

LEBANON THIS WEEK

In This Issue

Economic Indicators.....	1
Capital Markets.....	1
Lebanon in the News.....	2

Foreign direct investment at \$2.6bn in 2017, equivalent to 4.7% of GDP

Airport passengers up 8% in first seven months of 2018

Merger & acquisition deals at \$206m in first half of 2018

Gross public debt at \$82.5bn at end-May 2018

Smoking still prevalent in Lebanon despite anti-smoking law

Energy Ministry receives expressions of interest from 25 consortiums to build and operate hydroelectric plants

Trade deficit narrows by 3% to \$8bn in first half of 2018

Six out of 10 fresh graduates say lack of experience is biggest challenge when looking for a job

Lebanon's external debt posts fourth highest return in emerging markets in July 2018

Corporate Highlights8

Banking sector assets at \$235bn at end-June 2018

Kafalat loan guarantees down 21% to \$33m in first seven months of 2018

New car sales down 5% in first seven months of 2018

MetLife Alico's net profits up 64% to \$41m in 2017

Balance sheet of investment banks down 1% in first half of 2018

Lebanese & Gulf Bank's net earnings at \$5.7m in first quarter of 2018

Emirates Lebanon Bank's net profits at \$9.4m in 2017

Syrian affiliates of Lebanese banks post profits of \$2.5m in the first quarter of 2018 when excluding foreign exchange gains on structural positions

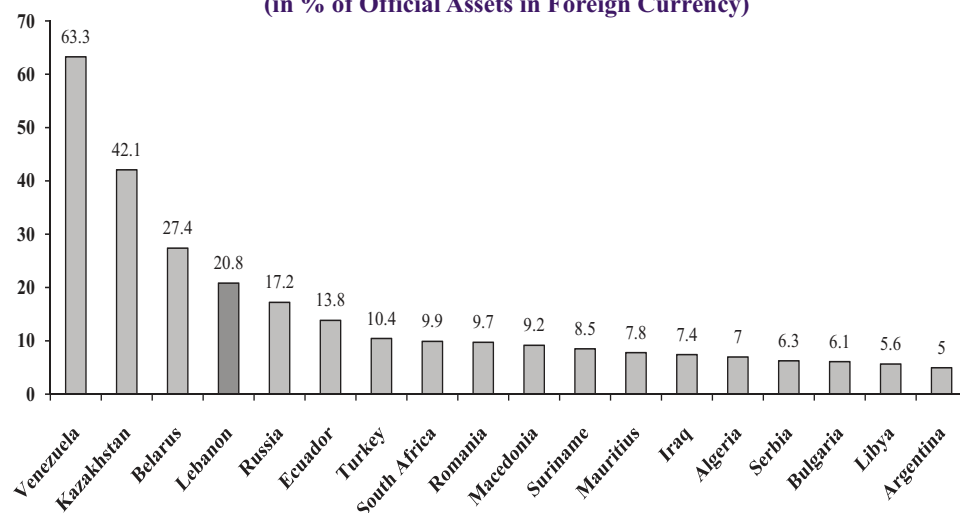
Ratio Highlights.....12

Risk Outlook12

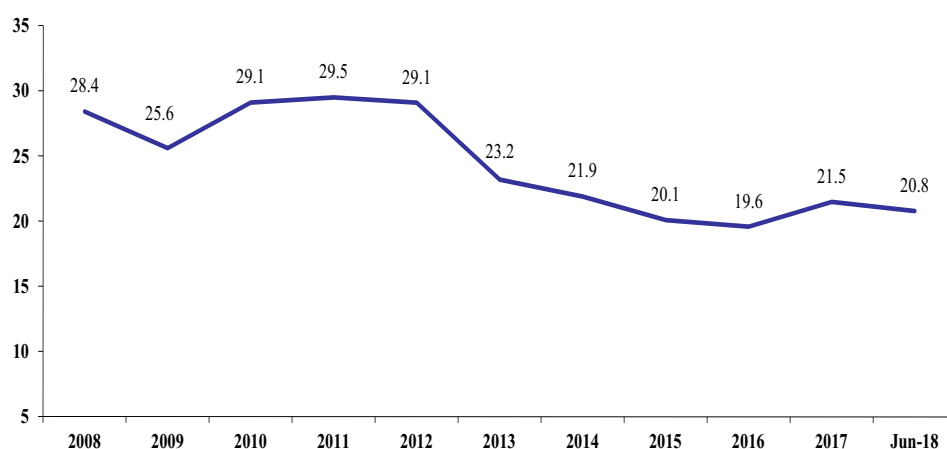
Ratings & Outlook.....12

Charts of the Week

**Upper Middle-Income Countries with Largest Gold Reserves*
(in % of Official Assets in Foreign Currency)**



Gold Reserves in Lebanon (in % of Official Assets in Foreign Currency)



* at the end of June 2018

Source: World Gold Council, Byblos Bank

Quote to Note

"The financial system overall maintains adequate liquidity buffers, driven by Banque du Liban's large foreign currency reserves that support the peg of the Lebanese pound to the US dollar."

Moody's Investors Service, on one of the factors of confidence in the Lebanese banking sector

Number of the Week

0.85%: The spread between the weighted average cost of funds and the weighted return on the uses of funds in Lebanese pounds at commercial banks in Lebanon as at May 2018, according to the Association of Banks in Lebanon

Lebanon in the News

\$m (unless otherwise mentioned)	2017	Feb 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	% Change*
Exports	2,844	226	229	251	283	248	9.73
Imports	23,130	1,648	1,726	2,278	1,705	1,436	-12.86
Trade Balance	(20,286)	(1,422)	(1,497)	(2,027)	(1,422)	(1,188)	-16.46
Balance of Payments	(156)	342	68	854	237	(80)	-123.32
Checks Cleared in LBP	21,677	1,676	1,880	2,131	1,733	1,686	0.59
Checks Cleared in FC	46,578	3,547	3,687	4,127	3,973	3,480	-1.89
Total Checks Cleared	68,255	5,223	5,567	6,258	5,706	5,166	-1.09
Budget Deficit/Surplus	(3,300.82)	(453.93)	(865.19)	(350.41)	(318.96)	(407.93)	-10.13
Budget Primary Balance	1,882.86	(189.09)	(119.74)	15.77	(46.38)	(145.03)	-23.30
Airport Passengers***	8,235,845	462,605	592,890	626,866	597,768	504,974	9.16

\$bn (unless otherwise mentioned)	2017	Feb 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	% Change*
BdL FX Reserves	35.80	35.44	35.69	35.80	35.25	34.39	-2.97
In months of Imports	18.57	21.50	20.68	15.72	20.67	23.95	11.36
Public Debt	79.52	76.15	79.37	79.52	80.39	81.54	7.08
Bank Assets	219.86	204.93	216.21	219.86	219.86	223.07	8.85
Bank Deposits (Private Sector)	168.67	163.86	166.81	168.67	168.66	170.45	4.02
Bank Loans to Private Sector	60.32	56.49	59.55	60.32	59.69	59.03	4.49
Money Supply M2	52.48	54.96	51.96	52.48	52.88	53.44	-2.75
Money Supply M3	138.38	133.83	136.99	138.38	138.62	139.34	4.11
LBP Lending Rate (%)****	8.09	8.37	7.98	8.09	8.56	8.67	30bps
LBP Deposit Rate (%)	6.41	5.56	5.88	6.41	6.53	6.51	95bps
USD Lending Rate (%)	7.67	7.14	7.32	7.67	7.74	7.90	76bps
USD Deposit Rate (%)	3.89	3.57	3.80	3.89	3.91	3.96	39bps
Consumer Price Index**	4.40	4.90	4.80	5.00	5.60	5.20	30bps

* 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
BLOM Listed	9.95	(1.49)	127,965	21.01%
Solidere "A"	7.02	(2.77)	119,105	6.89%
BLOM GDR	9.91	(2.84)	68,096	7.19%
Solidere "B"	6.87	(1.72)	20,996	4.38%
Byblos Common	1.42	(4.05)	17,410	7.89%
Audi GDR	5.20	0.39	7,636	6.12%
HOLCIM	16.05	0.31	2,500	3.08%
Audi Listed	5.11	0.00	493	20.06%
Byblos Pref. 09	86.00	(3.86)	209	1.69%
Byblos Pref. 08	87.00	0.00	-	1.71%

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

Sovereign Eurobonds	Coupon %	Mid Price \$	Mid Yield %
Nov 2018	5.15	99.88	5.59
May 2019	6.00	99.25	7.00
Mar 2020	6.38	97.38	8.18
Oct 2022	6.10	89.25	9.28
Jun 2025	6.25	83.13	9.68
Nov 2026	6.60	82.88	9.64
Feb 2030	6.65	80.25	9.51
Apr 2031	7.00	80.75	9.66
Nov 2035	7.05	80.25	9.38
Mar 2037	7.25	81.88	9.32

Source: Byblos Bank Capital Markets

	Aug 6-10	Jul 30-Aug 3	% Change	July 2018	July 2017	% Change
Total shares traded	364,910	373,587	(2.3)	2,161,984	5,916,251	(63.5)
Total value traded	\$3,117,820	\$3,509,010	(11.1)	\$22,895,761	\$59,216,017	(61.3)
Market capitalization	\$10.18bn	\$10.30bn	(1.16)	\$10.35bn	\$11.39bn	(9.1)

Source: Beirut Stock Exchange (BSE)



Foreign direct investment at \$2.6bn in 2017, equivalent to 4.7% of GDP

Figures released by Banque du Liban show that foreign direct investments (FDI) in Lebanon totaled \$2.56bn in 2017, nearly unchanged from \$2.57bn in 2016. FDI inflows to Lebanon last year reached their fourth lowest level during the 2002-2017 period, compared to a high of \$4.4bn in 2009 and a low of \$1.3bn in 2002.

FDI inflows to the country averaged \$2.98bn annually between 2002 and 2017, as they increased from an average of \$2.2bn in the 2002-04 period to an average of \$3.5bn in the 2005-12 period, but declined to an average of \$2.6bn in the 2013-17 period. Further, FDI inflows to Lebanon expanded at a compound annual growth rate (CAGR) of 4.4% during the 2002-17 period, as they posted a CAGR of 18.5% during the 2002-09 period and a CAGR of -6.5% during the 2009-17 period.

FDI inflows to Lebanon reached \$756m in the first quarter of 2017, \$516.2m in the second quarter, \$666.1m in the third quarter and \$620.4m in the fourth quarter of the year. The results show an increase of 21.5% in the first quarter of 2017 from the first quarter of 2016, a decline of 17.1% in the second quarter of 2017 from the same quarter last year, a rise of 11% year-on-year in the third quarter, and an annual decrease of 14.3% in the fourth quarter of 2017.

Further, FDI inflows to Lebanon were equivalent to 4.7% of GDP in 2017, their second lowest level on record and relative to 5% of GDP in 2016 and to a high of 15.5% of GDP in 2005. In comparison, aggregate FDI inflows to Lebanon were equivalent to 8.4% of GDP between 2002 and 2017.

In parallel, FDI outflows from Lebanon amounted to \$1.06bn in 2017, up by 5.9% from \$1bn in 2016. They averaged \$899.3m annually in the 2002-2017 period, with a high of \$1.98bn in 2013 and a low of \$210,000 in 2002. FDI outflows totaled \$261.5m in the first quarter of 2017, \$237.2m in the second quarter, \$199m in the third quarter and \$366.9m in the fourth quarter of the year.

Further, FDI outflows from Lebanon were equivalent to 2% of GDP in 2017, unchanged from the previous year, and constituted their fifth lowest level on record. Also, aggregate FDI outflows from Lebanon were equivalent to 2.5% of GDP between 2002 and 2017.

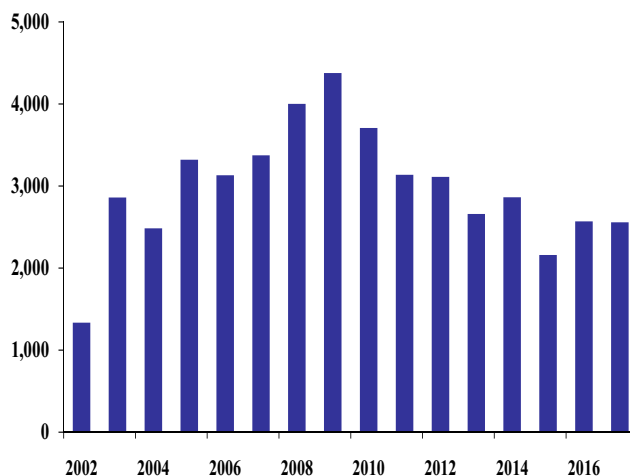
As such, net FDI inflows to Lebanon reached \$1.49bn in 2017 and represented a decline of 4.4% from \$1.56bn in 2016. They were equivalent to 2.7% of GDP in 2017, the second lowest level during the 2002-17 period. In comparison, aggregate net FDI inflows to Lebanon were equivalent to 5.9% of GDP between 2002 and 2017.

Airport passengers up 8% in first seven months of 2018

Figures released by the Beirut-Rafic Hariri International Airport (HIA) show that 4,842,665 passengers utilized the airport (arrivals, departures and transit) in the first seven months of 2018, constituting an increase of 8.3% from 4,470,078 passengers in the same period of 2017. The number of arriving passengers grew by 9.4% year-on-year to 2,530,422 in the first seven months of 2018, compared to an increase of 7.3% in the same period last year and to a rise of 7.9% in the first seven months of 2016. Also, the number of departing passengers grew by 7.2% year-on-year to 2,309,609 in the first seven months of 2018, relative to an increase of 7.6% in the same period last year and to an increase of 5.7% in the first seven months of 2016.

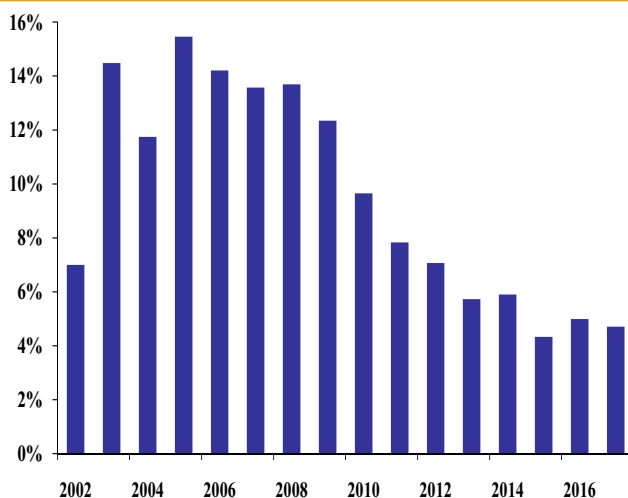
In parallel, the airport's aircraft activity expanded by 3.5% annually to 41,116 take-offs and landings in the first seven months of 2018, compared to a decrease of 0.9% in the same period of 2017 and to a growth of 6.2% in the first seven months of 2016. In addition, the HIA processed 56,180 metric tons of freight in the covered period that consisted of 33,358 tons of import freight and 22,822 tons of export freight. Middle East Airlines had 14,336 flights in the first seven months of 2018 and accounted for 34.9% of HIA's total aircraft activity.

FDI Inflows to Lebanon (\$m)



Source: Banque du Liban, Byblos Research

FDI Inflows to Lebanon (% of GDP)



Source: Banque du Liban, National Accounts, IIF, Byblos Research

Merger & acquisition deals at \$206m in first half of 2018

Figures issued by financial information provider Bureau Van Dijk show that there were four merger & acquisition (M&A) deals targeting companies in Lebanon for a total of \$206m in the first half of 2018, compared to six M&A deals that totaled \$69m in the first half of 2017. The figures show a 198.6% increase in the value of deals and a decline of 33.3% in their volume in the first half of the year. All the reported M&A deals in Lebanon took place in the first quarter of 2018.

The value of M&A deals targeting companies in Lebanon was the 10th highest among 15 countries in the Middle East & North Africa (MENA) region, and represented 0.9% of the region's aggregate deal value of \$21.7bn in the covered period. In comparison, the value of M&A transactions in the UAE reached \$9.8bn in the first half of 2018, followed by Egypt (\$4.9bn), Saudi Arabia (\$2.5bn), Morocco (\$1.4bn), Kuwait (\$817m), Oman (\$624m), Iran (\$591m) and Libya (\$450m).

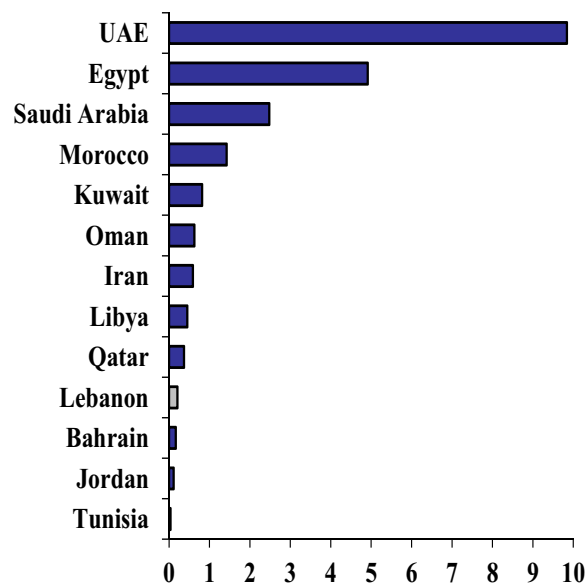
In parallel, the number of M&A deals targeting companies in Lebanon in the first half of 2018 was similar to the number of deals in Bahrain, and was higher than the number of such deals in Qatar (three deals), Algeria (two deals) and Libya and Syria (one deal each); while it was lower than the number of M&A deals in the UAE (80 transactions), Egypt (70 deals), Jordan (31 transactions), Saudi Arabia (23 deals), Oman (21 transactions), Morocco (17 deals), Kuwait (12 transactions), Tunisia (eight deals) and Iran (five transactions). The largest M&A deal in Lebanon consisted of the acquisition of the share of Kingdom Holding in the Four Seasons Hotel in Beirut by a group of investors for \$115m.

Gross public debt at \$82.5bn at end-May 2018

Lebanon's gross public debt reached \$82.5bn at the end of May 2018, constituting an increase of 3.7% from \$79.5bn at the end of 2017 and a rise of 7.5% from \$76.7bn at end-May 2017. In nominal terms, the gross public debt grew by \$2.97bn in the first five months of 2018 relative to an increase of \$1.8bn in the same period of 2017. Debt denominated in Lebanese pounds totaled \$46.8bn at end-May 2018, down by 4.7% from the end of 2017 and by 0.5% from end-May 2017; while debt denominated in foreign currency stood at \$35.7bn, constituting a growth of 17.4% from end-2017 and an increase of 20.2% from end-May 2017. In May 2018, the Finance Ministry issued a \$5.5bn four-tranche Lebanese Eurobonds and exchanged them with LBP8,250bn worth of Lebanese pound-denominated Treasury bills from Banque du Liban's (BdL) portfolio in order to reduce the cost of debt servicing, which explains the growth in foreign-currency debt. Local currency debt accounted for 56.8% of the gross public debt at the end of May 2018 compared to 61.3% a year earlier, while foreign currency-denominated debt represented the balance of 43.2% relative to 38.7% at end-May 2017. The weighted interest rate on outstanding Treasury bills was 6.56% and that on Eurobonds was 6.7% in May 2018. Further, the weighted life on Eurobonds was 7.87 years, while it was 1,499 days on Treasury bills.

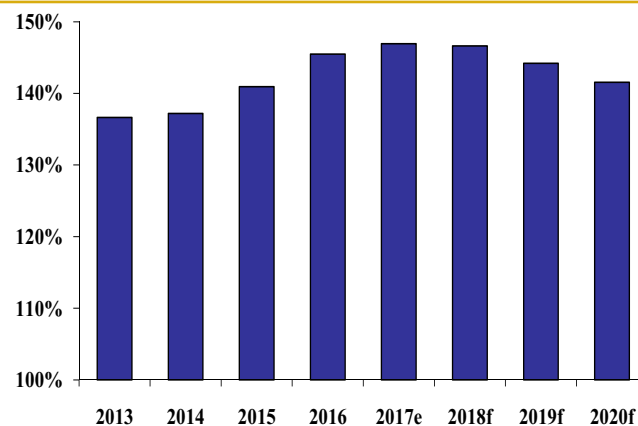
Commercial banks held 41.1% of the public debt as at end-May 2018 relative to 48.8% of the total at end-May 2017. BdL held 46.3% of the Lebanese pound-denominated public debt at the end of May 2018 relative to 39.2% a year earlier, while commercial banks held 37.6% of the local debt compared to 45.7% at end-May 2017. Also, public agencies, financial institutions and the public held 16.1% of the local debt at end-May 2018 relative to 15.1% a year earlier. Further, holders of Eurobonds and special T-bills in foreign currencies accounted for 94% of foreign currency-denominated debt holders at the end of May 2018, followed by multilateral institutions with 3.7% and foreign governments with 2.2%. In addition, the net public debt, which excludes public sector deposits at the BdL and at commercial banks from overall debt figures, grew by 8.5% annually to \$72.2bn at end-May 2018. Further, the gross market debt accounted for about 57.1% 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.

Value of M&A Deals in MENA countries in First Half of 2018 (US\$bn)



Source: Bureau Van Dijk, Zephyr, Byblos Research

Lebanon's Gross Public Debt (% of GDP)



Source: Institute of International Finance

Smoking still prevalent in Lebanon despite anti-smoking law

The U.S.-based Foundation for a Smoke-Free World's State of Smoking in 2018 report indicated that 57.5% of Lebanese males who are 18 years or older and 48.4% of Lebanese females are smokers. The share of smokers among males and females in Lebanon is the highest across the 13 countries that the survey covered. The study aims to understand smokers' experiences and challenges, analyze their awareness about the impact of smoking on their health, and assess the perceptions of risk and influence on choices. It is based on a survey of 17,000 participants in 13 countries worldwide, as well as on a qualitative assessment from focus groups that provides additional insights. The foundation commissioned the consulting and research agency Kantar Public to conduct the poll in the 13 countries.

In parallel, the survey showed that 68% of surveyed smokers in Lebanon said that they smoke every time they drink coffee or tea, the second highest such share among the 13 countries; while 63% smoke after a meal, the fifth highest such percentage, and 58% are tempted to smoke every time they see people smoking around them, the highest such share among covered countries. In comparison, 91% of surveyed smokers in Greece smoke every time they drink coffee or tea, 84% smoke after a meal and 76% smoke when having an alcoholic drink, while 64% of surveyed smokers in South Africa smoke after a meal, 59% smoke a few minutes after waking up and 49% smoke when having an alcoholic drink.

Also, 95% of surveyed smokers in Lebanon and 80% of non-smokers in the country said that they have close friends who smoke. The share of smokers and non-smokers in Lebanon who have close friends who smoke is the highest among the 13 countries.

In addition, the survey indicated that 92% of surveyed smokers in Lebanon agree that smoking is harmful to their health, the third highest share behind Brazil (96%) and Greece (95%). Further, 72% of Lebanese smokers consider themselves addicted to cigarettes, constituting the third lowest share among the 13 countries. Also, when asked to assess the impact of moderate daily consumption of specific substances, smokers in Lebanon considered that nicotine is the most harmful substance, followed by fat and alcohol.

In addition, the survey showed that 72% of smokers and ex-smokers in Lebanon indicated that they tried to quit smoking without any assistance, constituting the third highest rate among the 13 covered countries, compared to 77% of smokers in each of Greece and Malawi, and to 70% of smokers in each of Brazil and South Africa. It added that 9% of smokers and ex-smokers in Lebanon tried to quit using electronic cigarettes or a vaping device, while only 7% of smokers and ex-smokers sought support from doctors or specialists.

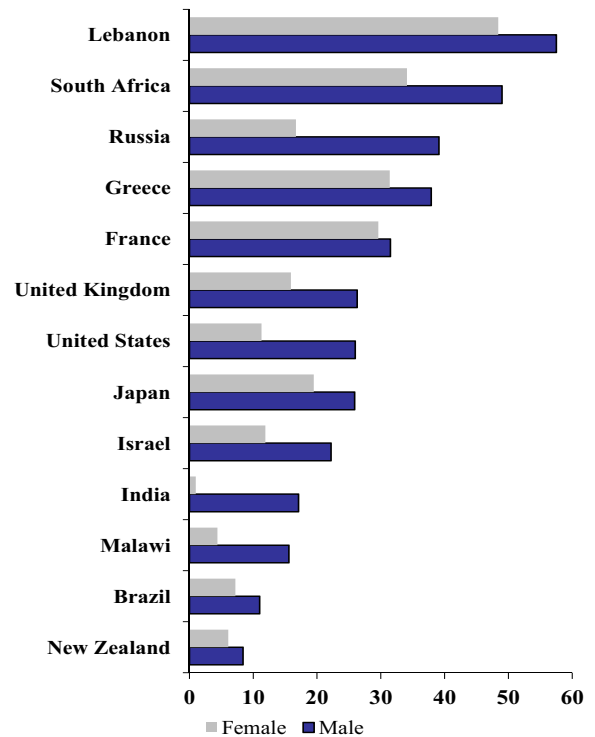
Energy Ministry receives expressions of interest from 25 consortiums to build and operate hydroelectric plants

The Ministry of Energy & Water received expressions of interest (EOIs) from 25 consortiums from 14 countries for the construction and operation of hydroelectric plants that will be located along 10 rivers across Lebanon, with the power production capacity of each plant at between four and 400 megawatts (MW). A total of 17 consortiums showed interest in building and operating hydroelectric plants in Mount Lebanon, as four of them are interested in building a plant in the Bekaa, another four consortiums intend to build a hydroelectric plant in Akkar, and one consortium seeks to establish a plant in the North. Also, companies that submitted the EOIs include local firms, as well as international companies from Canada, China, France, Germany, Spain, Saudi Arabia and the UAE, among others. Upon reviewing the submitted EOIs, the ministry will sign a power purchase agreement (PPA) with the selected companies, based on their technical capability and experience, their ability to obtain sufficient funds to develop the project, as well as on the lowest price proposed by a bidder.

Further, the LCEC pointed out that the selected companies will finance, develop, design, build, own, operate and maintain the hydroelectric plants, as well as acquire the necessary land, and will be responsible for all other aspects related to operating the plants. It also noted that Electricité du Liban (EdL), with the approval of the Ministry of Energy & Water, will contractually purchase the electricity produced by the hydroelectric plants for a period of 20 years, subject to terms and conditions defined in the PPA. It added that the ministry and EdL do not intend to purchase the plant's assets during the 20-year period.

In addition, the LCEC indicated that the construction of hydroelectric plants falls under Law 288 dated April 2014, as well as under Law 54 dated October 2015. The two laws allow the Council of Ministers to issue permits and licenses to the private sector to generate electricity from renewable energy sources and transport it through the national grid.

Percentage of Smokers per Country (%)



Source: Foundation for a Smoke-Free World, Byblos Research

Trade deficit narrows by 3% to \$8bn in first half of 2018

The total value of imports reached \$9.6bn in the first half of 2018, constituting a decline of 1.6% from \$9.7bn in the same period of 2017; while the aggregate value of exports increased by 7.3% year-on-year to \$1.5bn in the covered period. As such, the trade deficit narrowed by 3.2% to \$8bn in the first half of 2018 due to a year-on-year decrease of \$159m in imports and an increase of \$104.5m in exports.

The decline in imports is mainly due to a decrease of \$613.2m, or 27.2%, in the value of imported mineral products, which was partly offset by an increase of \$454.2m, or 6.1%, in the value of imported non-hydrocarbon products. The value of imported oil & mineral fuels reached \$1.64bn in the first half of 2018 and accounted for 17.1% of total imports in the covered period.

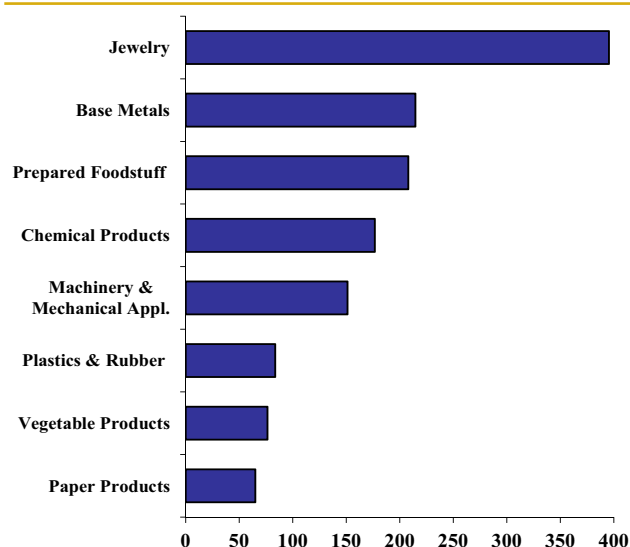
In addition, the increase in exports in the first half of 2018 is mainly due to an increase of \$57.8m, or 17.1%, in the value of exported jewelry, a rise of \$56m, or 35.3%, in the value of exported base metals, a surge of \$28.3m, or 19.1%, in exported chemical products, and an increase of \$18.1m, or 27.7%, in the exports of plastics & rubber. They were partly offset by a decline of \$32m, or 13.3%, in the exports of prepared foodstuff and a drop of \$21.6m, or 61.8%, in exported mineral products.

Further, exported goods to Qatar expanded by 87.4% year-on-year in the first half of 2018, those to the UAE grew by 63.8%, exports to the Turkey increased by 44% and those to Switzerland rose by 14% year-on-year. In contrast, exported goods to Syria dropped by 37.2%, while those to South Africa declined by 20.6% and exports to Saudi Arabia regressed by 14.4% year-on-year in the covered period. Re-exports totaled \$185.5m in the first half of 2018 compared to \$379.4m in the same period of 2017. Also, the Port of Beirut was the exit point for 49.8% of Lebanon's total exports in the first half of 2018, followed by the Hariri International Airport (35.3%), the Port of Tripoli (8.1%), the Masnaa crossing point (4.1%) and the Port of Saida (1.4%).

In parallel, Lebanon's main non-hydrocarbon imports were chemical products that reached \$1.14bn in the first half of 2018 and increased by 9.8% from the same period of 2017. Imports of machinery & mechanical appliances followed at \$1.07bn (+11.4%), then vehicles, aircraft & vessels at \$841.2m (-6.3%), prepared foodstuff at \$686.4m (-4%), jewelry at \$651.5m (+22.2%), base metals at \$626.8m (+1.8%) and animal products at \$526.8m (+29.5%). The Port of Beirut was the entry point for 70.6% of Lebanon's merchandise imports in the covered period, followed by the Hariri International Airport (20.7%), the Port of Tripoli (6.9%) and the Port of Saida (1.2%).

China was the main source of imports with \$1bn, or 10.8% of the total, in the first half of 2018, followed by Italy with \$817m (8.5%), Greece with \$772.8m (8.1%), Germany with \$588.8m (6.1%), the United States with \$562.4m (5.9%) and France with \$352.2m (3.7%). Imported goods from China grew by 12.8% year-on-year in the covered period, those from Greece rose by 10.3%, imports from Italy increased by 8.8% and those from France expanded by 3.2%. In contrast, imported goods from the United States dropped by 26.1% and those from Germany decreased by 1.7% year-on-year in the first half of 2018.

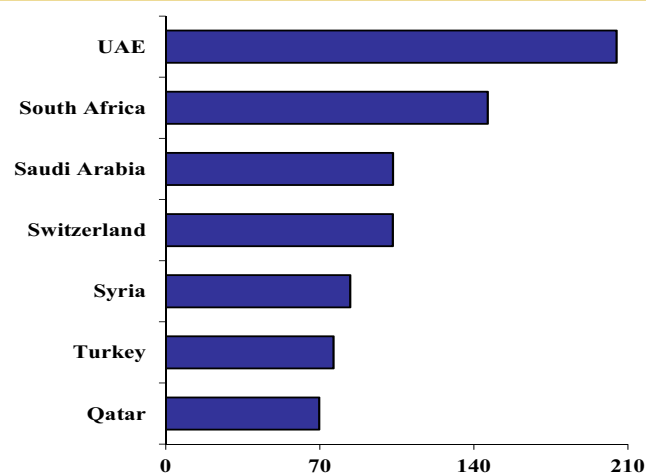
Main Lebanese Exports* (US\$m)



*in the first half of 2018

Source: Lebanese Customs Administration, Byblos Research

Main Destinations of Lebanese Exports*(US\$m)



*in the first half of 2018

Source: Lebanese Customs Administration, Byblos Research

Six out of 10 fresh graduates say lack of experience is biggest challenge when looking for a job

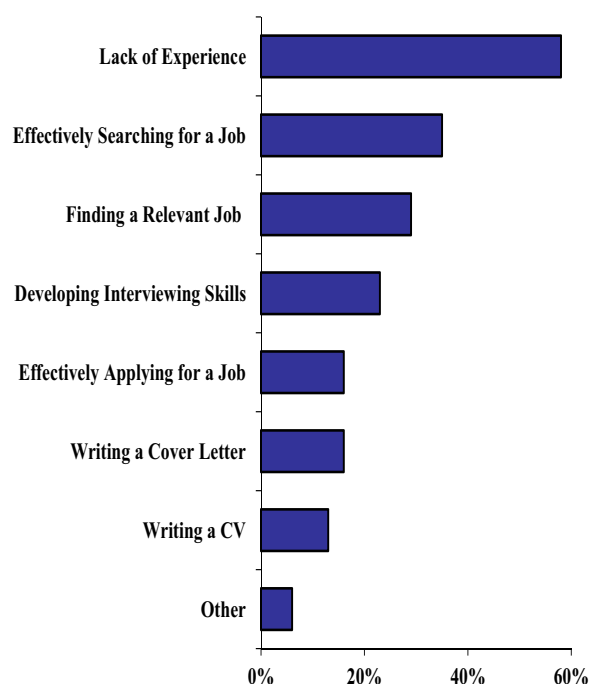
A survey conducted by regional job portal Bayt.com and market research agency YouGov indicated that 90% of fresh graduates in Lebanon consider that finding a job is their main challenge, followed by their ability to afford a basic lifestyle (58% of respondents), discovering what to do in life (39% of participants), saving money (32% of fresh graduates), success at work and access to adequate education & learning opportunities (19% of respondents each), and having a good social life (10% of participants). The survey covered a sample of 1,293 adults in Algeria, Bahrain, Egypt, Jordan, Iraq, Kuwait, Lebanon, Libya, Morocco, Palestine, Oman, Qatar, Saudi Arabia, Sudan, Syria, Tunisia and the UAE. The survey was conducted online between May 22 and June 28, 2018.

Also, the survey showed that 58% of respondents in Lebanon believe that their lack of experience is the biggest challenge they face when searching for a job, followed by effectively searching for a job (35% of fresh graduates), finding a relevant job (29% of respondents), and developing interviewing skills (23% of participants). Further, 52% of Lebanese fresh graduates consider the nature of work and their passion for the job to be the most important attribute when selecting their occupation, followed by a good work-life balance (16% of participants), career development programs at the workplace (10% of fresh graduates), as well as competitive salaries, international opportunities, corporate values, a fun work environment and equal opportunities at the workplace (3% of respondents each).

In addition, 58% of fresh graduates believe that computer skills are crucial at the workplace, followed by linguistic skills (45% of surveyed participants), communication and technical skills (39% of respondents each), teamwork and the ability to adapt to change (29% of graduates each), analytical skills (26% of participants), and leadership and negotiation skills (16% of respondents). Further, 52% of respondents consider that a company hires fresh graduates because of their low salary expectations, followed by their willingness to follow instructions and ability to endure challenges (22% of participants each), and their creativity and teamwork skills (17% of respondents each). In contrast, 71% of surveyed participants consider the lack of experience to be the main reason why a company would not hire a fresh graduate, followed by their inadequate skills (58% of respondents), and high salary expectations (19%).

In parallel, the survey pointed out that 61% of respondents used online job sites to find their first job, followed by their network of family and friends (58% of fresh graduates), social media (48% of participants), direct application to the company (32% of respondents), and newspaper advertisements and university placement offices (19% of participants each). Also, 87% of surveyed graduates indicated that their college education did not help them identify their employment opportunities, while only 13% of respondents believed that their education helped them find a job.

Challenges that Fresh Graduates in Lebanon Face when Searching for a Job (% of respondents)



Source: Bayt.com, YouGov, Byblos Research

Lebanon's external debt posts fourth highest return in emerging markets in July 2018

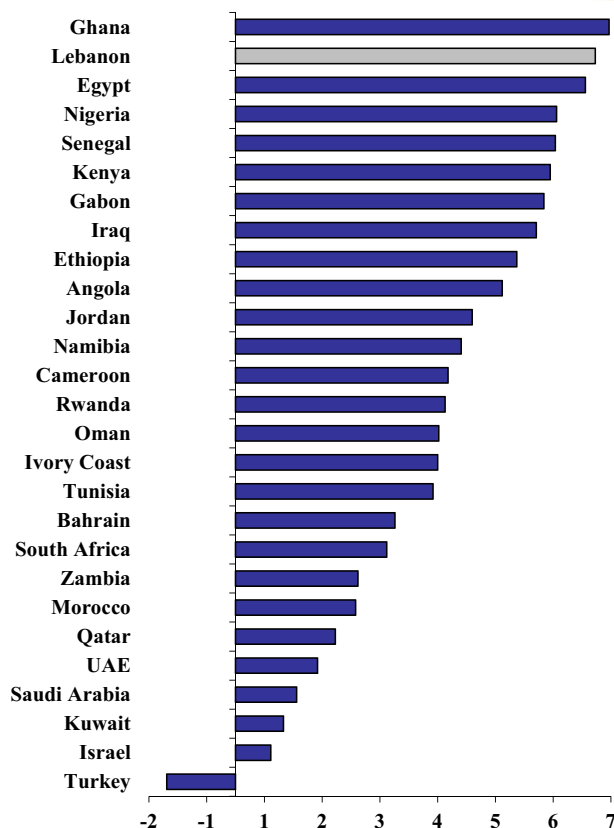
Figures issued by Intercontinental Exchange, Inc. (ICE) indicate that Lebanon's external debt posted a return of 6.23% in July 2018, constituting the second highest return among 44 markets in the Central & Eastern Europe and the Middle East & Africa (CEEMEA) region, and the fourth highest return among 76 emerging markets included in ICE's External Debt EM Sovereign Index. Lebanon outperformed the emerging markets' return of 2.21% and the 'B'-rated sovereigns' return of 4.77% in July 2018. It also posted the second highest return among 27 countries in the Middle East & Africa region during the covered month.

Further, Lebanon's external debt posted a return of -4.38% in the first seven months of 2018, constituting the fifth lowest return in the CEEMEA region, as well as the eighth lowest in emerging markets during the covered period. Lebanon underperformed the overall emerging markets' return of -2.74% during the covered period. Also, Lebanon's external debt posted the fifth lowest return in the Middle East & Africa region in the first seven months of the year.

In parallel, ICE indicated that the option-adjusted spread on Lebanese Eurobonds was 637 basis points at the end of July 2018 compared to 437 basis points at end-July 2017. The spread on Lebanese Eurobonds was the second widest in the CEEMEA region and the fourth widest among emerging markets. It was wider than the emerging markets' overall spread of 248 basis points at the end of July 2018.

Lebanon has a weight of 2.46% on ICE's External Debt EM Sovereign Index, the seventh largest weight in the CEEMEA universe and the 13th largest among emerging economies. Lebanon accounted for 4.4% of allocations in the CEEMEA region.

External Debt Performance in Middle East & Africa in July 2018 (%)



Source: ICE, Byblos Research

Banking sector assets at \$235bn at end-June 2018

The consolidated balance sheet of commercial banks operating in Lebanon shows that total assets stood at \$234.6bn at the end of June 2018, constituting an increase of 6.7% from the end of 2017 and an expansion of 12.7% from end-June 2017. Loans extended to the private sector reached \$59.6bn at the end of June 2018, declining by a marginal 0.2% from end-2017 and growing by 2.8% from a year earlier. Loans to the resident private sector totaled \$53.1bn, constituting a decrease of 0.9% from the end of 2017 and an increase of 1.4% year-on-year; while credit to the non-resident private sector reached \$6.4bn at end-June 2018 and grew by 6.1% from end-2017 and by 15.8% from a year earlier. In nominal terms, credit to the private sector regressed by \$127.8m in the first half of 2018, as lending to the resident private sector contracted by \$497.7m and credit to the non-resident private sector grew by \$370m in the covered period. The dollarization rate in private sector lending regressed from 69.7% at end-June 2017 to 67.6% at end-June 2018.

In addition, claims on non-resident banks reached \$10.7bn at the end of June 2018 and declined by \$572.4m, or 5.1%, from the end of 2017 and by \$963.7m, or 8.2%, from a year earlier. Also, claims on the public sector stood at \$33.2bn at end-June 2018, up by 3.9% from end-2017, mainly due to Banque du Liban's sale to banks of about \$3bn in Eurobonds from its portfolio. Still, banks' claims on the public sector regressed by 7.7% from end-June 2017. The average lending rate in Lebanese pounds was 8.82% in June 2018 compared to 8.39% a year earlier, while the same rate in US dollars was 7.93% relative to 7.27% in June 2017. Further, the deposits of commercial banks at Banque du Liban totaled \$117.7bn at the end of June 2018, constituting an increase of 30.6% from a year earlier.

In parallel, total private sector deposits reached \$173.3bn at the end of June 2018, increasing by 2.8% from the end of 2017 and by 3.3% from a year earlier. Deposits in Lebanese pounds reached the equivalent of \$54.7bn at end-June 2018, up by 3.7% from end-2017 but down by 2% from end-June 2017; while deposits in foreign currencies totaled \$118.6bn, and grew by 2.3% from end-2017 and by 6% from \$111.9bn a year earlier. Resident deposits totaled \$136.6bn at the end of June 2018, increasing by 2.3% from the end of 2017 and by 2.7% from end-June 2017. Also, non-resident deposits reached \$36.7bn at end-June 2018, up by 4.5% from end-2017 and by 5.7% from \$34.8bn a year earlier. In nominal terms, private sector deposits grew by \$475.4m in January, by \$1.31bn in February, by \$727.3m in March, by \$229.2m in April, by \$975.8m in May and by \$934.5m in June 2018. As such, aggregate private sector deposits expanded by \$4.65bn in the first half of 2018 relative to an increase of \$5.24bn in the same period of 2017, with deposits in Lebanese pounds growing by \$1.98bn and foreign-currency deposits increasing by \$2.68bn. The dollarization rate of private sector deposits was 68.4% at the end of June 2018, relative to 68.7% at end-2017, and compared to 66.7% a year earlier.

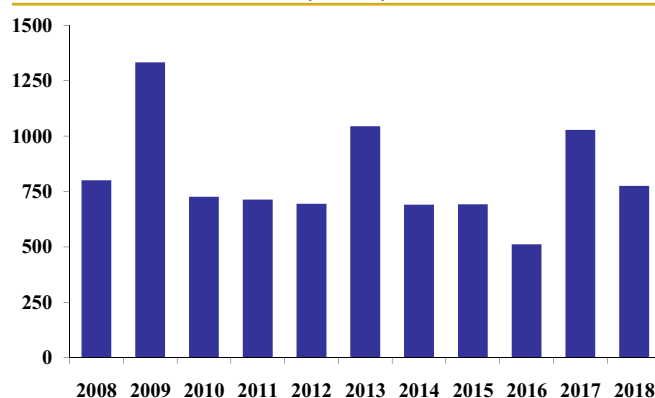
In parallel, deposits of non-resident banks reached \$8.2bn at the end of June 2018 and increased by 10% from end-2017 and by 25.2% from end-June 2017. Further, the average deposit rate in Lebanese pounds was 6.72% in June 2018 compared to 5.51% a year earlier, while the same rate in US dollars was 4.09% relative to 3.58% in June 2017. The ratio of private sector loans-to-deposits in foreign currency stood at 34%, well below Banque du Liban's limit of 70% and compared to 36.1% a year earlier. The same ratio in Lebanese pounds was 35.2% at end-June 2018 relative to 31.5% at the end of June 2017. As such, the total private sector loans-to-deposits ratio reached 34.4%, down from 34.6% at end-June 2017. The banks' aggregate capital base stood at \$20.4bn at end-June 2018, up by 7.9% from \$18.9bn a year earlier.

Kafalat loan guarantees down 21% to \$33m in first seven months of 2018

Figures released by the Kafalat Corporation show that loans extended to small- and medium-sized enterprises (SMEs) under the guarantee of Kafalat reached \$32.7m in the first seven months of 2018, constituting a decrease of 21.2% from \$41.5m in the same period of 2017. Kafalat provided 251 loan guarantees in the covered period, down by 26.4% from 341 guarantees in the first seven months of 2017. The average loan size was \$130,216 in the first seven months of 2018 compared to \$121,563 in the same period of 2017. Mount Lebanon accounted for 43% of the total number of guarantees, followed by the Bekaa with 17.5%, the North with 12.4%, the Nabatieh region and the South with 9.2% each, and Beirut with 8.8%. Also, the industrial and agricultural sectors accounted for 41.4% each of the total number of guarantees in the first seven months of 2018, followed by the tourism and handicraft sectors with 6.9% each, and specialized technologies with 3.5%.

Kafalat is a state-sponsored organization that provides financial guarantees for loans of up to \$430,000 earmarked for the setup and expansion of SMEs in productive sectors. It guarantees up to 75% of the loan amount and a similar percentage of the accrued interest. It also guarantees up to 90% of the loan amount for innovative start-ups and a similar percentage of the accrued interest. Interest rate subsidies are financed by the Ministry of Finance and administered by Banque du Liban. The National Institute for the Guarantee of Deposits holds a 75% stake in Kafalat, while the remaining 25% is held by 50 Lebanese banks.

Average Monthly Growth of Private Sector Deposits*
(US\$m)



*in the first half of each year

Source: Banque du Liban, Byblos Research

New car sales down 5% in first seven months of 2018

Figures released by the Association of Automobile Importers in Lebanon show that dealers sold 20,873 new passenger cars in the first seven months of 2018, constituting a decrease of 4.6% from 21,888 cars sold in the same period of 2017. Individuals and institutional clients purchased 2,489 new cars in January, 2,256 new vehicles in February, 2,900 automobiles in March, 2,539 new cars in April, 2,862 vehicles in May, 4,162 new automobiles in June and 3,665 new cars in July 2018.

Japanese cars accounted for 40.2% of total car sales in the first seven months of 2018, followed by Korean vehicles with a 29.4% share, European automobiles (19.5%), American cars (8.2%) and Chinese vehicles (2.7%). The sales of new Chinese cars jumped by 126% in the covered period and demand for Japanese automobiles grew by 6.3% year-on-year. In contrast, demand for Korean vehicles regressed by 18.3%, the sales of European automobiles decreased by 8.5%, and the number of American cars sold declined by 4.1% year-on-year in the covered period.

Kia is the leading brand in the Lebanese market with 3,304 passenger vehicles sold in the first seven months of 2018, followed by Hyundai with 2,809 new cars sold, Toyota (2,735), Nissan (2,409) and Renault (961). In parallel, car dealers sold 1,372 new commercial vehicles in the covered period, down by 17.9% from 1,671 commercial vehicles purchased in the first seven months of 2017. Overall, car dealers sold 1,372 new commercial vehicles in the covered period, down by 17.9% from 1,671 commercial vehicles purchased in the first seven months of 2017. Overall, car dealers sold 22,245 new passenger cars and commercial vehicles in the first seven months of 2018, down by 5.6% from 23,559 cars sold in the same period of 2017.

In parallel, Lebanon's top five distributors sold 14,025 vehicles in the first seven months of 2018 and accounted for 63% of new car sales. Rasamny Younis Motor Co. sal sold 3,337 vehicles, equivalent to 15% of the total, followed by NATCO sal with 3,318 automobiles (14.9%), Boustany United Machineries sal with 2,951 cars (13.3%), Century Motor Co. sal with 2,875 vehicles (12.9%), and Bassoul Heneiné sal with 1,544 cars (6.9%).

MetLife Alico's net profits up 64% to \$41m in 2017

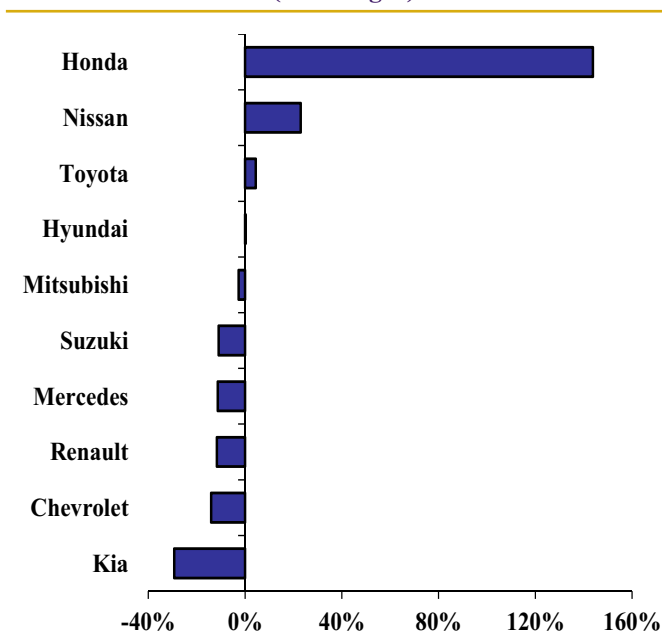
MetLife Alico announced audited net profits of \$41.3m in 2017 for its branch in Lebanon, constituting an increase of 63.9% from net earnings of \$25.2m in 2016. Its audited balance sheet shows total assets of \$593.2m at the end of 2017, up by 7.9% from \$549.7m at end-2016. On the assets side, general company investments reached \$122.8m at the end of 2017 and grew by 5.7% from a year earlier. They included \$74.4m in fixed income investments that regressed by 2.9% year-on-year, \$9.3m in land and real estate that decreased by 1.4%, \$5.6m in cash and cash equivalents that rose by 38%, and \$4.4m in policy loans that declined by 2.7% from a year earlier. Also, the firm blocked \$28.4m as bank deposits and deposits with a maturity of more than three months, of which \$19.9m in deposits blocked for more than three months and \$8.5m blocked in favor of the Ministry of Economy & Trade as guarantees.

Unit-linked contracts investments totaled \$451.6m at end-2017 and grew by 7.7% from \$419.5m a year earlier. They included \$220.6m in placements in mutual funds that grew by 7.5% year-on-year, \$116m in cash & cash equivalents that increased by 17% year-on-year, and \$115m in fixed income investments that were nearly unchanged from end-2016. Further, the reinsurance share in technical reserves for the non-life category rose by 265.1% to \$1.8m in 2017, while that for the life category increased by 13.7% to \$1.4m last year.

On the liabilities side, technical reserves for the life segment regressed by 9% to \$53.7m in 2017, while technical reserves for the non-life category reached \$21.7m at end-2017 and decreased by 6.6% from a year earlier. Non-life technical reserves included unearned premium reserves of \$11.2m that decreased by 7.1% year-on-year, outstanding claims reserves of \$9m that declined by 11.2%, and \$1.1m in reserves incurred but not reported that increased by 70% from a year earlier. Provisions for risks and charges reached \$1.6m at the end of 2017 and decreased by 20% from a year earlier. Also, the firm's shareholders' equity totaled \$41.3m at end-2017, up by 64% from a year earlier.

Al-Bayan magazine's annual survey of the insurance sector in Lebanon ranked MetLife Alico in first and 11th places in 2017 in terms of life and non-life premiums, respectively. The firm's life premiums in Lebanon reached \$88.1m and its non-life premiums amounted to \$34.6m last year, up by 1% and down by 2.1%, respectively, from 2016. It had a 16.9% share of the life market and a 3.1% share of the local non-life market in 2017. Overall, MetLife Alico had a 7.5% market share of the Lebanese insurance market in 2017, ranking it in second place in terms of life and non-life premiums.

Sales of Top 10 Car Brands in First Seven Months of 2018 (% change*)



* year-on-year

Source: AIA, Byblos Research

Balance sheet of investment banks down 1% in first half of 2018

Figures released by Banque du Liban show that the consolidated balance sheet of investment banks in Lebanon reached LBP7,655.5bn, or \$5.08bn at the end of June 2018, constituting a decrease of 0.9% from LBP7,733bn, or \$5.13bn, at end-2017, and a growth of 5% from LBP7,302.4bn or \$4.84bn at the end of June 2017.

On the assets side, claims on resident customers reached \$1.58bn at end-June 2018, up by 0.9% from end-2017, while claims on non-resident customers totaled \$35.2m at the end of the first half of 2018, down by 28% from end-2017. In addition, claims on the resident financial sector reached \$753m at end-June 2018, down by 19.7% from end-2017; while claims on the non-resident financial sector totaled \$70.2m at the end of June 2018 and decreased by 5.6% from end-2017. Also, claims on the public sector totaled \$0.59m at end-June 2018, constituting a decrease of 2.5% from end-2017; while the securities portfolio, which includes Lebanese Treasury Bills and Eurobonds, reached \$883m at end-June 2018, down by 15.4% in the first half of the year. In parallel, currency and deposits with local and foreign central banks totaled \$1.4bn at the end of June 2018 and increased by 30.1% from \$1.07bn at end-2017.

On the liabilities side, deposits of resident customers totaled \$1.62bn at the end of June 2018, constituting a decrease of 4% in the first half of 2018; while deposits of non-resident customers reached \$282m at the end of June 2018, representing a decrease of 8% from end-2017. Liabilities to the resident financial sector amounted to \$207.5m at end-June 2018, down by 3.4% from end-2017; while those to the non-resident financial sector decreased by 19.7% from end-2017 to \$233.8m. Also, public sector deposits regressed by 29.4% in the first half of 2018 to \$132.3m, while debt securities issued totaled \$30m at end-June 2018 and declined by 3% from end-2017. Further, the aggregate capital account of investment banks amounted to \$1.68bn at the end of June 2018, constituting an increase of 5.2% from end-2017, and a rise of 5.8% from end-June 2017.

Lebanese & Gulf Bank's net earnings at \$5.7m in first quarter of 2018

Lebanese & Gulf Bank (LGB) sal, one of Lebanon's top 15 banks in terms of deposits, announced unaudited consolidated net profits of \$5.7m in the first quarter of 2018, compared to net earnings of \$5.74m in the same quarter of 2017. Net operating income regressed by 9% year-on-year to \$14.7m in the covered quarter, with net interest income improving by 3.3% to \$11.3m and net fees & commissions receipts increasing by 4.2% to \$2.6m. Non-interest income accounted for 23% of total income in the first quarter of 2018, down from 32.3% in the same quarter last year; with net fees & commissions representing 76.2% of non-interest earnings relative to 47.3% in the first quarter of 2017.

Further, the bank's interest margin was 0.94% in the first quarter of 2018 relative to 1.09% in the same quarter last year; while its spread reached 0.92% in the covered quarter compared to 1.06% in the first quarter of 2017. Total operating expenditures increased by 4.9% to \$9m year-on-year in the first quarter of 2018, with staff expenses increasing by 1.5% to \$5.4m and administrative & other operating expenditures rising by 10.9% to \$3m. Also, the bank's return on average assets was 0.46% in March 2018 on an annualized basis relative to 0.55% in March 2017, while its return on average equity reached 5.91% on an annualized basis compared to 6.56% in March 2017. The bank's cost-to-income ratio increased from 53% in the first quarter of 2017 to 61.2% in the same quarter of 2018.

In parallel, total assets reached \$5.2bn at the end of March 2018, up by 9.8% from end-2017, while loans & advances to customers, excluding those to related parties, regressed by 2.2% from end-2017 to \$1.3bn. Also, customer deposits, excluding those from related parties, totaled \$4.1bn at end-March 2018 and grew by 5.5% from the end of 2017. The loans-to-deposits ratio stood at 32.3% at the end of March 2018, compared to 39.4% at end-March 2017. Further, the bank's shareholders' equity reached \$387.1m at end-March 2018, up by 0.9% from end-2017.

Emirates Lebanon Bank's net profits at \$9.4m in 2017

Emirates Lebanon Bank sal posted audited consolidated net profits of \$9.4m in 2017, constituting a decrease of 31.5% from \$13.8m in 2016. Net operating income declined by 9.4% to \$41.4m, with net interest income rising by 8.6% to \$33.2m and net fees & commission income regressing by 2.8% to \$7.2m. Further, gross operating expenditures increased by 3.8% to \$23.8m in 2017, with staff expenses rising by 1.3% to \$15.1m and administrative expenditures declining by 8.3% to \$6.3m. The cost-to-income ratio was 56.3% in 2017, up from 50.2% in the previous year. The bank's return on assets was 0.6% in 2017 relative to 0.87% in the preceding year; while its return on equity was 3.35% in 2017 compared to 5.02% in 2016.

In parallel, the bank's aggregate assets reached \$1.58bn at the end of 2017, down by 0.5% from a year earlier; while loans & advances to customers, excluding loans to related parties, were almost unchanged year-on-year at \$598m. Also, customer deposits totaled \$1.2bn at end-2017 and decreased by 1.1% from a year earlier. The bank's shareholders' equity increased by 2.7% to \$282.3m at the end of 2017. The shareholders of Emirates Lebanon Bank sal are Bank of Sharjah PSC that has an 80% stake and EL Capital FZC that holds a 20% share.

Syrian affiliates of Lebanese banks post profits of \$2.5m in the first quarter of 2018 when excluding foreign exchange gains on structural positions

Financial results issued by the affiliates of seven Lebanese banks operating in Syria show that their aggregate net profits reached SYP1.2bn in the first quarter of 2018, constituting an increase of 10.4% from net earnings of SYP1.1bn in the same quarter of 2017. The improvement in the banks' net earnings is due in part to the appreciation of the Syrian pound from SYP517.4 against the US dollar to SYP436 per US dollar during the covered period, which resulted in unrealized foreign exchange gains on the banks' structural positions of SYP134.2m in the first quarter of 2018, up by 23.1% from unrealized foreign exchange gains on structural positions of SYP109m in the same quarter of 2017. In US dollar terms, the net profits of the seven banks reached \$2.8m relative to net earnings of \$2.1m in the same quarter of 2017. The aggregate net income of the seven banks becomes SYP1.1bn, or \$2.5m, in the first quarter of 2018 when excluding foreign exchange losses on structural positions, relative to earnings of SYP997.7m, or \$1.9m, in the same quarter of 2017. The earnings of Bank Al-Sharq, the affiliate of Banque Libano-Française sal, grew by SYP137.4m in the covered quarter, followed by an increase of SYP94.3m in those of Bank Audi Syria, an expansion of SYP83.5m in the income of Banque BEMO Saudi Fransi, a growth of SYP59.7m in the profits of Bank of Syria & Overseas, and a rise of SYP43.7m in the earnings of Syria Gulf Bank, the affiliate of First National Bank sal. In contrast, the income of Byblos Bank Syria regressed by SYP210.3m, while the profits of Fransabank Syria dropped by SYP93.4m in the first quarter of 2018.

The net interest income of the seven banks totaled SYP3bn in the first quarter of 2018, down by 9% from SYP3.3bn in the same quarter of 2017; while their net fees & commission receipts grew by 3.1% year-on-year to SYP1.1bn. In US dollar terms, the banks' net interest income totaled \$6.8m in the first quarter of 2018, up by 8% year-on-year; while their net fees & commission income stood at \$2.5m, up by 22.4% from \$2.1m in the same quarter of 2017. The seven banks' total operating income totaled SYP5bn in the first quarter of 2018, constituting an increase of 1.8% from the first quarter last year, while their total operating expenses reached SYP4bn in the covered quarter, down by 5.4% from the same first quarter of 2017. In US dollar terms, the seven banks' operating income totaled \$11.6m in the first quarter of 2018, and grew by 20.8% from operating profits of \$9.6m in the same quarter of 2017; while their operating expenses stood at \$9.3m, up by 12.3% from \$8.3m in the same quarter of 2017. The banks' operating income becomes SYP4.9bn in the first quarter of 2018 when excluding foreign exchange gains on structural positions, relative to SYP4.8bn in the same quarter of 2017.

In parallel, the banks' aggregate assets reached SYP836.1bn at the end of March 2018 and increased by 3.1% from SYP810.7bn at end-2017. In US dollar terms, the assets of the seven banks stood at \$1.92bn at the end of March 2018 relative to \$1.86bn at the end of 2017, amid a stable exchange rate of SYP436 per US dollar between the end of 2017 and the end of March 2018. Also, the banks' total loans reached SYP130.4bn at end-March 2018, constituting an increase of 18.8% from SYP109.8bn at the end of 2017. In US dollar terms, the aggregate loans of the seven banks stood at \$299.2m at the end of March 2018 compared to \$251.8m at end-2017.

Further, the banks' customer deposits totaled SYP542.9bn at the end of March 2018, increasing by 4.9% from SYP517.6bn a year earlier. In US dollar terms, customer deposits at the seven banks reached \$1.25bn at the end of March 2018 relative to \$1.19bn at the end of 2017. The ratio of the banks' loans-to-customer deposits stood at 24% at the end of March 2018 relative to 21.2% at end-2017. Also, the aggregate shareholders' equity of the banks reached SYP130.2bn, or \$298.6m, at the end of March 2018, relative to SYP130.8bn, or \$299.9m, at end-2017.

Results of Affiliates of Lebanese Banks in Syria in First Quarter of 2018 (\$USm)

	Banque BEMO Saudi Fransi	Bank of Syria & Overseas	Bank Audi Syria	Fransabank Syria	Byblos Bank Syria	Syria Gulf Bank	Bank Al-Sharq
Net Profits	1.1	0.4	0.2	0.01	-0.3	0.9	0.4
Total Assets	582.6	402.0	260.3	252.7	165.4	127.8	126.7
Change*	1.2%	-2.3%	1.6%	5.2%	6.7%	10.7%	20.6%
Loans	111.7	12.5	26.3	55.7	38.5	13.5	41.1
% Change*	13.5%	37.7%	16.4%	14.8%	12.4%	-3.2%	63.5%
Customer Deposits	462.4	237.1	136.3	122.3	105.3	97.8	83.9
% Change*	1.3%	-0.9%	6.5%	7.1%	8.8%	10.1%	31.4%

*Change from end-2017

Source: Banks' financial statements

Ratio Highlights

(in % unless specified)	2015	2016	2017e	Change*
Nominal GDP (\$bn)	49.5	49.7	52.5	
Public Debt in Foreign Currency / GDP	54.7	56.6	57.9	1.30
Public Debt in Local Currency / GDP	87.4	94.1	93.6	(0.54)
Gross Public Debt / GDP	142.1	150.7	151.5	0.76
Total Gross External Debt / GDP	175.8	183.9	185.6	1.70
Trade Balance / GDP	(31.6)	(32.5)	(31.9)	0.60
Exports / Imports	15.9	15.6	14.5	(1.04)
Fiscal Revenues / GDP	19.3	20.0	22.1	2.17
Fiscal Expenditures / GDP	27.3	29.9	29.3	(0.62)
Fiscal Balance / GDP	(8.0)	(9.9)	(7.2)	2.79
Primary Balance / GDP	1.5	0.0	2.7	2.68
Gross Foreign Currency Reserves / M2	58.7	62.2	68.2	5.98
M3 / GDP	249.7	267.2	263.6	(3.61)
Commercial Banks Assets / GDP	375.7	411.1	418.8	7.69
Private Sector Deposits / GDP	306.2	327.0	321.3	(5.69)
Private Sector Loans / GDP	109.5	115.0	114.9	(0.16)
Private Sector Deposits Dollarization Rate	64.9	65.8	68.7	2.88
Private Sector Lending Dollarization Rate	74.8	72.6	71.0	(1.61)

*Change in percentage points 16/17

**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 2016	Nov 2017	Dec 2017	Change**	Risk Level
Political Risk Rating	55	54.5	55	➔	High
Financial Risk Rating	36.5	33.0	33.0	▲	Moderate
Economic Risk Rating	30.5	27.5	28.5	▲	High
Composite Risk Rating	61.0	57.5	58.25	▲	High

MENA Average*	Dec 2016	Nov 2017	Dec 2017	Change**	Risk Level
Political Risk Rating	57.6	58.0	58.2	▼	High
Financial Risk Rating	38.3	38.5	38.5	▼	Low
Economic Risk Rating	29.6	31.0	30.9	▼	Moderate
Composite Risk Rating	62.8	63.8	63.9	▼	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	Stable	B3		Stable
Fitch Ratings	B-	B	Stable	B-		Stable
Standard & Poor's	B-	B	Stable	B-	B	Stable
Capital Intelligence Ratings	B	B	Stable	B	B	Stable

Source: Rating agencies

Banking Ratings	Outlook
Moody's	Stable

Source: Moody's Investor Services



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