

## LEBANON THIS WEEK

### In This Issue

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

Inefficient electricity sector has high economic and social costs

Revenues through Port of Beirut at \$161m in first nine months of 2019

Lebanon settles \$1.5bn Eurobond in November 2019

Banque du Liban supplies foreign currency for the import of pharmaceuticals and medical products

Industrial exports up 4% to \$1.7bn in first eight months of 2019

Current account deficit narrows by 6% to \$3bn in first quarter of 2019 on increase in remittance inflows and tourist revenues

Fiscal deficit narrows by 13% to \$3bn in first eight months of 2019

Lebanon ranks in 104<sup>th</sup> place globally, 10<sup>th</sup> regionally in terms of prosperity

Banque du Liban has resources to cover the government's external debt obligations in 2020

More than 80% of Treasury securities in Lebanese pounds have five-year maturities or longer

### Corporate Highlights .....8

Import activity of top five shippers and freight forwarders down 8.5% in first nine months of 2019

Ten Lebanese universities among top 130 universities in Arab world

Saradar Bank's net earnings at \$4.6m in first half of 2019

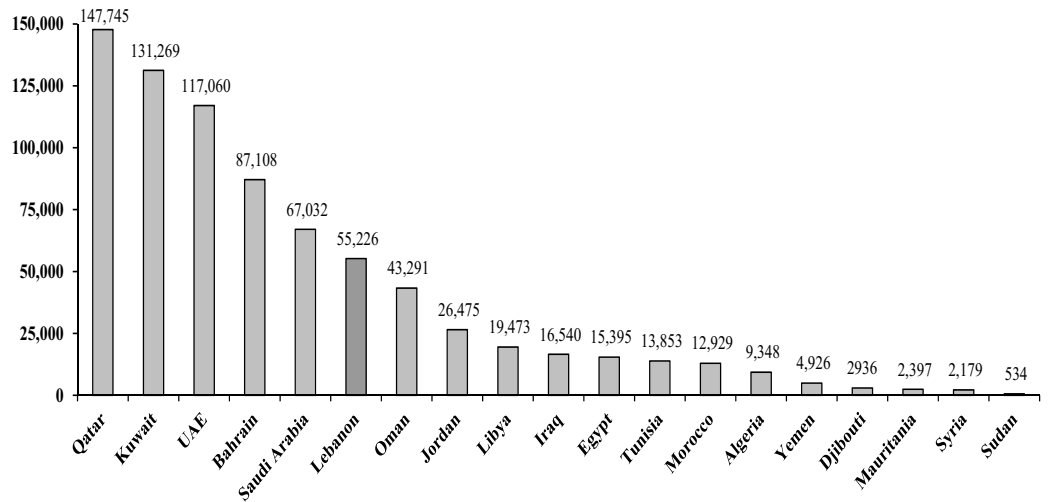
### Ratio Highlights.....9

### Risk Outlook .....9

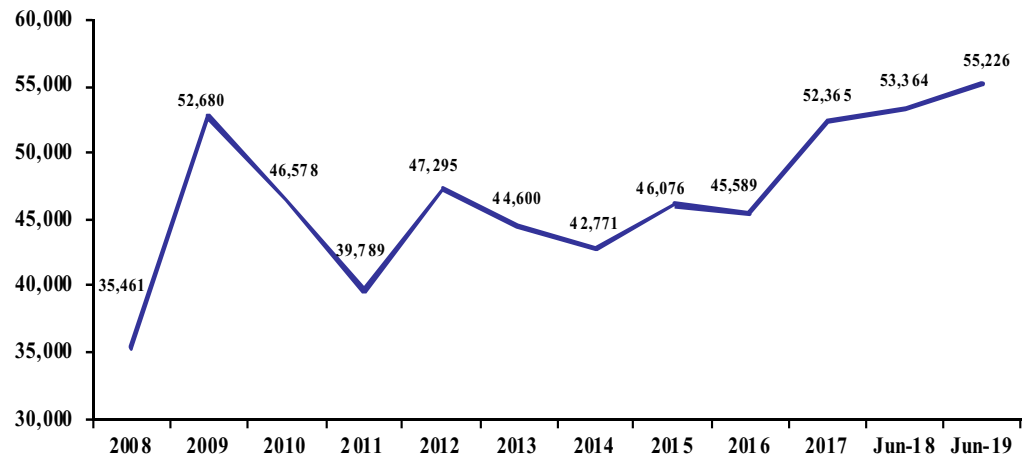
### Ratings & Outlook.....9

### Charts of the Week

Net Wealth per Adult in Arab Countries at end-June 2019 (US\$)



Net Wealth per Adult in Lebanon (US\$)



Source: Credit Suisse, Byblos Bank

### Quote to Note

"Lebanon is the only country in the Arab region, and one of 16 countries out of 179 countries worldwide, which has not yet established a pension scheme that would provide periodic benefits for workers in the private sector in case of old-age, disability and death."

*The International Labor Organization, on the absence of a retirement system for private sector workers in Lebanon*

### Number of the Week

**64%:** Percentage of Lebanese who consider that their personal financial conditions have deteriorated between March and September 2019, according to the September 2019 survey of the Byblos Bank/AUB Consumer Confidence Index

## Lebanon in the News

\$m (unless otherwise mentioned)	2018	Jan-Aug 2018	Jan-Aug 2019	% Change*	Aug-18	Jul-19	Aug-19
Exports	2,952	1,986	2,464	24.11	229	365	375
Imports	19,980	13,718	13,839	0.88	1,820	2,196	1,504
Trade Balance	(17,028)	(11,733)	(11,374)	(3.05)	(1,591)	(1,831)	(1,129)
Balance of Payments	(4,823)	(1,165)	(4,397)	277.31	(408)	72	921
Checks Cleared in LBP	22,133	14,287	14,072	(1.50)	1,777	1,900	1,859
Checks Cleared in FC	44,436	29,828	23,332	(21.78)	3,662	3,170	2,980
Total Checks Cleared	66,569	44,115	37,404	(15.21)	5,439	5,070	4,839
Fiscal Deficit/Surplus	(6,246)	(3,382)	(2,951)	(12.75)	(305)	10	(542)
Primary Balance	(636)	74	368.9	397.2	6	268	(208)
Airport Passengers**	8,842,442	6,002,476	6,223,220	3.68	1,159,811	1,059,267	1,185,765
Consumer Price Index***	6.1	6.3	2.8	(350bps)	6.7	1.4	1.2

\$bn (unless otherwise mentioned)	Dec-17	Aug-18	Dec-18	Jun-19	Jul-19	Aug-19	% Change*
BdL FX Reserves	35.81	33.92	32.51	29.75	31.06	30.60	(9.77)
In months of Imports	18.57	18.64	20.72	21.61	14.15	20.35	9.18
Public Debt	79.53	83.70	85.14	85.73	86.01	86.29	3.10
Bank Assets	219.86	238.46	249.48	255.98	259.18	261.90	9.83
Bank Deposits (Private Sector)	168.66	173.22	174.28	172.13	172.35	172.54	(0.39)
Bank Loans to Private Sector	59.69	59.40	59.39	56.00	55.30	55.16	(7.14)
Money Supply M2	52.51	53.21	50.96	49.11	48.91	48.52	(8.82)
Money Supply M3	138.62	141.04	141.29	139.93	140.34	140.40	(0.45)
LBP Lending Rate (%)	8.09	8.81	9.97	10.94	11.13	11.24	243bps
LBP Deposit Rate (%)	6.41	7.03	8.30	8.80	8.81	8.95	192bps
USD Lending Rate (%)	7.67	8.12	8.57	9.49	9.90	10.03	191bps
USD Deposit Rate (%)	3.89	4.20	5.15	5.84	6.01	6.20	200bps

\*year-on-year \*\*includes arrivals, departures, transit \*\*\*year-on-year percentage change

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
Solidere "A"	5.53	7.17	89,900	7.34%
Solidere "B"	5.42	3.44	19,859	4.67%
Byblos Common	1.09	0.00	-	8.18%
HOLCIM	9.50	0.00	-	2.46%
Audi GDR	3.53	0.00	-	5.60%
BLOM GDR	6.07	0.00	-	5.95%
Audi Listed	3.50	0.00	-	18.56%
BLOM Listed	7.07	0.00	-	20.17%
Byblos Pref. 08	60.00	0.00	-	1.59%
Byblos Pref. 09	63.00	0.00	-	1.67%

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

Sovereign Eurobonds	Coupon %	Mid Price \$	Mid Yield %
Mar 2020	6.38	80.00	99.86
Apr 2021	8.25	55.88	60.10
Oct 2022	6.10	46.38	38.97
Jun 2025	6.25	45.13	25.16
Nov 2026	6.60	45.25	22.51
Feb 2030	6.65	44.88	19.10
Apr 2031	7.00	45.50	18.73
May 2033	8.20	49.08	18.64
Nov 2035	7.05	44.50	17.47
Mar 2037	7.25	44.88	17.40

Source: Byblos Bank Capital Markets, Refinitiv

	Nov 25-29	Nov 18-21	% Change	November 2019	November 2018	% Change
Total shares traded	111,759	30,423	267.4	321,620	14,323,108	(97.8)
Total value traded	\$731,185	\$1,086,217	(32.7)	\$3,555,692	\$85,065,154	(95.8)
Market capitalization	\$7.54bn	\$7.49bn	0.65	\$7.54bn	\$9.72bn	(22.4)

Source: Beirut Stock Exchange (BSE)

CDS Lebanon	Nov 22, 2019	Nov 29, 2019	% Change**
CDS 1-year*	5,986	6,807.0	13.7
CDS 3-year*	3,923	4,509.2	14.9
CDS 5-year*	2,991	3,500.3	17.0

Source: ICE CMA; \*mid-spread in bps \*\*week-on-week

CDX EM 30*	Nov 22, 2019	Nov 29, 2019	% Change***
CDS 5-year**	192.3	191.6	(0.4)

Source: ICE CMA; \* CDX Emerging Market CDS Index-Series 30

\*\*mid-spread in bps \*\*\*week-on-week

### Inefficient electricity sector has high economic and social costs

The International Monetary Fund (IMF) indicated that the Lebanese electricity sector is highly inefficient, and is the source of significant economic and social costs for the country. It noted that Electricité du Liban (EdL), the state-owned company responsible for electricity generation, transmission and distribution in the country, faces three key challenges. First, it noted that EdL's installed generation capacity is 3,017 megawatts (MW), which is well below consumer demand of around 4,500 MW. It added that households face frequent daily electricity outages, and are connected to pricy private generators to fill the electricity gap. Further, it pointed out that demand for electricity is estimated to grow by 500 MW every five years, which will likely widen the electricity gap in the absence of reforms. It also expected ongoing projects, such as the Bisri Dam, to raise electricity capacity in coming years, but it said that power barges that have been used for temporary electricity generation since 2012 are scheduled to exit the market by 2021.

Second, the Fund noted that EdL faces significant losses equivalent to 43% of electricity production, of which 21% are non-technical losses, 17% are technical losses and 5% are billed but not collected dues. It considered that authorities could reduce technical losses through investing in electricity transmission, while non-technical losses can be reduced through the use of smart meters. It also pointed out that non-collected dues have been rising over the years. It estimated at \$2bn, or 3.6% of GDP, the total unpaid bills to EdL, which consist of arrears from the central government, municipalities and public institutions, as well as arrears from private consumers of \$0.4bn (0.7% of GDP). Third, it said that the government's transfers to EdL stood at \$1.8bn (3.1% of GDP) in 2018, and constitute a significant burden on Lebanon's public finances.

Further, the IMF considered that EdL's electricity provision and the cost of electricity are unequal across regions in Lebanon. It said that Beirut receives 21.2 hours of electricity per day, while the Bekaa region gets only 12 hours of electricity per day. As such, it noted that the most vulnerable households located in regions with little electricity provision devote a large portion of their income to pay for electricity provided by private power generators. It estimated that vulnerable households in the South, which have an average monthly income equivalent to 69% of the national average, spend 12% of their income on electricity from private power generators; while households in Mount Lebanon, that have a monthly income that is 1.3 times the national average, allocate 2% of their income for private generators.

In parallel, it considered that shortages in Lebanon's electricity sector are the second main constraint to the country's competitiveness, behind only corruption. It noted that figures from the World Bank's Enterprise Survey show that 55% of surveyed Lebanese businesses reported electricity shortages as their main challenge, behind corruption (61% of respondents). It added that the performance of the electricity sector in Lebanon is worse than the performance of the sector in Middle East & North Africa (MENA) countries, as 97% of Lebanese businesses experience electricity outages compared to a share of 55% in the region. Also, Lebanese businesses experience an average electricity outage of 5.4 hours per day compared to a daily average of 3.7 hours regionally. It pointed out that Lebanese businesses have to rely on costly private power generators to address the electricity outages, with 84% of surveyed businesses using private generators in Lebanon, compared to a share of 36% in the MENA region.

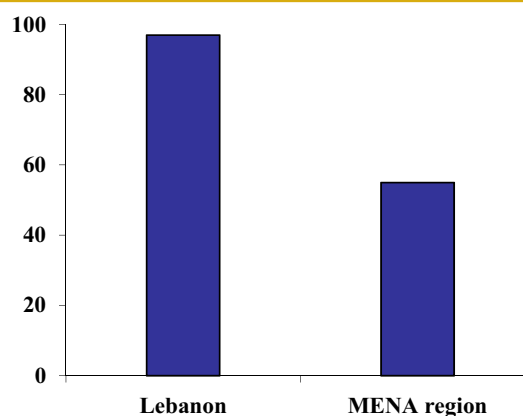
Further, the Fund indicated that the Lebanese Cabinet approved a new electricity reform plan on April 9, 2019, and that Parliament enacted the related legislation on April 17 of the same year. But it said that authorities have had difficulties in past years to implement reforms for the electricity sector. It considered that, if implemented in full, the plan would reduce EdL's deficit by 0.1% of GDP in 2020 and by 0.9% of GDP in 2021, while it expected EdL's deficit to shift to a surplus of 0.4% of GDP by 2025.

### Revenues through Port of Beirut at \$161m in first nine months of 2019

Figures released by the Port of Beirut show that the port's overall revenues reached \$161m in the first nine months of 2019, constituting a decline of 11% from \$180.8m in the same period of 2018. The Port of Beirut handled 5.2 million tons of freight in the covered period, down by 12.8% from 6 million tons in the first nine months of 2018. Imported freight amounted to 4.6 million tons in the covered period and accounted for 88% of the total, while the remaining 615,000 tons, or 12%, consisted of export cargo. A total of 1,338 vessels docked at the port in the first nine months of 2019, down by 5.3% from 1,413 ships in the same period of 2018.

In parallel, revenues generated through the Port of Tripoli reached \$11.65m in the first nine months of 2019, down by 0.5% \$11.72m in the same period of 2018. The Port of Tripoli handled 1,650,320 tons of freight in the covered period, constituting a growth of 26.5% from 1,304,227 tons in the first nine months of 2018. Imported freight amounted to 1,203,347 tons and accounted for 73% of the total, while the remaining 446,973 tons, or 27%, were export cargo. A total of 473 vessels docked at the port in the first nine months of 2019, down by 3.1% from 488 ships in the first nine months of 2018.

Percentage of Businesses Experiencing Electricity Outages (%)



Source: World Bank's Enterprise Survey

### Lebanon settles \$1.5bn Eurobond in November 2019

Banque du Liban (BdL) paid \$1.5bn on behalf of the Lebanese government to cover the principal of a Eurobond that matured on November 28, 2019. The maturing Eurobond was issued in November 2011 and carried a 5.45% coupon rate. The Eurobond was trading at close to par in the run-up to maturity, which reflects market expectations that the Lebanese government is going to meet its obligations. The payment of the Eurobond preserves Lebanon's track record of full and timely debt repayment, even in periods of severe economic and political turmoil.

In parallel, the Ministry of Finance issued a \$1.5bn Eurobond that matures in 2029 and that carries a coupon rate of 11.5%, as well as a \$1.5bn Eurobond that matures in 2035 with a coupon rate of 12%. The two Eurobonds are non-market issuances, as the ministry conducted the transaction as a private placement with BdL. The two Eurobonds covered BdL's payment for the \$1.5bn Eurobond that matured in November 2019, as well as a bridge financing loan of \$1.15bn that BdL extended to the government at the end of June 2019, among other external financing needs.

BdL has been paying on behalf of the government the principal for maturing Eurobonds, as well as interest payments on external debt and other external obligations so far this year. According to the Ministry of Finance, the government's external obligations in the form of Eurobonds principal and interest payments on Eurobonds and on foreign loans total \$5.1bn in full year 2019, of which \$2.9bn is in principal and \$2.2bn in debt servicing.

The government's external obligations in 2020 are estimated at \$4.7bn. They include a \$1.2bn Eurobond that matures in March 2020, a \$700m Eurobond that comes due in April 2020, and a \$600m Eurobond that matures in June 2020, as well as \$1.95bn in interest payments and about \$220m in foreign loans.

### Banque du Liban supplies foreign currency for the import of pharmaceuticals and medical products

Banque du Liban (BdL) issued Intermediate Circular 535 on November 26, 2019 that amends Basic Circular 23 issued on March 7, 1996 about the facilities that BdL can provide to commercial banks and financial institutions. The circular added a new article that allows banks to source from BdL the needed foreign currency to finance the imports of pharmaceuticals, medical supplies, as well as raw materials that are used in the manufacturing of medicine in Lebanon. Under this mechanism, banks can buy foreign currency from BdL to cover 85% of a client's import bill of pharmaceuticals, 50% of the import bill of medical supplies, and 75% of the import bill of materials used in the manufacturing of medicine.

In addition, the circular specified the list of requirements that banks should meet in order to have access to this mechanism. First, the bank must provide BdL with a copy of all documents related to the import of any of the covered products, including a certified copy of the import bill from the Ministry of Health and a copy of the payment order. Second, the bank must verify that the imported products are destined exclusively for domestic consumption. According to the circular, BdL will receive a commission of 0.5% on each financing transaction through this mechanism.

The total imports of pharmaceutical products to Lebanon reached \$857.6m in the first eight months of 2019, constituting a decrease of 4.8% from \$901m in the same period of 2018. They accounted for 6.2% of total imports to Lebanon in the covered period compared to a share of 6.6% in the first eight months of 2018.

### Industrial exports up 4% to \$1.7bn in first eight months of 2019

Figures released by the Ministry of Industry show that industrial exports totaled \$1.74bn in the first eight months of 2019, constituting an increase of 4% from \$1.68bn in the same period of 2018. Industrial exports reached \$214.1m in August 2019, regressing by 6% from \$227.6m in July 2019 and growing slightly by 0.8% from \$212.4m in August 2018. Exports of machinery & mechanical appliances amounted to \$343m and accounted for 19.7% of aggregate industrial exports in the first eight months of 2019, followed by chemical products with \$337.4m (19.4%), prepared foodstuffs & tobacco with \$262.3m (15.1%), base metals with \$223.2m (12.8%), plastics & rubber with \$116.2m (6.7%), and pearls or semi-precious stones with \$109m (6.3%). Arab countries were the destination of 53.1% of Lebanese industrial exports in the first eight months of 2019, followed by European economies with 19.2%, Asian countries with 11.1%, African economies with 10.6%, countries in the Americas with 4.8%, and markets in Oceania with 0.7%.

On a country basis, the UAE was the main destination of Lebanese industrial exports and accounted for 9.8% of the total in the first eight months of 2019, followed by Saudi Arabia with 9%, Iraq with 8.1%, Syria with 7.3%, Qatar with 4.4%, and France with 3.7%. In August 2019, 12 Arab states, 10 European economies, nine African countries, four Asian economies, and three countries in the Americas imported \$1m or more each of Lebanese industrial products.

In parallel, imports of industrial equipment and machinery reached \$142.5m in the first eight months of 2019, constituting a decline of 27.6% from \$197m in the same period of 2018. Italy was the main source of such imports and accounted for 25% of the total in the first eight months of 2019, followed by China with 18.2% and Germany with 11.8%. Further, imports of industrial equipment and machinery amounted to \$19.3m in August 2019, down by 1% from \$19.5m in July 2019 and by 30% from \$27.6m in August 2018. Italy was the main source of such imports with \$6.3m and accounted for 32.4% of the total in the covered month, followed by China with \$2.5m (13%), and Germany with \$1.7m (9%).





### Current account deficit narrows by 6% to \$3bn in first quarter of 2019 on increase in remittance inflows and tourist revenues

Figures released by Banque du Liban show that the current account deficit reached \$3bn in the first quarter of 2019, constituting a decline of 6.4% from a deficit of \$3.2bn in the first quarter of 2018. The current account balance consists of the trade balance, which is the exports and imports of merchandise, as well as the services balance that covers the export and import of transportation services, tourism, insurance and other services. The current account balance also includes remittance inflows, investment income and general government transfers.

The trade deficit reached \$3.6bn in the first quarter of 2019 and widened by 3% from the same quarter last year, with the amount of imported goods increasing by 3.5% annually to \$4.7bn and the value of exports growing by 5.8% year-on-year to \$1.1bn. Further, the inflows of expatriates' remittances to Lebanon stood at \$1.88bn in the first quarter of 2019, constituting an increase of 4.7% from \$1.79bn in the same quarter last year. In addition, remittance outflows from Lebanon amounted to \$1.18bn in the covered quarter, down by 2.7% from \$1.21bn in the first three months of 2018. As such, net remittance inflows to Lebanon reached \$698.5m in the first quarter of the year, constituting an increase of 20.1% from \$581m in the first quarter of 2018.

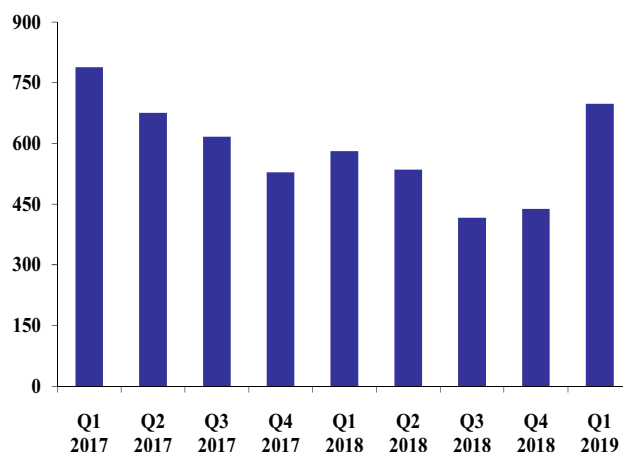
Further, tourist receipts amounted to \$1.8bn in the first quarter of 2019, constituting an increase of 9% from \$1.6bn in the same quarter last year. Also, outbound tourist spending reached \$1.35bn in the first three months of 2019, nearly unchanged year-on-year. As such, net tourist receipts totaled \$430m in the covered quarter, up by 55.8% from \$276m in the first quarter of 2018. The rise in tourist receipts is due to an increase in the number of incoming visitors to Lebanon in the first quarter of the year, which reached their highest level for the first three months of each year since 2010.

The other components of the balance of payments show that Lebanon's capital account balance, which includes foreign grants, posted a surplus of \$162m in the first quarter of 2019, down by 67.4% from a surplus of \$497m in the same quarter of 2018. It represented the lowest surplus since the \$49.5m registered in the fourth quarter of 2012. Lebanon's capital account surplus averaged \$394.3m on a quarterly basis between the first quarter of 2013 and the first quarter of 2019, due to grants received to support Syrian refugees and host communities in the country, compared to a quarterly average of \$39.3m between 2009 and 2012. The decrease in Lebanon's capital account surplus in the first three months of the year is due in part to a decline in cash grants received by the government.

In addition, Lebanon's financial account balance, which includes net foreign direct investments, net portfolio investments and other investments, posted a surplus of \$3bn in the first quarter of 2019, constituting an increase of 20% from \$2.5bn registered in the first quarter of 2018. The improvement in the financial account is due to a shift in net portfolio investments from outflows of \$204m in the first quarter of 2018 to inflows of \$712.7m in the first three months of 2019. In contrast, the inflows of other investments declined from \$2.1 billion in the first quarter of 2018 to \$1.8bn in the covered period. Other investments include deposit flows to the banking sector. In addition, foreign direct investments (FDI) in Lebanon totaled \$672.8m in the first quarter of 2019, down by 14.6% from \$788.2m in the same quarter of 2018. Also, FDI outflows from Lebanon amounted to \$145.4m in the covered quarter, up by 13.7% from \$128m in the first three months of 2018. As such, net FDI inflows to Lebanon reached \$527.4m in the first quarter of 2019 and represented a decline of 20.1% from \$660.3m in the same quarter last year.

In parallel, unrecorded transactions, or errors and omissions, were at -\$1.3bn in the first quarter of 2019 relative to +\$1.6bn in the same quarter of 2018. According to BdL, unrecorded transactions are in part due to the inadequate sources of data on some economic sectors. They include time and other adjustments for external trade payments, insurance services, migrants' transfers, travel services, transportation services, private sector direct investment, and portfolio investment. Finally, BdL's net foreign assets regressed by \$1.1bn in the first quarter of 2019 relative to an increase of \$1.4bn in the same quarter of 2018.

Net Remittance Inflows to Lebanon (US\$m)



Source: Banque du Liban, Byblos Research

### Fiscal deficit narrows by 13% to \$3bn in first eight months of 2019

Figures released by the Ministry of Finance show that the fiscal deficit reached \$2.95bn in the first eight months of 2019 and narrowed by 12.8% from a deficit of \$3.38bn in the same period of 2018. The deficit was equivalent to 27.7% of total budget and Treasury expenditures relative to 29.5% of spending in the same period last year. Government expenditures reached \$10.65bn in the first eight months of 2019 and declined by 6.9% from the same period of 2018, while revenues regressed by 4.5% to \$7.7bn. As such, the narrowing of the deficit reflects an annual drop of \$792.6m in overall expenditures, which was partly offset by a decrease of \$361.3m in total revenues in the covered period. The decline in spending is due to a drop of \$361.5m in general expenditures, a decrease of \$204.7m in transfers to municipalities, and a contraction of \$136.6m in debt servicing outlays in the first eight months of 2019.

On the revenues side, tax receipts grew by 0.9% year-on-year to \$6.1bn in the first eight months of 2019, of which 26.2%, or \$1.6bn, were in VAT receipts that decreased by 9.2% annually. Tax receipts accounted for 83% of budgetary revenues and for 79.2% of Treasury and budgetary income in the covered period. The distribution of other tax revenues shows that receipts from taxes on income, profits & capital gains rose by 17% annually to \$2.7bn in the first eight months of 2019; revenues from customs regressed by 5.1% to \$854.7m; receipts from property taxes dropped by 24.1% to \$385.5m; while revenues from taxes on goods & services grew by 6.6% to \$320.2m, and receipts from stamp fees declined by 7.8% to \$254.1m.

The distribution of income tax receipts shows that the tax on interest income accounted for 42.2% of income tax revenues in the first eight months of 2019, followed by the tax on profits with 32.5%, the tax on wages & salaries with 16.4%, and the capital gains tax with 8.3%. Receipts from the tax on interest income surged by 50.7%, revenues from the tax on profits expanded by 3.5% and receipts from the tax on wages & salaries increased by 0.7%; while revenues from the tax on capital gains declined by 7.1% year-on-year in the covered period. Also, the distribution of property taxes indicates that revenues from real estate registration fees fell by 31.8% year-on-year to \$213.5m and receipts from the built property tax retreated by 16% to \$124m in the first eight months of 2019, while revenues from the inheritance tax increased by 1.5% to \$48m.

Further, non-tax budgetary receipts decreased by 10.1% year-on-year to \$1.26bn in the covered period. They mainly included \$773m in revenues generated from government properties that regressed by 9.5% year-on-year, as well as \$364.4m in receipts from administrative fees and charges that declined by 12.1% annually. Receipts from telecommunication services dropped by 29.7% to \$457.8m, and accounted for 59.2% of income from government properties and for 36.4% of non-tax budgetary revenues.

On the expenditures side, total budgetary spending, which includes general expenditures and debt servicing, declined by 4.8% year-on-year to \$9.86bn in the first eight months of 2019. General spending decreased by 5.2% to \$6.54bn in the covered period, and included \$1bn in transfers to Electricité du Liban (EdL) that regressed by 7.8% year-on-year, and \$1.35bn in outlays from previous years that grew by 33.1% annually, among other general spending items. Also, debt servicing totaled \$3.3bn in the first eight months of 2019 and declined by 4% from the same period of 2018. Interest payments on Lebanese pound-denominated debt dropped by 5.7% year-on-year to \$2bn in the first eight months of 2019, while debt servicing on foreign currency debt decreased by 1.3% to \$1.2bn. In addition, Treasury expenditures, excluding transfers to EdL, declined by 27.1% year-on-year to \$792.4m in the covered period, as transfers to municipalities dropped by 40.5% to \$301m in the first eight months of 2019. Further, the primary budget balance posted a surplus of \$819.3m in the first eight months of 2019, or 8.3% of budgetary expenditures, while the overall primary balance registered a surplus of \$369m, or 3.5% of spending.

Fiscal Results in First Eight Months of Each Year			
	2018	2019	Change
	(US\$m)	(US\$m)	(%)
Budget Revenues	7,446	7,362	-1.1%
Tax Revenues	6,046	6,103	0.9%
Non-Tax Revenues	1,400	1,258	-10.1%
<i>of which Telecom revenues</i>	651	458	-29.7%
Budget Expenditures	10,361	9,862	-4.8%
<b>Budget Surplus/Deficit</b>	<b>(2,915)</b>	<b>(2,501)</b>	<b>-14.2%</b>
<i>In % of budget expenditures</i>	<i>-28.1%</i>	<i>-25.4%</i>	
<b>Budget Primary Surplus</b>	<b>542</b>	<b>819</b>	<b>51.3%</b>
<i>In % of budget expenditures</i>	<i>5.2%</i>	<i>8.3%</i>	
Treasury Receipts	619	342	-44.8%
Treasury Expenditures	1,087	792	-27.1%
Total Revenues	8,065	7,704	-4.5%
Total Expenditures	11,447	10,655	-6.9%
<b>Total Deficit</b>	<b>(3,382)</b>	<b>(2,951)</b>	<b>-12.8%</b>
<i>In % of total expenditures</i>	<i>-29.5%</i>	<i>-27.7%</i>	
<b>Total Primary Surplus/Deficit</b>	<b>74.2</b>	<b>369</b>	<b>397%</b>
<i>In % of total expenditures</i>	<i>0.6%</i>	<i>3.5%</i>	

Source: Ministry of Finance, Byblos Research



### Lebanon ranks in 104<sup>th</sup> place globally, 10<sup>th</sup> regionally in terms of prosperity

The Legatum Institute's 2019 Prosperity Index ranked Lebanon in 104<sup>th</sup> place among 167 countries globally, in 39<sup>th</sup> place among 47 upper middle-income countries (UMICs) and in 10<sup>th</sup> place among 19 Arab countries. Based on the same set of countries, Lebanon's rank regressed by two spots from 102<sup>nd</sup> place in the 2018 survey and by 14 spots from 90<sup>th</sup> place on the 2009 index.

The institute assesses the prosperity of citizens based on their material wealth and social well-being. The data covers 294 indicators grouped in 12 sub-indices that are Economic Quality, the Investment Environment, Governance, Education, Health, Safety & Security, Personal Freedom, Social Capital, the Natural Environment, Market Access & Infrastructure, Enterprise Conditions, and Living Conditions. The rankings are based on the simple average of the scores of the 12 sub-indices for each country.

Lebanon received a score of 52.9 points on the 2019 survey, which is lower than its score of 53.5 points in the 2018 survey. Lebanon's score was below the global average score of 57.3 points and the UMICs' average score of 57.1 points, while it was higher than the Arab countries' average score of 50.8 points. Denmark ranked first globally on the 2019 index, while South Sudan came in last place.

Globally, Lebanon has a higher level of prosperity than Bolivia, Rwanda and Honduras, and a lower level than India, Ghana and Uzbekistan among economies with a GDP of \$10bn or more. Also, it is more prosperous than Turkmenistan, Algeria, Gabon, Equatorial Guinea, Iran, Iraq, Venezuela and Libya among UMICs.

Prosperity Index for 2019		
	Arab Rank	Global Rank
UAE	1	40
Qatar	2	43
Bahrain	3	58
Oman	4	60
Kuwait	5	62
Saudi Arabia	6	71
Jordan	7	86
Tunisia	8	95
Morocco	9	100
<b>Lebanon</b>	<b>10</b>	<b>104</b>
Algeria	11	110
Djibouti	12	121
Egypt	13	126
Iraq	14	142
Libya	15	147
Mauritania	16	155
Syria	17	157
Sudan	18	158
Yemen	19	166

Source: Legatum Institute, Byblos Research

Lebanon ranked ahead of Belarus and Mozambique, and came behind Uganda and Pakistan 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 Belarus and behind Algeria among UMICs. It also came ahead of Egypt, Iraq, Sudan, Libya, Mauritania, Syria and Yemen among Arab countries

Further, Lebanon preceded Madagascar and Pakistan, and trailed Ethiopia and Kenya on the Economic Quality Sub-Index. This category measures how well an economy is equipped to generate wealth in a sustainable manner and with the full engagement of its workforce. Regionally, Lebanon ranked ahead of Egypt, Mauritania, Sudan and Yemen among Arab countries.

In addition, Lebanon came ahead of Mongolia and Nicaragua, and trailed Ecuador and Sri Lanka on the Investment Environment Sub-Index. This category measures the existence of property rights, investors' protections, and contract enforcement in a country. Lebanon also ranked ahead of Egypt, Sudan, Algeria, Syria, Iraq, Libya, Mauritania, and Yemen in the Arab region.

Finally, Lebanon preceded Turkey and Ukraine, and came behind Peru and Gabon on the Social Capital Sub-Index. This category measures the strength of social networks support, social norms, and civic participation in a country. Lebanon came ahead of Algeria, Mauritania, Yemen, Morocco and Syria among Arab countries.

Components of the 2019 Prosperity Index for Lebanon				
Sub-Index	Global Rank	Change in Rank*	Arab Rank	UMICs Rank
Economic Quality	136	-3	15	46
Investments Environment	102	-7	11	38
Governance	122	-2	12	38
Education	84	-1	6	29
Health	82	-1	9	29
Safety & Security	144	-6	13	42
Personal Freedom	107	+4	2	29
Social Capital	146	-5	14	45
Natural Environment	140	-5	7	38
Enterprise Conditions	78	+1	7	25
Market Access & Infrastructure	83	-	10	28
Living Conditions	51	-3	5	6

\* year-on-year

Source: Legatum Institute, Byblos Research



### **Banque du Liban has resources to cover the government's external debt obligations in 2020**

Barclays Capital indicated that the Lebanese government's cash position of \$8.6bn and Banque du Liban's (BdL) foreign currency reserves of \$30bn, which exclude gold reserves and securities, would be sufficient to accommodate the functioning of the government while financing the current account deficit and the external debt that matures in coming months. It said that the \$4bn in Eurobond maturities by June 2020, along with a monthly \$1bn in external deficit financing, would result in a decline in BdL's foreign currency reserves. However, it expected the impact on reserves to be limited, given that domestic banks hold a significant share of Lebanese Eurobonds, and that BdL can conduct special operations with commercial banks in order to minimize the impact of settling maturing Eurobonds on its reserves position. It expected BdL to be able to cover the government's upcoming external debt obligations at least throughout next year.

It indicated that Lebanon is facing a crisis that entered its second month, with little prospects for a near-term political resolution. It noted that demonstrators have demanded change in the political system through the formation of a government of experts that has legislative powers, the holding of early parliamentary elections after amending the existing electoral law, and the recovery of stolen public assets, among other demands. It said that the gap between the demands of the demonstrators on one hand and the position of political parties in power on the other, remains wide. It considered that the outcome of the crisis will shape the country's economic outlook and financial stability. It projected real GDP to contract by 0.4% in 2019 and to grow by 0.2% in 2020.

In parallel, Barclays considered that a new government needs to accelerate the implementation of structural reforms in order to improve confidence and increase the prospects of financial support from regional countries. It said that a new government and Parliament would likely close several ministries and public institutions, privatize several state-owned entities, eliminate Treasury transfers to Electricité du Liban by 2021, and enact new laws for customs, public procurement and competition, as well as for fighting tax evasion, among other measures. Overall, it projected the fiscal deficit at 10.2% of GDP in 2019 and 9.2% of GDP in 2020.

Further, it pointed out that potential capital outflows constitute a significant risk to financial stability in Lebanon. In this context, it indicated that BdL has issued several circulars to reduce the pressure in the foreign currency market. It added that the Association of Banks in Lebanon agreed on a set of pre-emptive and temporary measures to limit weekly cash withdrawals from US dollar accounts, as well as to limit external transfers to essential purposes. It noted that BdL affirmed that the authorities will not impose capital controls or haircuts on deposits.

### **More than 80% of Treasury securities in Lebanese pounds have five-year maturities or longer**

Figures released by the Association of Banks in Lebanon (ABL) show that the face value of outstanding Treasury securities denominated in Lebanese pounds reached LBP80,669bn, or the equivalent of \$53.5bn, at the end of October 2019, compared to LBP72,052bn, or \$47.8bn, at the end of October 2018. The weighted interest rate on Lebanese Treasury securities denominated in Lebanese pounds was 6.55% in October 2019 compared to 6.13% in October 2018.

The distribution of outstanding Treasury securities denominated in Lebanese pounds at end-October 2019 shows that 15-year Treasury bonds accounted for 1.8%, or LBP1,417bn, of total securities in Lebanese pounds; 12-year Treasury securities represented 3.8% of the total (LBP3,076bn), and 10-year Treasury bonds had a share of 31.8% (LBP25,638bn). Also, the share of eight-year Treasury securities was 2.3% (LBP1,832bn), seven-year Treasury bonds represented 18% (LBP14,436bn), five-year Treasury securities accounted for 23.5% (LBP18,986bn), the share of three-year Treasury bonds was 11.7% (LBP9,430bn), two-year Treasury bills represented 6% (LBP4,792bn), one-year T-bills accounted for 1.2% (LBP975bn), the share of six-month T-bills was 0.1% (LBP79bn) and three-month T-bills represented 0.01% (LBP8bn). As such, 57.5% of outstanding Treasury securities have seven-year maturities or longer and 81.1% have five-year maturities or more.

In parallel, the face value of outstanding Treasury securities denominated in Lebanese pounds that matured in October 2019 was LBP1,253bn (\$831.2m), of which 42.5% were one-year Treasury bonds, 32% were two-year Treasury securities, 13% were three-year Treasury bonds, 12% were five-year Treasury bills, and 0.5% were six-month T-bills. According to the ABL, LBP2,886bn or the equivalent to \$1.9bn of outstanding Treasury bonds in Lebanese pounds will mature in the remainder of 2019, while LBP11,594bn (\$7.7bn) will come due in 2020 and LBP8,774bn (\$5.8bn) will mature in 2021.





### **Import activity of top five shippers and freight forwarders down 8.5% in first nine months of 2019**

Figures released by the Port of Beirut show that overall import shipping operations by the top five shipping companies and freight forwarders through the port reached 215,011 20-foot equivalent units (TEUs) in the first nine months of 2019, constituting a decrease of 8.5% from 235,042 TEUs in the same period of 2018. The five shipping and freight-forwarding firms accounted for 77.8% of imports to the Lebanese market and for 46.8% of the total import freight market in the first nine months of 2019. Mediterranean Shipping Company (MSC) handled 86,328 TEUs in imports in the covered period, equivalent to an 18.8% share of the total import freight market. Merit Shipping followed with 45,870 TEUs (10%), then MAERSK with 34,233 TEUs (7.5%), Metz Group with 25,354 TEUs (5.5%), and Tourism & Shipping Transport with 23,226 TEUs (5.1%). Further, MAERSK registered an annual increase of 37.2% in import shipping in the first nine months of 2019, the highest growth rate among the top five shipping and freight forwarding companies, while Metz Group posted a decrease of 23.8%, the steepest decline in the covered period.

In parallel, export shipping operations by the top five shipping and freight-forwarding firms through the Port of Beirut reached 48,944 TEUs in the first nine months of 2019, constituting a decrease of 2% from 49,906 TEUs in the same period of 2018. The five shipping companies and freight forwarders accounted for 85.6% of exported Lebanese cargo and for 10.6% of the total export freight market in the first nine months of 2019. Merit Shipping handled 24,415 TEUs of freight in the first nine months of 2019, equivalent to 42.7% of the Lebanese cargo export market. MAERSK followed with 9,033 TEUs (15.8%), then Metz group with 5,961 TEUs (10.4%), Tourism & Shipping with 4,930 TEUs (8.6%), and Sealine Group with 4,605 TEUs (8.1%). Further, MAERSK registered an increase of 58.4% in export shipping in the first nine months of 2019, the highest growth rate among the top five shipping and freight forwarding companies, while Sealine Group posted a decline of 37%, the steepest decrease in the covered period.

### **Ten Lebanese universities among top 130 universities in Arab world**

The QS University Rankings for 2020 included 10 Lebanese universities among 130 ranked universities in the Arab region. The American University of Beirut (AUB) was the highest ranked institution in Lebanon and the second highest in the Arab world, with an overall score of 97.7 points out of a maximum of 100 points. The Lebanese American University (LAU) followed in 15<sup>th</sup> place (71.7 points), then the Université Saint-Joseph de Beyrouth (USJ) in 18<sup>th</sup> place (64.8 points), the Lebanese University in 25<sup>th</sup> place (55.8 points), Notre Dame University (NDU) in 29<sup>th</sup> place (50.1 points), the Holy Spirit University of Kaslik (USEK) in 30<sup>th</sup> place (49.7 points), the University of Balamand in 36<sup>th</sup> place (46.3 points), and the Beirut Arab University in 48<sup>th</sup> place (38.5 points). Also, the survey ranked the American University of Science & Technology (AUST) in the 91-100 range and Université Antonine (UA) in the 121-130 range.

The ranking of NDU improved by six spots year-on-year, the largest increase among ranked universities in Lebanon, the ranking of USEK increased by four spots, the ranking of USJ improved by two spots and the rankings of LAU and the Lebanese University increased by one spot each from 2019. In parallel, the rankings of AUB and the University of Balamand were unchanged from last year. Also, the rank of the Beirut Arab University improved year-on-year from the 71-80 range, while the ranking of AUST regressed from the 81-90 range last year. Further, Université Antonine was not included in the QS University Rankings of 2019.

Saudi Arabia accounted for three of the top 10 universities in the Arab world, the UAE had two universities; while Egypt, Jordan, Lebanon, Oman and Qatar had one university each among the top 10. The rankings are based on a weighted average of 10 factors that are academic reputation with a 30% weight, employer reputation with 20%, faculty-to-student ratio, international research network, and papers per faculty (10% each), citations per paper, proportion of staff with PhDs, and web impact (5% each), as well as the ratio of international faculty to the total number of faculty members and the ratio of international students to the overall number of students (2.5% each). The QS University Rankings are compiled by Quacquarelli Symonds Limited, a company specializing in education and study abroad. The QS University Rankings for the Arab Region were first published as a pilot edition in 2014. QS assessed 130 institutions from 16 Arab countries.

### **Saradar Bank's net earnings at \$4.6m in first half of 2019**

Saradar Bank sal, one of Lebanon's top 16 banks in terms of deposits, announced unaudited consolidated net profits of \$4.6m in the first half of 2019, constituting a surge of four times from net earnings of \$1.2m in the first half of 2018. Net operating income grew by 6.2% year-on-year to \$29.5m in the first half of 2019, with net interest income increasing by 51.7% to \$23.6m and net fee income declining by 18.4% to \$6.7m. Non-interest income accounted for 30% of total income in the first half of 2019, down from 41.2% in the same period last year; with net fee income representing 67.4% of non-interest earnings relative to 75.6% in the first half of 2018. Further, the bank's interest margin was 1.52% in the first half of 2019 compared to 1.25% in the same period of 2018; while its spread reached 1.46% in the covered period relative to 1.19% in the first half of 2018. Total operating expenditures decreased by 2.4% year-on-year to \$26m in the first half of 2019, with staff expenses regressing by 4.8% to \$13.4m, and administrative & other operating expenditures declining by 10.6% to \$10.2m in the covered period. Also, the bank's return on average assets was 0.3% in June 2019 on an annualized basis relative to 0.1% a year earlier, while its return on average equity reached 3.85% in June 2019 on an annualized basis compared to 0.96% in June 2018.

In parallel, total assets reached \$3.3bn at end-June 2019 and increased by 3.7% from end-2018, while loans & advances to customers, excluding those to related parties, regressed by 0.6% from end-2018 to \$855m. Also, customer deposits, excluding those from related parties, totaled \$1.9bn at end-June 2019 and declined by 5% from end-2018. The loans-to-deposits ratio stood at 41.3% at end-June 2019 compared to 40.6% at end-2018. Further, shareholders' equity reached \$240.8m at end-June 2019, up by 2% from end-2018.

## Ratio Highlights

(in % unless specified)	2016	2017	2018	Change*
Nominal GDP (\$bn)	51.2	53.4	56.1	
Public Debt in Foreign Currency / GDP	54.9	56.9	59.7	2.82
Public Debt in Local Currency / GDP	91.3	92.0	92.1	0.10
Gross Public Debt / GDP	146.2	149.0	151.9	2.92
Total Gross External Debt / GDP**	182.0	183.1	184.7	0.88
Trade Balance / GDP	(31.5)	(31.3)	(30.4)	1.11
Exports / Imports	15.6	14.5	14.8	0.25
Fiscal Revenues / GDP	19.4	21.8	20.6	(1.2)
Fiscal Expenditures / GDP	29.0	28.8	31.7	2.9
Fiscal Balance / GDP	(9.6)	(7.0)	(11.1)	(4.1)
Primary Balance / GDP	0.04	2.7	(1.1)	-
Gross Foreign Currency Reserves / M2	62.2	68.2	63.8	(4.39)
M3 / GDP	259.2	259.6	252.1	(7.55)
Commercial Banks Assets / GDP	398.7	411.8	445.1	33.32
Private Sector Deposits / GDP	317.1	315.9	310.9	(4.97)
Private Sector Loans / GDP***	111.6	111.8	105.9	(5.84)
Private Sector Deposits Dollarization Rate	65.8	68.7	70.6	1.90
Private Sector Lending Dollarization Rate	72.6	68.6	69.2	0.57

\*change in percentage points 18/17

\*\*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 \*\*\* in January 2018, Lebanese banks started reporting their financials based on international accounting standard IFRS 9, and revised the 2017 figures accordingly

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	Oct 2017	Sep 2018	Oct 2018	Change**	Risk Level
Political Risk Rating	55.5	54.0	54.0	▲	High
Financial Risk Rating	33.0	33.0	33.0	➔	Moderate
Economic Risk Rating	27.5	28.5	28.5	▼	High
Composite Risk Rating	58.0	57.75	57.75	▲	High

MENA Average*	Oct 2017	Sep 2018	Oct 2018	Change**	Risk Level
Political Risk Rating	57.9	57.9	57.9	➔	High
Financial Risk Rating	38.6	38.8	38.9	▼	Low
Economic Risk Rating	30.9	33.1	33.5	▼	Moderate
Composite Risk Rating	63.7	64.9	65.2	▼	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 Investors Service	Caa2	NP	Under Review*	Caa2		Under Review*
Fitch Ratings	CCC	C	-	CCC	C	-
S&P Global Ratings	CCC	C	Negative	CCC	C	Negative
Capital Intelligence Ratings	C+	C	Negative	C+	C	Negative

\*for downgrade

\*\*CreditWatch negative

Source: Rating agencies

### Banking Sector Ratings

Banking Sector Ratings	Outlook
Moody's Investors Service	Stable

Source: Moody's Investors Service



---

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

---

Lebanon This Week is a research document that is owned and published by Byblos Bank sal. The contents of this publication, including all intellectual property, trademarks, logos, design and text, are the exclusive property of Byblos Bank sal, and are protected pursuant to copyright and trademark laws. No material from Lebanon This Week may be modified, copied, reproduced, repackaged, republished, circulated, transmitted, redistributed or resold directly or indirectly, in whole or in any part, without the prior written authorization of Byblos Bank sal.

The information and opinions contained in this document have been compiled from or arrived at in good faith from sources deemed reliable. Neither Byblos Bank sal, nor any of its subsidiaries or affiliates or parent company will make any representation or warranty to the accuracy or completeness of the information contained herein.

Neither the information nor any opinion expressed in this publication constitutes an offer or a recommendation to buy or sell any assets or securities, or to provide investment advice. This research report is prepared for general circulation and is circulated for general information only. Byblos Bank sal accepts no liability of any kind for any loss resulting from the use of this publication or any materials contained herein.

The consequences of any action taken on the basis of information contained herein are solely the responsibility of the person or organization that may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies that may be discussed in this report and should understand that statements regarding future prospects may not be realized.

---

# BYBLOS BANK GROUP

## LEBANON

---

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

## IRAQ

---

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

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

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

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

## UNITED ARAB EMIRATES

---

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

## ARMENIA

---

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

## NIGERIA

---

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

## BELGIUM

---

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

## UNITED KINGDOM

---

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

## FRANCE

---

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

## CYPRUS

---

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

## ADIR INSURANCE

---

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