.47)
Exports / Imports	16.2	16.6	16.1	(0.49)
Fiscal Revenues / GDP	21.8	18.7	19.1	0.30
Fiscal Expenditures / GDP	27.9	26.5	28.6	2.1
Fiscal Balance / GDP	(6.1)	(7.7)	(9.5)	(1.8)
Primary Balance / GDP	2.6	1.4	0.04	(1.4)
Gross Foreign Currency Reserves / M2	66.5	58.7	62.7	3.94
M3 / GDP	235.4	241.9	250.0	8.11
Commercial Banks Assets / GDP	351.4	364.0	392.9	28.9
Private Sector Deposits / GDP	288.9	296.6	312.5	15.8
Private Sector Loans / GDP	101.8	106.1	108.7	3.85
Private Sector Deposits Dollarization Rate	65.7	64.9	65.0	0.10
Private Sector Lending Dollarization Rate	75.6	74.8	73.6	(1.23)

**Change in percentage points 15/16*
***Includes portion of public debt owed to non-residents, liabilities to non-resident banks, non-resident deposits (estimated by the IMF), Bank for International Settlements' claims on Lebanese non-banks*
Source: Association of Banks in Lebanon, Institute of International Finance, International Monetary Fund, World Bank, Byblos Research Estimates & Calculations
Note: M2 includes money in circulation and deposits in LBP, M3 includes M2 plus Deposits in FC and bonds

Risk Metrics

Lebanon	Dec 2015	Nov 2016	Dec 2016	Change**	Risk Level
Political Risk Rating	54.5	54.5	55	↓	High
Financial Risk Rating	39.0	36.5	36.5	↑	Low
Economic Risk Rating	30.5	30.5	30.5	↔	Moderate
Composite Risk Rating	60.75	60.75	61.0	↓	Moderate

MENA Average*	Dec 2015	Nov 2016	Dec 2016	Change**	Risk Level
Political Risk Rating	57.7	57.6	57.6	↑	High
Financial Risk Rating	39.6	38.1	38.3	↑	Low
Economic Risk Rating	30.2	29.6	29.6	↑	High
Composite Risk Rating	63.8	62.6	62.8	↑	Moderate

**excluding Lebanon*
***year-on-year change in risk*
Source: The PRS Group, Byblos Research
Note: Political & Composite Risk Ratings range from 0 to 100 (where 100 indicates the lowest risk)
Financial & Economic Risk ratings range from 0 to 50 (where 50 indicates the lowest risk)

Ratings & Outlook

Sovereign Ratings	Foreign Currency			Local Currency		
	LT	ST	Outlook	LT	ST	Outlook
Moody's	B3	NP	Negative	B3		Stable
Fitch Ratings	B-	B	Stable	B-		Stable
Standard & Poor's	B-	B	Stable	B-	B	Stable
Capital Intelligence	B	B	Stable	B	B	Stable

Source: Rating agencies

Banking Ratings	Banks' Financial Strength	Banking Sector Risk	Outlook
Moody's	E+		Negative

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