

LEBANON THIS WEEK

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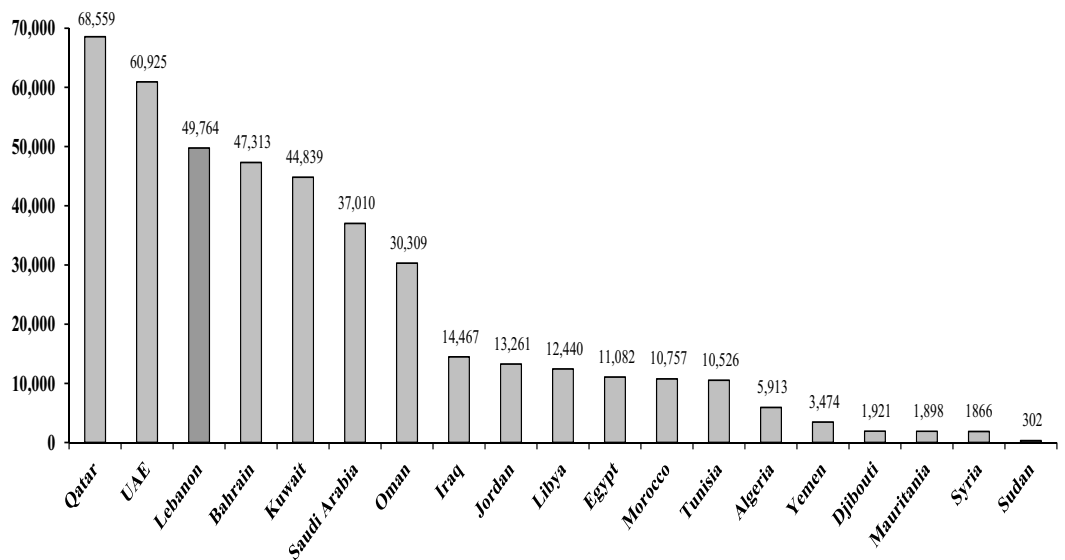
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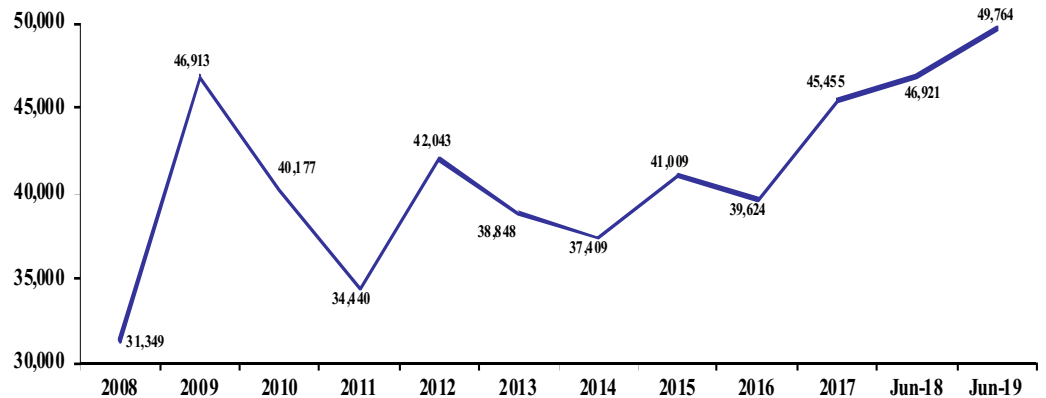
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Charts of the Week

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



Non-Financial Wealth* per Adult in Lebanon (US\$)



*non-financial wealth consists mainly of real estate holdings

Source: Credit Suisse, Byblos Bank

Quote to Note

"A political resolution which starts to rebuild depositor confidence, combined with a credible economic and fiscal reform plan and substantial external financial support, would ease financial pressure."

Fitch Ratings, on the urgent need to form a credible Cabinet that has a clear mandate to implement reforms

Number of the Week

1: Number of reforms that Lebanese authorities implemented since 2013 to improve the business environment, according to the World Bank's annual Ease of Doing Business surveys.

Lebanon in the News

\$m (unless otherwise mentioned)	2018	Jan-Oct 2018	Jan-Oct 2019	% Change*	Oct-18	Sep-19	Oct-19
Exports**	2,952	2,199	2,806	27.61	264	342	-
Imports**	19,980	15,156	15,304	0.98	1,718	1,466	-
Trade Balance**	(17,028)	(12,957)	(12,498)	(3.54)	(1,454)	(1,124)	-
Balance of Payments	(4,823)	(3,122)	(4,653)	49.06	(1,810)	(59)	(198)
Checks Cleared in LBP	22,133	18,235	17,511	(3.97)	2,064	2,060	1,378
Checks Cleared in FC	44,436	37,500	27,982	(25.38)	4,017	2,940	1,717
Total Checks Cleared	66,569	55,735	45,493	(18.38)	6,081	5,000	3,095
Fiscal Deficit/Surplus**	(6,246)	(4,508)	(3,592)	(20.32)	(226)	(640)	-
Primary Balance**	(636)	(591)	197	-	189	(171)	-
Airport Passengers	8,842,442	7,536,392	7,701,296	2.19	684,617	818,339	659,737
Consumer Price Index***	6.1	6.3	2.5	(380bps)	6.3	1.1	1.3

\$bn (unless otherwise mentioned)	Dec-17	Oct-18	Dec-18	Aug-19	Sep-19	Oct-19	% Change*
BdL FX Reserves	35.81	34.62	32.51	30.60	29.30	30.98	(10.51)
In months of Imports	18.57	20.15	20.72	20.35	19.99	-	-
Public Debt	79.53	84.04	85.14	86.29	86.78	87.08	3.62
Bank Assets	219.86	242.61	249.48	261.90	262.20	262.80	8.32
Bank Deposits (Private Sector)	168.66	173.25	174.28	172.54	170.30	168.36	(2.82)
Bank Loans to Private Sector	59.69	59.15	59.39	55.16	54.50	54.17	(8.43)
Money Supply M2	52.51	52.06	50.96	48.52	46.73	45.77	(12.07)
Money Supply M3	138.62	140.24	141.29	140.40	138.83	138.37	(1.33)
LBP Lending Rate (%)	8.09	9.60	9.97	11.24	10.92	11.19	159bps
LBP Deposit Rate (%)	6.41	7.74	8.30	8.95	9.13	9.03	129bps
USD Lending Rate (%)	7.67	8.30	8.57	10.03	10.26	10.05	175bps
USD Deposit Rate (%)	3.89	4.63	5.15	6.20	6.57	6.61	198bps

*year-on-year **year-to-date figures reflect results for first nine months of each year ***year-on-year percentage change; 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"	5.64	6.82	83,574	7.53%
Solidere "B"	5.40	0.93	14,566	4.68%
Byblos Common	1.00	(8.26)	5,000	7.55%
HOLCIM	9.50	0.00	-	2.47%
Audi GDR	3.53	0.00	-	5.63%
BLOM GDR	6.07	0.00	-	5.98%
Audi Listed	3.50	0.00	-	18.67%
BLOM Listed	7.07	0.00	-	20.28%
Byblos Pref. 08	60.00	0.00	-	1.60%
Byblos Pref. 09	63.00	0.00	-	1.68%

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

Sovereign Eurobonds	Coupon %	Mid Price \$	Mid Yield %
Mar 2020	6.38	87.75	67.22
Apr 2021	8.25	57.63	58.50
Oct 2022	6.10	48.75	37.02
Jun 2025	6.25	46.25	24.62
Nov 2026	6.60	46.13	22.14
Feb 2030	6.65	46.38	18.53
Apr 2031	7.00	46.50	18.37
May 2033	8.20	50.92	18.00
Nov 2035	7.05	46.25	16.86
Mar 2037	7.25	46.38	16.89

Source: Byblos Bank Capital Markets, Refinitiv

	Dec 9-13	Dec 2-6	% Change	November 2019	November 2018	% Change
Total shares traded	103,140	879,482	(88.3)	321,620	14,323,108	(97.8)
Total value traded	\$556,633	\$20,144,750	(97.2)	\$3,555,692	\$85,065,154	(95.8)
Market capitalization	\$7.49bn	\$7.51bn	(0.2)	\$7.54bn	\$9.72bn	(22.4)

Source: Beirut Stock Exchange (BSE)

CDS Lebanon	Dec 6, 2019	Dec 13, 2019	% Change**
CDS 1-year*	6,888	6,738	(2.2)
CDS 3-year*	4,421	4,265	(3.5)
CDS 5-year*	3,393	3,255	(4.1)

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

CDX EM 30*	Dec 6, 2019	Dec 13, 2019	% Change***
CDS 5-year**	190.4	178.4	(6.3)

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

mid-spread in bps *week-on-week

Housing demand regresses in third quarter of 2019

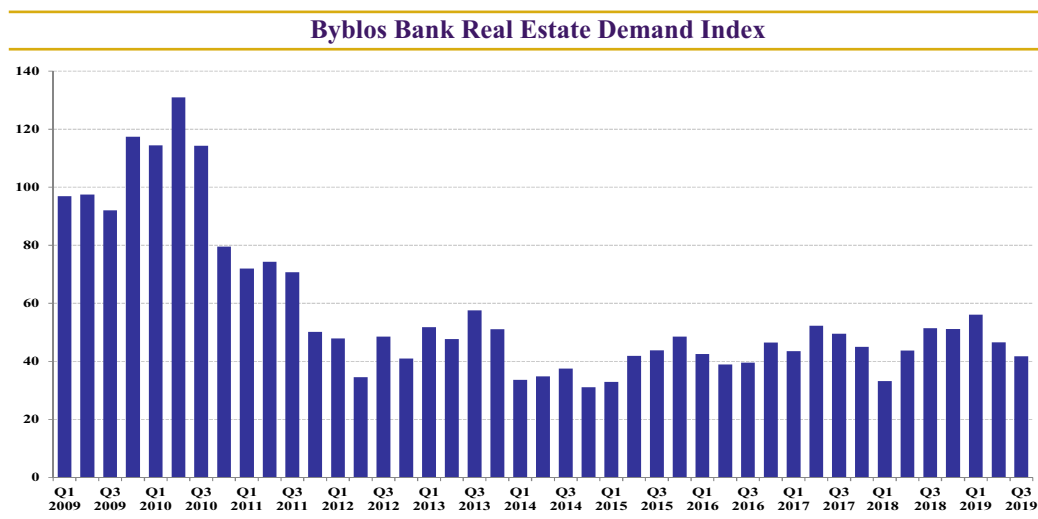
Demand for residential real estate in Lebanon regressed in the third quarter of 2019, as reflected by the results of the Byblos Bank Real Estate Demand Index. The Index posted a monthly average of 41.8 points in the third quarter of 2019, constituting a decrease of 10.2% from 46.5 points in the second quarter of the year and compared to an average of 51.4 in the third quarter of 2018. The third-quarter results constitute the 13th lowest level in 49 quarters.

Real estate demand regressed in the third quarter of 2019 due to the absence of a clear and comprehensive housing policy by the government that would revive demand for all segments of the residential market in Lebanon and allow citizens to have access to affordable housing. As such, the third-quarter results show that the housing market requires deep measures to stimulate demand, as any delay or uncertainty in implementing such measures will continue to dent the expectations of potential buyers and, in turn, further limit demand for housing.

The Index's average monthly score in the third quarter of 2019 came 68.1% lower than the peak of 131 points registered in the second quarter of 2010, and remained 62% below the annual peak of 109.8 points posted in 2010. Also, it was 29% lower than the Index's monthly trend average score of 58.9 points since the Index's inception in July 2007.

The results of the Index show that demand for housing was the highest in the South in the third quarter of 2019, as 13.7% of its residents had plans to build or buy a house in the coming six months, up from 11% in the second quarter of the year. The North followed with 5.3% of its residents planning to build or buy a residential unit in the coming six months, up from 5% in the preceding quarter; while 5% of residents in the Bekaa region had plans to buy or build a house, down from 6.9% in the previous quarter. In addition, 2% of residents in Beirut intend to buy or build a house, down from 3.2% in the preceding quarter, while 1.7% of residents in Mount Lebanon had plans to build or buy a residential unit, compared to 3.3% in the second quarter of 2019. In addition, real estate demand decreased across all income brackets in the third quarter of the year.

The Byblos Bank Real Estate Demand Index is a measure of local demand for residential units and houses in Lebanon. The Index is compiled, implemented and analyzed in line with international best practices and according to criteria from leading indices worldwide. The Index is based on a face-to-face monthly survey of a nationally representative sample of 1,200 males and females living throughout Lebanon, whereby residents are asked about their plans to buy or build a house in the coming six months. The data segregates the Index based on age, gender, income, profession, geographic region and religious affiliation. The Byblos Bank Economic Research & Analysis Department has been calculating the Index on a monthly basis since July 2007, with November 2009 as its base month. The survey has a margin of error of $\pm 2.83\%$, a confidence level of 95% and a response distribution of 50%. The monthly field survey is conducted by Statistics Lebanon Ltd, a market research and opinion-polling firm.



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

International Support Group calls for implementation of economic and structural reforms

The International Support Group for Lebanon (ISG) called for the urgent and quick formation of an effective and credible government that meets the aspirations of the Lebanese people, and that would deliver the needed economic reforms away from regional tensions and crises. The ISG met in Paris on December 11 to discuss the prevailing economic and social crisis in Lebanon. The ISG consists of China, France, Germany, Italy, Russia, the United Kingdom, the United States, as well as the United Nations, the European Union and the Arab League. Representative of Lebanese authorities, along with delegates from Egypt, Kuwait, the UAE and the International Monetary Fund, among others, attended the meeting.

It urged authorities to adopt a substantial, credible and comprehensive policy package of economic reforms in order to stop the deterioration in the economy and financial sector, address public finance imbalances, restore financial stability and tackle the structural deficiencies in the economy. It considered that Lebanon needs a sustainable financing model in order to reduce the economy's reliance on external funding.

Specifically, the ISG indicated that Lebanese authorities must commit themselves to timely and decisive measures and reforms. As such, it called on authorities to immediately ratify the 2020 budget as a first step towards a multi-year fiscal framework, as well as to draft a debt management strategy. It also urged Lebanon to take decisive actions to restore the stability and sustainability of the funding model of the financial sector, to fight corruption and tax evasion, as well as to reform state-owned enterprises and implement the electricity sector's reform plan. It encouraged authorities to enhance economic governance and improve the business environment by passing and implementing procurement laws.

In addition, the ISG reaffirmed that the decisions that participants at the CEDRE Conference took, and which the Lebanese government approved at the time, are still valid. In this regard, it said that the new government should accelerate the implementation of existing projects and prioritize the projects of the Capital Investment Plan, in line with the population's needs and expectations. It also called on the formation of an inter-ministerial committee to oversee the timely implementation of these projects. Further, it considered that support from international financial institutions is necessary to help the authorities sustain their efforts in implementing the necessary economic reforms over time. In addition, it reaffirmed its willingness to support the implementation of reforms and to provide technical assistance to the new government, in order to ensure Lebanon's access to basic goods and trade facilities. It encouraged authorities to identify reasonable and sustainable ways to face the current crisis, notably by seeking support from Lebanon's development partners, including international financial institutions.

The United Nations launched the ISG in September 2013 to help mobilize support and assistance for Lebanon's stability, sovereignty and state institutions. It aims to specifically encourage assistance for the Lebanese Army, Syrian refugees in Lebanon and host communities, as well as for government programs and public services impacted by the Syrian crisis.

Number of airport passengers stagnates in first 11 months of 2019

Figures released by the Beirut-Rafic Hariri International Airport (HIA) show that 8,138,752 passengers utilized the airport (arrivals, departures and transit) in the first 11 months of 2019, nearly unchanged from 8,164,597 passengers in the same period of 2018. The number of arriving passengers decreased by 1.9% year-on-year to 3,995,842 in the first 11 months of 2019, compared to a growth of 8.1% in the same period last year and to a rise of 8.9% in the first 11 months of 2017. Also, the number of departing passengers grew by a marginal 0.3% year-on-year to 4,096,958 in the first 11 months of 2019, relative to an increase of 6.6% in the same period last year and to a rise of 8.3% in the first 11 months of 2017.

Further, there were 438,674 passengers who utilized the airport in November 2019, with 224,874 departing passengers and 208,011 arriving passengers, the lowest monthly figures across the three categories of passengers since February 2015.

In parallel, the airport's aircraft activity regressed by 0.6% annually to 67,445 take-offs and landings in the first 11 months of 2019, relative to an increase of 3.4% in the same period of 2018 and to a growth of 0.6% in the first 11 months of 2017. In addition, the HIA processed 80,443 metric tons of freight in the covered period that consisted of 45,185 tons of import freight and 35,258 tons of export freight. Middle East Airlines had 25,193 flights in the covered period and accounted for 37.4% of HIA's total aircraft activity.

Treasury transfers to Electricité du Liban down 8% to \$1bn in first eight months of 2019

Figures released by the Ministry of Finance show that Treasury transfers to Electricité du Liban (EdL) totaled \$1bn in the first eight months of 2019, constituting a decline of 7.8% from \$1.1bn in the same period of 2018.

Reimbursements for the purchase of natural gas, fuel and gas oil totaled \$1bn, or 99.7% of transfers, in the covered period, while EdL's debt servicing represented the balance of \$2.7m, or 0.3% of the transfers. The ministry attributed the decline in transfers mainly to a decrease of \$81m in reimbursements for the purchase of natural gas, fuel and gas oil, which mostly consist of payments to the Kuwait Petroleum Corporation and to the Algerian energy conglomerate Sonatrach, as well as to a drop of \$3.3m in debt servicing. Reimbursements fell by 7.5% year-on-year from \$1.08bn in the first eight months of 2018, while debt servicing declined by 61% from \$6m. In addition, there were no transfers to Electricity Syria in the first eight months of 2019, compared to transfers of \$12.6m in the same period of 2018.

Treasury transfers to EdL accounted for 13.7% of budgetary primary expenditures in the covered period, nearly unchanged from 13.6% in the first eight months of 2018. They constituted the third largest expenditures item, or 9.4%, of overall fiscal spending after public sector personnel costs and debt servicing. EdL transfers were equivalent to 5.1% of GDP in 2012, 4.3% of GDP in each of 2013 and 2014, 2.3% of GDP in 2015, 1.8% of GDP in 2016, 2.5% of GDP in 2017, and 3.1% of GDP in 2018.

Fiscal deficit narrows by 20% to \$3.6bn in first nine months of 2019

Figures released by the Ministry of Finance show that the fiscal deficit reached \$3.6bn in the first nine months of 2019 and narrowed by 20.3% from a deficit of \$4.5bn in the same period of 2018. The deficit was equivalent to 29.7% of total budget and Treasury expenditures relative to 34.2% of spending in the same period last year. Government expenditures reached \$12.1bn in the first nine months of 2019 and declined by 8.3% from the same period of 2018, while revenues regressed by 2% to \$8.5bn. As such, the narrowing of the deficit reflects an annual drop of \$1.1bn in overall expenditures, which was partly offset by a decrease of \$177.4m in total revenues in the covered period. The regression in spending is due to a decline of \$756.5m in general expenditures, a decrease of \$65m in transfers to municipalities, and a contraction of \$128.3m in debt servicing outlays in the first nine months of 2019.

On the revenues side, tax receipts grew by 0.9% year-on-year to \$6.6bn in the first nine months of 2019, of which 26%, or \$1.7bn, were in VAT receipts that decreased by 9.6% annually. Tax receipts accounted for 81.4% of budgetary revenues and for 77.7% 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 17.8% to \$2.8bn in the first nine months of 2019; revenues from customs regressed by 5.9% to \$956m; receipts from property taxes dropped by 22.7% to \$431.4m; while revenues from taxes on goods & services grew by 3.5% to \$351.8m, and proceeds from stamp fees declined by 7% to \$277.6m.

The distribution of income tax receipts shows that the tax on interest income accounted for 45% of income tax revenues in the first nine months of 2019, followed by the tax on profits with 30.7%, the tax on wages & salaries with 15.6%, and the capital gains tax with 8%. Receipts from the tax on interest income surged by 48.6%, revenues from the tax on profits expanded by 3.4% and proceeds from the tax on wages & salaries increased by 0.7%; while revenues from the tax on capital gains declined by 5.8% year-on-year in the covered period. Also, the distribution of property taxes indicates that revenues from real estate registration fees fell by 29.2% year-on-year to \$247.1m and receipts from the built property tax retreated by 16.5% to \$130.8m in the first nine months of 2019, while revenues from the inheritance tax increased by 2% to \$53.5m.

Further, non-tax budgetary receipts grew by 2% year-on-year to \$1.5bn in the covered period. They mainly included \$954.3m in revenues generated from government properties that rose by 9.6% year-on-year, as well as \$413.5m in receipts from administrative fees and charges that declined by 10% annually. Receipts from telecommunication services decreased by 4.1% to \$624.2m, and accounted for 65.4% of income from government properties and for 41.5% of non-tax budgetary revenues.

On the expenditures side, total budgetary spending, which includes general expenditures and debt servicing, declined by 7.4% year-on-year to \$11.1bn in the first nine months of 2019. General spending decreased by 9.4% to \$7.3bn in the covered period, and included \$1.1bn in transfers to Electricité du Liban (EdL) that regressed by 8.1% year-on-year, and \$1.4bn in outlays from previous years that grew by 39.2% annually, among other general spending items. Also, debt servicing totaled \$3.8bn in the first nine months of 2019 and declined by 3.3% from the same period of 2018. Interest payments on Lebanese pound-denominated debt dropped by 4.8% year-on-year to \$2.3bn in the first nine months of 2019, while debt servicing on foreign currency debt decreased by 1% to \$1.35bn. In addition, Treasury expenditures, excluding transfers to EdL, declined by 17.4% year-on-year to \$987.5m in the covered period, as transfers to municipalities dropped by 12.4% to \$457.6m in the first nine months of 2019. Further, the primary budget balance posted a surplus of \$798m in the first nine months of 2019, or 7.2% of budgetary expenditures, while the overall primary balance registered a surplus of \$196.6m, or 1.6% of spending.

Fiscal Results in First Nine Months of Each Year

	2018 (US\$m)	2019 (US\$m)	Change (%)
Budget Revenues	8,022	8,107	1.1%
Tax Revenues	6,546	6,603	0.9%
Non-Tax Revenues	1,476	1,505	2%
<i>of which Telecom revenues</i>	651	624	-4.1%
Budget Expenditures	11,983	11,098	-7.4%
Budget Surplus/Deficit	(3,961)	(2,991)	-24.5%
<i>In % of budget expenditures</i>	<i>-33.1%</i>	<i>-26.9%</i>	
Budget Primary Surplus	(44)	798	-
<i>In % of budget expenditures</i>	<i>-0.4%</i>	<i>7.2%</i>	
Treasury Receipts	649	386	-40.5%
Treasury Expenditures	1,196	987	-17.4%
Total Revenues	8,671	8,494	-2%
Total Expenditures	13,179	12,086	-8.3%
Total Deficit	(4,508)	(3,592)	-20.3%
<i>In % of total expenditures</i>	<i>-34.2%</i>	<i>-29.7%</i>	
Total Primary Surplus/Deficit	(591)	197	-
<i>In % of total expenditures</i>	<i>-4.5%</i>	<i>1.6%</i>	

Source: Ministry of Finance, Byblos Research

Lebanon has 93rd highest level of human development globally, ninth highest among Arab countries

The United Nations ranked Lebanon in 93rd place among 189 countries worldwide and in ninth place among 19 Arab countries on its Human Development Index (HDI) for 2018. Also, Lebanon ranked in 33rd place among 56 upper middle-income countries (UMICs) included in the index. Lebanon's global rank was unchanged from the 2017 index. However, Lebanon's global rank regressed by six notches from 87th place in the 2013 survey and by 22 spots from the 2010 index. The 22 notches decline in Lebanon's rank between 2010 and 2018 is the fifth steepest globally.

The HDI uses three basic dimensions, which are longevity, education and income, to assess the level of human development in a country. The United Nations considered that Lebanon has a "high-level" of human development, unchanged from the preceding survey. Further, Lebanon was one of 54 countries worldwide that have a "high-level" of human development. Norway has the highest level of human development globally, while Niger has the lowest level.

Lebanon received a score of 0.73 points on the HDI in 2018, down from 0.732 in 2017 and compared to 0.741 in 2013 and 0.751 in 2010. Also, Lebanon's score was lower than the average score of 0.75 of countries that have a "high-level" of human development, while it was similar to the global average of 0.731 points and higher than the Arab states' average of 0.703 points. Globally, Lebanon had a higher development level than Botswana, Jamaica and Venezuela, and a lower level of human development than the Dominican Republic, Tunisia and Mongolia. Figures on individual components of the index show that Lebanon's results on the life expectancy and the mean years of schooling categories continue to be higher than the corresponding global averages, as well as higher than the averages of Arab countries and of countries with a "high-level" of human development.

In parallel, Lebanon ranked in 79th place among 162 countries globally and in ninth place among 17 Arab countries on the Gender Inequality Index (GII), which measures gender-based disadvantages in reproductive health, empowerment and the labor market. Lebanon also ranked in 24th place among 50 UMICs included in the index. The GII's scores range from zero to one, with smaller scores indicating lower levels of inequalities. Lebanon received a score of 0.362 points on the GII, better than the global and Arab averages of 0.439 points and 0.531 points, respectively, but worse than the average score of 0.331 points in countries that have a "high-level" of human development.

In terms of demographic trends, the United Nations estimated Lebanon's young-age dependency ratio at 39% in 2018, which is the ratio of Lebanese aged 14 years or younger to those in the 15 to 64 year-old bracket. In comparison, it said that the young age dependency ratio was 39.4% worldwide, 52.1% in Arab countries and 31.5% in countries that have a "high-level" of human development in 2018. Further, it estimated Lebanon's old-age dependency ratio at 10.5% in 2018, which is the ratio of Lebanese who are 65 years or older to those in the 15 to 64 year-old bracket. In comparison, it noted that the old age dependency ratio was 13.6% globally, 7.3% in Arab countries and 13.3% in countries that have a "high-level" of human development in 2018.

Human Development Index 2018

	Arab Rank	Global Rank	Category*
UAE	1	35	Very High
Saudi Arabia	2	36	Very High
Qatar	3	41	Very High
Bahrain	4	45	Very High
Oman	5	47	Very High
Kuwait	6	57	Very High
Algeria	7	82	High
Tunisia	8	91	High
Lebanon	9	93	High
Jordan	10	102	High
Libya	11	110	High
Egypt	12	116	High
Palestine	13	119	Medium
Iraq	14	120	Medium
Morocco	15	121	Medium
Syria	16	154	Low
Sudan	17	168	Low
Djibouti	18	171	Low
Yemen	19	177	Low

*Level of human development

Source: UNDP, Byblos Research

Components of the 2018 Human Development Index

	Life expectancy at birth (years)	Mean years of schooling (years)	Expected years of schooling (years)	GNI per capita* (US\$)
Lebanon	78.9	8.7	11.3	11,136
Arab States	71.9	7.1	12.0	15,721
World	72.6	8.4	12.7	15,745

*At 2011 Purchasing Power Parity

Source: UNDP, Byblos Research



Tourist arrivals up 2% in first 11 months of 2019

Figures compiled by the Central Administration of Statistics indicate that the number of incoming visitors to Lebanon totaled 1,830,098 in the first 11 months of 2019, constituting an increase of 1.6% from 1,801,384 tourists in the same period of 2018 and a decline of 9.2% from 2,015,755 visitors in the first 11 months of 2010, the record year for tourist arrivals in Lebanon. Also, the number of incoming visitors reached 74,408 in November 2019, decreasing by 47.8% from 142,624 in October 2019 and declining by 42.6% from 129,520 in November 2018. Tourist arrivals in November 2019 reached their lowest level since February 2014 when 71,872 persons visited Lebanon, and their fourth lowest level since May 2008 when Lebanon received 59,667 visitors. The figures exclude Lebanese, Syrian and Palestinian arrivals. Visitors from European countries accounted for 37% of the total in the first 11 months of 2019, followed by those from Arab countries with 30.2%, the Americas with 18.7%, Asia with 7%, Oceania with 4%, and Africa with 3.3%. Further, tourists from Iraq accounted for 10.3% of total visitors in the first 11 months of 2019, followed by visitors from the United States (10%), France (9.2%), Canada (5.8%), Germany (5.5%), Egypt (4.8%), Saudi Arabia (4.7%), Jordan (4.6%), the United Kingdom (3.8%), Sweden (2.4%), Kuwait (2.3%), Italy (1.9%), Turkey (1.8%), Brazil (1.4%), Venezuela (0.6%), and the UAE (0.1%).

In parallel, the number of visitors from Arab countries increased by 8.1% in the first 11 months of 2019 from the same period last year, followed by those from Europe (+4.3%), and the Americas (+4%); while the number of visitors from Africa contracted by 42.3% year-on-year, followed by those from Oceania (-8%) and Asia (-2%).

On a country basis, the number of tourists from the UAE grew by 68% in the covered period, followed by visitors from Saudi Arabia (+60%), Kuwait (+16.2%), Brazil (+14.2%), Turkey (+9.7%), Sweden (+9%), Egypt (+8%), the United States (+3.6%), Germany (+3.5%), Italy (+3.1%), France (+1.6%), Canada (+1.3%), the United Kingdom (+0.6%), and Venezuela (+0.1%). In contrast, the number of incoming visitors from Iraq regressed by 4.8% in the first 11 months of 2019, while the number of tourists from Jordan declined by 1.6%.

Coincident Indicator down 2.7% in first nine months of 2019

Banque du Liban's Coincident Indicator, an index of economic activity in Lebanon, reached 284.5 points in September 2019 compared to 291.6 in August 2019 and 292.3 in September 2018. The Coincident Indicator, an average of eight weighted economic indicators, decreased by 2.4% month-on-month and regressed by 2.7% year-on-year in September 2019. The indicator averaged 299 in the first nine months of 2019, constituting a decline of 2.7% from an average of 307.4 in the same period of 2018. Also, the indicator averaged 301.4 in the 12 months ending September 2019, compared to an average of 302.1 in the 12-month period ending August 2019 and to an average of 309.5 in the 12 months ending September 2018. As a result, the 12-month average coincident indicator was nearly unchanged month-on-month, while it decreased by 2.6% year-on-year. In parallel, the indicator regressed 16 times and improved 11 times on a monthly basis in the month of September since 1993. It averaged 249.5 points in 2010, 255.7 points in 2011, 256.6 points in 2012, 264.7 points in 2013, 273.2 points in 2014, 278.6 points in 2015, 289.5 points in 2016, 305.9 points in 2017, and 307.7 points in 2018.

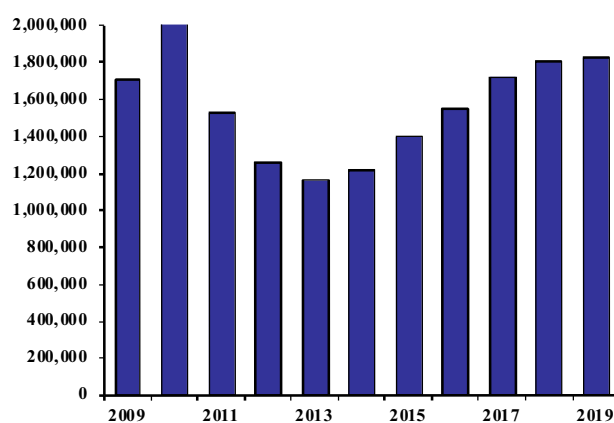
Ministry of Energy & Water awards ZR Energy tender for gasoline imports

The Ministry of Energy & Water awarded on December 9, 2019 the Lebanese energy trading company ZR Energy the contract to import 150,000 metric tons of 95 octane gasoline on behalf of the state. It announced that ZR Energy will provide 95 octane gasoline at market prices, plus a fee of \$39.7 per ton that covers the operating costs and profits of the company. The ministry had originally scheduled the conclusion of the bidding on December 2, 2019, but it postponed it for a week to allow for more competition after only two companies submitted offers by the first deadline. Four companies submitted bids to the state tender, including ZR Energy, Lebneft FZE and Oman Trading International, as well as a fourth firm that was not identified, as it did not provide the correct documents that are outlined in the conditions form. Founded in 2013, ZR Energy is part of ZR Group Holding sal. It specializes in the physical trade of petroleum products and operates mainly in the Middle East & North Africa region, as well as in some European countries.

The ministry indicated that the tender aims to address potential gasoline shortages in the Lebanese market. This is the first time that the ministry has taken such action in recent years, as about 10 private companies have been handling the import of refined petroleum products to Lebanon. The volume of gasoline imported through the tender covers 10% of the total imported quantities of gasoline.

Lebanon imported 8.45 million tons of mineral and fuel oil in the first eight months of 2019 relative to 4.53 million tons in the first eight months of 2018. The amount of imported mineral and fuel oil reached \$4.7bn in the first eight months of 2019, constituting a surge of 63.7% from \$2.9bn in the same period last year, and accounted for 33.8% of total imports in the covered period. The amount of imported gasoline reached \$920.7m in the first eight months of 2019 and represented 19.5% of total hydrocarbon imports to the country.

Number of Tourist Arrivals to Lebanon*



*in first 11 months of each year

Source: Central Administration of Statistics, Byblos Research

Gross public debt at \$87.1bn at end-October 2019, foreign currency debt down 8.2% year-on-year

Lebanon's gross public debt reached \$87.1bn at the end of October 2019, constituting an increase of 2.3% from \$85.1bn at the end of 2018 and a rise of 3.6% from \$84bn at end-October 2018. In nominal terms, the gross public debt grew by \$1.95bn in the first 10 months of 2019 relative to an increase of \$4.5bn in the same period of 2018.

Debt denominated in Lebanese pounds totaled \$54.6bn at end-October 2019, up by 5.7% from the end of 2018 and by 12.2% from end-October 2018; while debt denominated in foreign currency stood at \$32.5bn, constituting a decrease of 2.9% from end-2018 and a decline of 8.2% from end-October 2018.

Local currency debt accounted for 62.7% of the gross public debt at the end of October 2019 compared to 57.9% a year earlier, while foreign currency-denominated debt represented the balance of 37.3% relative to 42.1% at end-October 2018. The weighted interest rate on outstanding Treasury bills was 6.55% and the rate on Eurobonds was 6.84% in October 2019. Further, the weighted life on Eurobonds was 7.28 years, while it was 1,639 days on Treasury bills and bonds.

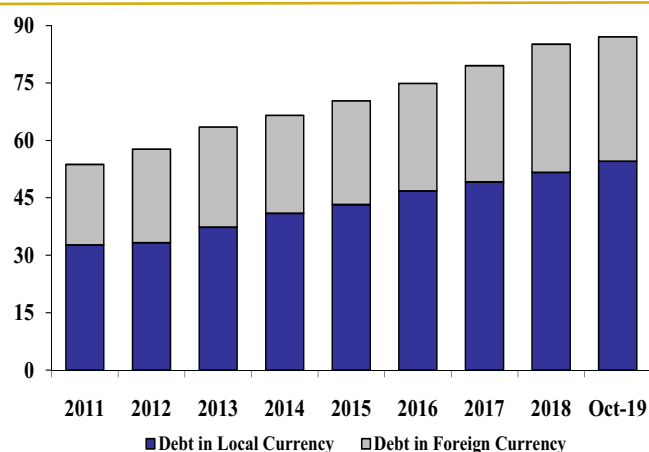
Commercial banks held 36.2% of the public debt at end-October 2019 relative to 39.7% of the total at end-October 2018. BdL held 54.7% of the Lebanese pound-denominated public debt at the end of October 2019 compared to 50% a year earlier, while commercial banks held 31.7% of the local debt compared to 34.7% at end-October 2018. Also, public agencies, financial institutions and the public held 13.7% of the local debt at end-October 2019 relative to 15.3% at end-October 2018. Further, holders of Eurobonds and special T-bills in foreign currencies accounted for 93.8% of foreign currency-denominated debt holders at the end of October 2019, followed by multilateral institutions with 4.2% and foreign governments with 2%. In addition, the net public debt, which excludes public sector deposits at BdL and at commercial and investment banks from overall debt figures, grew by 6.2% annually to \$78.7bn at end-October 2019. Further, the gross market debt accounted for about 56.2% of the public debt. The gross market debt is the total public debt less the portfolios of BdL, the National Social Security Fund, as well as bilateral and multilateral loans.

Opened letters of credit at \$4.9bn for imports and \$2.5bn for exports in first nine months of 2019

Figures released by Banque du Liban indicate that the amount of letters of credit (LCs) opened to finance imports to Lebanon totaled \$4.92bn in the first nine months of 2019, almost unchanged from \$4.93bn in the same period of 2018. Further, utilized credits for imports reached \$4.5bn in the first nine months of 2019, constituting an increase of 4.4% from \$4.4bn in the same period of 2018, and accounting for 92.4% of opened LCs for imports in the covered period. Also, outstanding import credits stood at \$822.2m at the end of September 2019 compared to \$1.1bn a year earlier. In addition, the aggregate amount of inward bills for collection reached \$683.2m in the first nine months of 2019, down by 11.4% from \$771.4m in the same period of 2018. The outstanding amount of inward bills for collection reached \$55.5m at the end of September 2019 relative to \$56.8m at end-September 2018.

In parallel, the amount of documentary letters of credit opened to finance exports from Lebanon totaled \$2.5bn in the first nine months of 2019, constituting a decrease of 3.7% from \$2.6bn in the same period of 2018. Further, utilized credits for exports reached \$2.2bn in the first nine months of 2019, up by 8.4% from \$2bn of used credits in the first nine months of 2018, and accounted for 88.9% of opened LCs for exports in the covered period. Also, outstanding export credits stood at \$915m at the end of September 2019 compared to \$1.1bn a year earlier. In addition, the aggregate amount of outward bills for collection amounted to \$757m in the first nine months of 2019, constituting a decline of 29% from \$1.1bn in the same period of 2018. The outstanding amount of outward bills for collection reached \$328m at the end of September 2019 relative to \$405.5m at end-September 2018.

Lebanon's Gross Public Debt (US\$bn)



Source: Ministry of Finance, Byblos Research

Number of real estate transactions down 19% in first 11 months of 2019

Figures released by the Ministry of Finance indicate that 44,163 real estate transactions took place in the first 11 months of 2019, constituting a decrease of 19.2% from 54,687 deals in the same period of 2018. In comparison, there were 66,458 real estate transactions in the first 11 months of 2017 and 57,774 deals in the same period of 2016. There were 8,326 real estate transactions in the Baabda area in the first 11 months of 2019, representing 19% of the total. The North followed with 6,595 deals (15%), then the South with 5,866 transactions (13.3%), the Zahlé area with 5,640 deals (12.8%), the Metn district with 5,022 transactions (11.4%), the Keserwan region with 4,157 deals (9.4%), the Nabatieh area with 3,851 transactions (8.7%), and Beirut with 3,364 deals (7.6%).

Also, the aggregate amount of real estate transactions reached \$5.7bn in the first 11 months of 2019 and decreased by 21.5% from \$7.3bn in the same period of 2018. In comparison, the amount of real estate deals regressed by 19% in the first 11 months of 2018 and grew by 20.4% in the same period of 2017. Further, the value of real estate transactions in Beirut totaled \$1.85bn and accounted for 32.3% of the total in the first 11 months of 2019. The Baabda region followed with \$1.05bn (18.2%), then the Metn district with \$1.04bn (18.1%), the Keserwan area with \$547.1m (9.5%), the South with \$485m (8.4%), the North with \$350.3m (6.1%), the Zahlé area with \$200m (3.5%), and the Nabatieh region with \$173m (3%).

In parallel, the average amount per real estate transaction was \$129,949 in the first 11 months of 2019, down by 2.8% from an average of \$133,715 in the same period of 2018 and relative to an average of \$135,629 in the first 11 months of 2017. Further, there were 900 real estate transactions executed by foreigners in the first 11 months of 2019, constituting a decline of 15.4% from 1,064 deals in the same period of 2018 and compared to 1,226 transactions in the first 11 months of 2017. The number of real estate deals executed by foreigners accounted for 2% of total real estate transactions in the first 11 months of 2019, relative to 1.9% in the same period of 2018 and to 1.8% of deals in the first 11 months of 2017.

Further, 25.7% of real estate transactions executed by foreigners in the covered period were in the Baabda district, followed by Beirut (17.8%), the South (16.8%), the Metn region (12.3%), the North (9.3%), the Keserwan region (8.4%), the Zahlé area (8.2%), and the Nabatieh region (1.4%). Also, Syrian citizens accounted for 25% of the total amount of real estate transactions executed by foreigners in November 2019, followed by Qatari nationals (10.7%), Kuwaiti citizens (5.2%), as well as Bulgarian nationals (4.8%), and Libyan citizens (4.6%).

Slight improvement in commercial activity in second quarter of 2019

Banque du Liban's quarterly business survey about the opinions of business managers shows that the balance of opinions for the volume of commercial sales reached -30 in the second quarter of 2019, relative to -39 in the first quarter of 2019 and to -34 in the second quarter of 2018. The business survey reflects the opinions of enterprise managers about their business activity in order to depict the evolution of a number of key economic variables. The balance of opinions is the difference between the proportion of surveyed managers who consider that there was an improvement in an indicator and the proportion of those who reported a decline in the same indicator. The balance of opinions was the lowest in the Bekaa region at -62, followed by Beirut & Mount Lebanon (-27), the South (-26), and the North (-12).

The survey shows that the balance of opinions about the sales of food items was -3 in the second quarter of 2019 relative to -14 in the preceding quarter and to -24 in the second quarter of 2018. Also, the balance of opinions about the sales of non-food products was -44 in the covered quarter, compared to -47 in the previous quarter, and relative to -38 in the second quarter of 2018; while it was -32 for inter-industrial goods relative to -52 in the first quarter of the year and to -38 in the same quarter of 2018. Further, the balance of opinions for inventory levels in all commercial sub-sectors was -7 in the second quarter of 2019, compared to -10 in the previous quarter and to -3 in the second quarter of 2018. Opinions about the level of inventories were the highest in the North as they reached +10, followed by Beirut & Mount Lebanon (-4), the Bekaa region (-7), and the South (-9).

Commercial Activity: Year-on-Year Evolution of Opinions				
Aggregate results	Q2-16	Q2-17	Q2-18	Q2-19
Sales volume	-18	-4	-34	-30
Number of employees	-4	-3	-8	-7
Inventories of finished goods	-7	-6	-3	-7
Q2-19 Regional results	Beirut / Mount Lebanon	North	South	Bekaa
Sales volume	-27	-12	-26	-62
Inventories of finished goods	-4	+10	-9	-7

Source: Banque du Liban business survey for second quarter of 2019

Majority of Lebanese think corruption level worsened in past 12 months

Transparency International's 2019 Global Corruption Barometer, a survey about the general public's views and experiences on corruption, indicated that 68% of respondents in Lebanon considered that the level of corruption in the country increased during the 12 months that preceded the survey. In contrast, 21% of respondents in Lebanon believed that the level of corruption in the country was unchanged over the previous 12 months, while 10% thought that graft decreased in the same period. In comparison, 65% of Arab respondents said that the level of corruption in their country increased during the 12 months that preceded the survey, 19% believed that the level of corruption in their country was unchanged, while 12% thought that graft decreased over the preceding 12 months. The share of respondents in Lebanon who thought that the level of corruption in the country increased during the 12 months that preceded the survey is the second highest among six Arab countries included in the survey, behind only Sudan (82% of respondents).

The survey was conducted in Morocco, Sudan and Tunisia between March and August 2018, and in Jordan, Lebanon and Palestine between August and October 2019. It covered a sample of 6,600 respondents in the six Arab countries.

In parallel, 87% of respondents in Lebanon considered that the government at the time of the survey failed to fight corruption, while 13% believed that the government's measures to tackle graft were effective. The share of participants in Lebanon who thought that the government's effort was ineffective in addressing corruption practices was the highest among the surveyed countries.

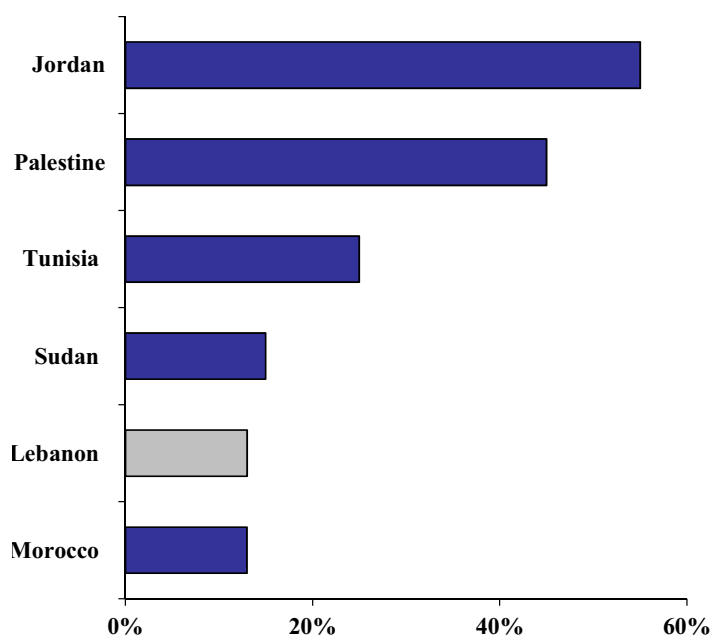
Further, 68% of participants in Lebanon considered that most or all government officials are involved in corruption, the highest percentage among the surveyed countries. Also, 64% of respondents thought that most or all members of Parliament are corrupt, while 53% of surveyed participants believed that judges and magistrates are involved in corruption. Further, 89% of Lebanese respondents thought that government corruption is a big problem, while 80% have little or no trust in the government. In addition, the survey showed that 47% of Lebanese citizens were offered bribes in exchange for votes, followed by Jordan 26% and Palestine 12%.

In addition, 41% of respondents in Lebanon indicated that they had to pay a bribe in the 12 months that preceded the survey in order to receive government services, the highest such share among countries included in the study. Further, the survey indicates that 48% of respondents in Lebanon had to pay a bribe in exchange for court services, followed by 37% of participants who requested identity documents, then 36% of respondents who wanted to receive utility services, 36% of participants who wanted to deal with the police, 27% of respondents who used public hospitals, and 26% of participants who wanted services at public schools.

Further, 54% of respondents in Lebanon indicated that they resorted to personal connections to get the public services they needed, the highest percentage among the surveyed countries. The results showed that people attributed their use of personal connections to their belief that they would not have received the service otherwise, or to get a better service than what is usually offered.

In parallel, 48% of Lebanese believed that there is nothing that ordinary people can do to help fight corruption, the highest such share among Arab countries, while 39% of Lebanese participants indicated that ordinary people can make a difference in the fight against corruption. The survey indicated that political dynamics in Lebanon create a complicated environment that contributes to corruption and protects corrupt individuals. It added that tackling corruption in the public sector is challenged by political interference, the absence of accountability and transparency, as well as the lack of independence of the judicial system.

Government Performance in Fighting Corruption*
(% of respondents)



*% of people who think their government is doing a good job at tackling corruption

Source: Transparency International, Byblos Research

Byblos Bank Armenia signs partnership with Export Insurance Agency of Armenia

Byblos Bank Armenia C.J.S.C, the subsidiary of the Byblos Bank Group in Armenia, signed a partnership agreement with the Export Insurance Agency of Armenia (EIAA) to offer pre-export and post-export financing services. Byblos Bank Armenia will provide export financing plans to exporters, which will be guaranteed by the EIAA insurance policy. The cooperation between Byblos Bank Armenia and the EIAA would support exports and production volumes of companies in Armenia, and would help introduce joint financial services. The EIAA provides insurance against financial losses that could incur as a result of non-payment for supplied goods by foreign buyers or their banks.

Byblos Bank Armenia posted net profits of AMD1.4bn, or \$2.9m, in the first nine months of 2019, constituting an increase of 25.2% from the same period of 2018. Also, the bank's aggregate assets reached AMD99.1bn, or \$208.1m at the end of September 2019 and grew by 5.1% from AMD94.3bn at end-2018. Total customer loans stood at AMD31.7bn, or \$66.6m at end-September 2019 and declined by 8.8% from end-2018. Also, total customer deposits amounted to AMD57.5bn, or \$120.7m at the end of September 2019 and increased by 7.1% from end-2018.

New car sales down 31% in first 11 months of 2019

Figures released by the Association of Automobile Importers (AAI) in Lebanon show that dealers sold 21,285 new passenger cars in the first 11 months of 2019, constituting a decline of 31% from 30,785 cars sold in the same period of 2018. Individuals and institutional clients purchased 1,838 new cars in January, 1,906 new vehicles in February, 2,190 new automobiles in March, 2,168 new cars in April, 2,458 new vehicles in May, 2,616 new automobiles in June, 2,948 new cars in July, 2,041 new vehicles in August, 1,700 new automobiles in September, 960 new cars in October, and 460 new vehicles in November 2019. The number of cars sold during the month of the November was the lowest since August 2006, when only 266 new vehicles were sold as a result of the July 2006 Israeli war.

Japanese cars accounted for 39.4% of total car sales in the first 11 months of 2019, followed by Korean vehicles with a 25% share, European automobiles (22.7%), American cars (9%), and Chinese vehicles (3.9%). Demand for Korean vehicles dropped by 39.4%, the sales of Japanese cars decreased by 33%, demand for new American automobiles declined by 26%, the sales of European vehicles regressed by 19.8%, and the number of Chinese cars sold fell by 5.6% annually in the first 11 months of 2019.

Further, Kia is the leading brand in the Lebanese market with 3,144 passenger vehicles sold in the first 11 months of 2019, followed by Toyota with 2,363 new cars sold, Nissan (2,300), Hyundai (2,170), and Renault (1,374).

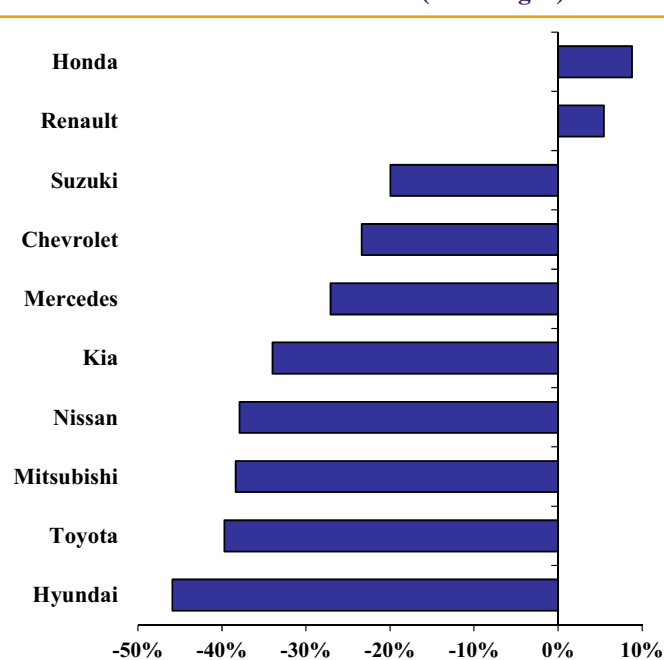
In parallel, Lebanon's top five car distributors sold 12,838 vehicles in the first 11 months of 2019 and accounted for 60.3% of new auto sales. NATCO sal sold 3,144 vehicles in the covered period, equivalent to 14.8% of the total, followed by Rasamny Younis Motor Co. sal with 3,106 automobiles (14.6%), Boustany United Machineries sal with 2,464 cars (11.6%), Century Motor Co. sal with 2,170 vehicles (10.2%), and Bassoul Heneiné sal with 1,954 cars (9.2%). The AAI stopped disclosing figures about the sales of commercial vehicles since June 2019.

First National Bank issues 125,000 new common shares

First National Bank sal announced that it issued 125,000 new common shares at a par value of LBP10,000 (\$6.6) per share. The new shares were distributed gratis to existing shareholders in a proportion equivalent to the percentage of common shares they own. The bank covered the new issuance by transferring the funds from its retained earnings to the capital account. As such, the aforementioned operations replaced the bank's redemption and cancellation of 125,000 Preferred Shares Series "2" earlier this year. The new shares are not listed on the Beirut Stock Exchange, in line with previous issuances. Following the issuance, the bank's share capital consists of 16,725,000 common shares and 525,000 Preferred Shares.

First National Bank sal, one of Lebanon's top 16 banks in terms of deposits, announced unaudited consolidated net profits of \$10.1m in the first half of 2019, constituting a decline of 28.3% from net earnings of \$14.1m in the same period of 2018. The bank's total assets reached \$5.3bn at the end of June 2019, up by 1.2% from end-2018, while loans & advances to customers, excluding those to related parties, decreased by 6.4% from end-2018 to \$833m. Also, customer deposits, excluding those from related parties, totaled \$3.7bn at end-June 2019 and regressed by 1.5% from the end of 2018.

Sales of Top 10 Car Brands
in First 11 Months of 2019 (% change*)



*from the same period of 2018
Source: AIA, Byblos Research

Agencies take rating actions on Lebanese banks

Capital Intelligence Ratings downgraded the long-term Foreign Currency Ratings (FCR) of Bank Audi, BLOM Bank, Crédit Libanais, Fransabank and Byblos Bank from 'B-' to 'C+', and the banks' short-term FCRs from 'B' to 'C'. Also, it lowered their Bank Standalone Rating (BSR) from 'b-' to 'c', and the Core Financial Strength (CFS) rating of Bank Audi, Crédit Libanais, Fransabank and Byblos Bank from 'b' to 'b-', while it downgraded the CFS of BLOM Bank from 'b+' to 'b'. It maintained the 'negative' outlook on the banks' long-term FCR and BSR, in line with the outlook on Lebanon's sovereign ratings. It attributed the downgrade of the banks' long- and short-term FCRs to its similar action on the sovereign ratings. It pointed out that despite the increased downside risks, the outlook on the banks' ratings could change to 'stable' in the short term if an effective government is formed and widespread structural reforms are implemented, which, in turn, would trigger the needed financial support from international and regional donors.

Further, Moody's Investors Service affirmed at 'Caa3' the foreign currency deposits ratings and at 'Caa2' the local currency deposits ratings of Bank Audi, BLOM Bank and Byblos Bank, and kept the ratings on review for downgrade. It also lowered the standalone Baseline Credit Assessments (BCAs) and Adjusted BCAs of the three banks from 'caa2' to 'ca'. It attributed the downgrade to Banque du Liban's (BdL) Intermediate Circular 536 issued on December 4, 2019, which asked banks, exceptionally and for a period of six months, to pay customers 50% of the interest income on their foreign-currency term deposits that were blocked prior to December 5, 2019 in Lebanese pounds. The agency considered these measures as a default on deposits based on its own methodology.

In parallel, Fitch Ratings downgraded the 'CCC-' long- and 'C' short-term issuer default ratings of Bank Audi and Byblos Bank to 'RD'. It also downgraded the banks' Viability Ratings from 'ccc-' to 'f' and removed all the banks' ratings from Rating Watch Negative. It attributed the rating actions to BdL's recent measures, which introduced some restrictions on the banks' operations in foreign currency, including interest payments on customer deposits.



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	CC	C	-	CC	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	Outlook
Moody's Investors Service	Stable

Source: Moody's Investors Service



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