650 ISSUES+
Issue 660 | Nov 30 - Dec 5, 2020

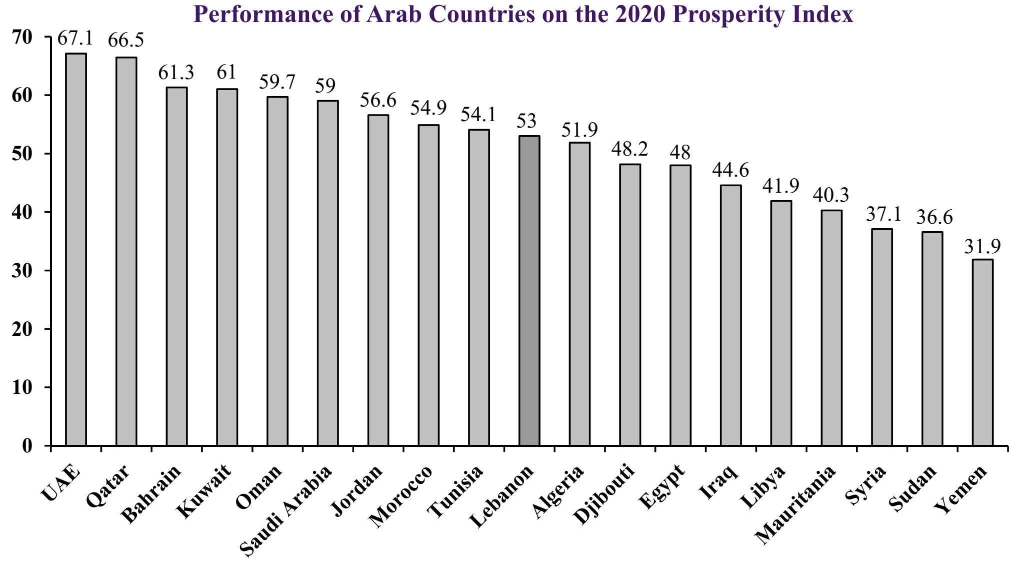
BYBLOS BANK SAL
Economic Research & Analysis Department

LEBANON THIS WEEK

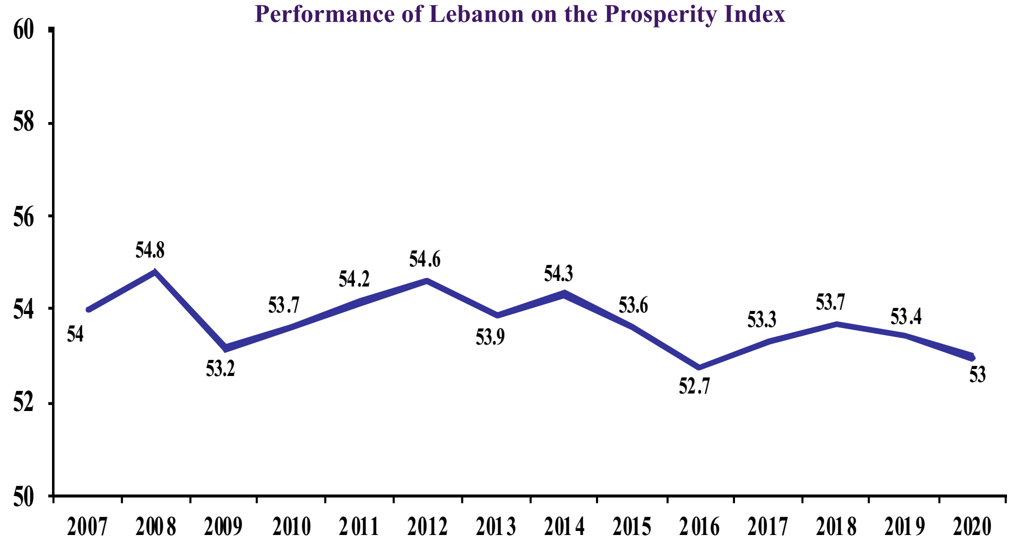
In This Issue

Charts of the Week

Performance of Arab Countries on the 2020 Prosperity Index



Performance of Lebanon on the Prosperity Index



Source: Legatum Institute, Byblos Research

Quote to Note

"We expect talks with the International Monetary Fund to remain protracted through 2021, delaying negotiations with bondholders most likely to 2022."

Barclays Capital, on the impact of the unknown date for the resumption of official negotiations between Lebanese authorities and the International Monetary Fund

Number of the Week

91.6%: Percentage of Lebanese who consider that economic conditions in the country deteriorated between March and September 2020, according to the September 2020 survey of the Byblos Bank/Consumer Confidence Index

Lebanon in the News

$m *(unless otherwise mentioned)*	2019	Jan-Sep 2019	Jan-Sep 2020	% Change*	Sep-19	Aug-20	Sep-20
Exports**	3,731	2,464	2,261	(8.3)	342	274	-
Imports**	19,239	13,839	6,923	(50.0)	1,466	799	-
Trade Balance**	(15,508)	(11,374)	(4,663)	(59.0)	(1,124)	(525)	-
Balance of Payments	(5,851)	(5,955)	(9,608)	61.3	(59)	(1,968)	(2,108)
Checks Cleared in LBP	22,146	16,133	14,456	(10.4)	2,060	1,433	1,645
Checks Cleared in FC	34,827	26,265	26,211	(0.2)	2,940	2,411	2,949
Total Checks Cleared	56,973	42,407	40,675	(4.1)	5,000	3,844	4,594
Fiscal Deficit/Surplus**	(5,837)	(2,952)	(2,535)	(14.1)	(542)	(436)	-
Primary Balance**	(287)	368	(1,136)	-	(208)	(430)	-
Airport Passengers	8,684,937	7,040,341	1,756,664	(75.0)	818,339	200,368	199,391
Consumer Price Index (%)	2.9	2.6	66.2	6360	1.1	120	131

$bn *(unless otherwise mentioned)*	Dec-19	Sep-19	Jun-20	Jul-20	Aug-20	Sep-20	% Change*
BdL FX Reserves	29.55	29.30	25.87	23.56	22.76	20.00	(31.7)
In months of Imports	21.95	19.48	30.30	25.55	28.48	-	-
Public Debt	91.64	86.79	93.40	93.70	94.27	94.81	9.2
Bank Assets	216.78***	262.20	201.09	198.08	195.71	192.57	(26.6)
Bank Deposits (Private Sector)	158.86	170.30	144.50	143.30	143.04	142.18	(16.5)
Bank Loans to Private Sector	49.77	54.50	41.42	40.30	39.64	38.60	(29.2)
Money Supply M2	42.11	46.73	39.02	39.25	40.21	40.94	(12.4)
Money Supply M3	134.55	138.83	129.51	129.48	130.53	130.92	(5.7)
LBP Lending Rate (%)	9.09	10.92	6.84	7.15	7.14	7.89	(303)
LBP Deposit Rate (%)	7.36	9.13	4.16	3.76	3.47	3.35	(578)
USD Lending Rate (%)	10.84	10.26	7.49	7.42	7.54	7.54	(272)
USD Deposit Rate (%)	4.62	6.57	1.64	1.49	1.28	1.15	(542)

**year-on-year **figures for the period reflect the first eight months of each year ***The annual decline in assets in December 2019 is mainly due to the "netting" on the assets and liabilities' sides of the consolidated balance sheet of commercial banks as part of the implementation of international accounting standard IFRS 7*
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"	15.97	1.2	322,820	25.8%
Solidere "B"	15.75	(0.3)	207,379	16.6%
BLOM Listed	2.00	(2.4)	170,000	7.0%
Byblos Common	0.52	(3.7)	111,000	4.8%
BLOM GDR	2.00	5.3	52,540	2.4%
HOLCIM	13.05	0.2	45,605	4.1%
Audi Listed	1.10	0.0	1,000	10.5%
Audi GDR	1.10	0.0	-	2.1%
Byblos Pref. 09	48.85	0.0	-	1.6%
Byblos Pref. 08	39.99	0.0	-	1.3%

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

Sovereign Eurobonds	Coupon %	Mid Price $	Mid Yield %
Apr 2021	8.25	15.250	1,613.4
Oct 2022	6.10	15.000	136.6
Jan 2023	6.00	13.875	117.5
Jun 2025	6.25	13.625	49.4
Nov 2026	6.60	13.500	36.5
Feb 2030	6.65	13.375	23.1
Apr 2031	7.00	13.375	20.4
May 2033	8.20	13.750	16.6
Nov 2035	7.05	13.375	14.0
Mar 2037	7.25	13.375	12.7

Source: Refinitiv

	Nov 30-Dec 4	Nov 23-27	% Change	Nov 2020	Nov 2019	% Change
Total shares traded	921,344	305,283	202	1,428,230	321,620	344
Total value traded	$8,948,295	$2,166,554	313	$12,541,379	$3,555,692	253
Market capitalization	$6.18bn	$6.18bn	(2.2)	$6.14bn	$7.54bn	(18.6)

Source: Beirut Stock Exchange (BSE)

Housing demand drops to lowest level on record in third quarter of 2020

Demand for residential real estate in Lebanon dropped to its lowest level on record in the third quarter of 2020, as reflected by the results of the Byblos Bank Real Estate Demand Index. The Index posted a monthly average of 5.6 points in the third quarter of the year, constituting a decrease of 41% from 9.6 points in the second quarter of 2020 and a decline of 86.5% from 41.8 points in the third quarter of 2019. The Index's average monthly score in the third quarter of 2020 was 95.7% lower than the quarterly peak of 131 points registered in the second quarter of 2010, and came 95% below the annual peak of 109.8 points posted in 2010. Also, it was 90% lower than the Index's monthly trend average score of 56 points since the Index's inception in July 2007.

The Index dropped to a record low in the third quarter of 2020 despite the increase in the number and amount of real estate transactions throughout the covered period, driven by the continuous migration of some deposits out of the banking sector towards real estate since November 2019. But the purchasing trend for housing has originated mainly from a relatively limited number of buyers, amid the rapid rise in real estate prices and the complicated modalities of payments that sellers are requesting.

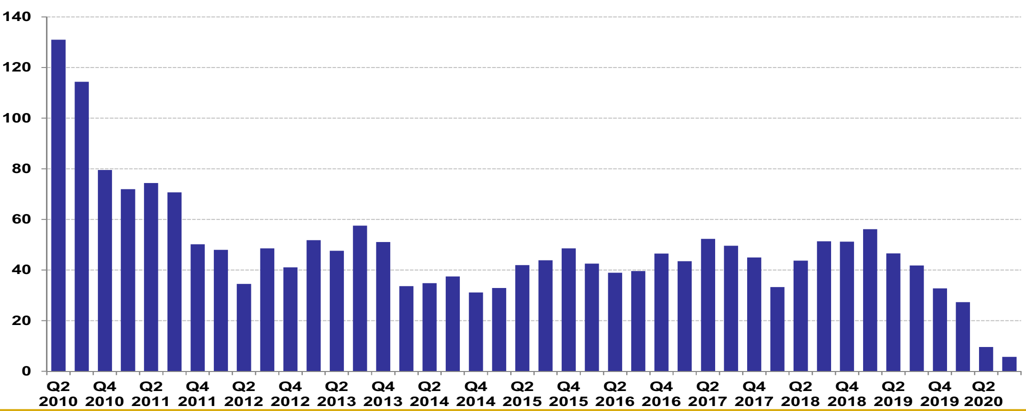
The ongoing decline of the Index since the start of the year is due to the accumulating socioeconomic challenges in the country, to the absence of measures to stimulate demand for real estate, and to the uncertain economic outlook, which shifted the attention of citizens away from major investment decisions, such as acquiring or building a residential unit, and led the Index to fall to a record low in the second quarter of the year. However, the August 4 explosion at the Port of Beirut severely affected demand for real estate in the third quarter and caused the Index to drop to a new all-time low in the covered period, as citizens were forced to address more urgent and basic needs.

The answers of respondents to the Index's survey questions in the third quarter of 2020 show that 0.6% of Lebanese residents had plans to either buy or build a residential property in the coming six months, down from 1.1% in the second quarter of 2020 and compared to 4.7% in the third quarter of 2019. In comparison, 6.4% of residents in Lebanon, on average, had plans to buy or build a residential unit in the country between July 2007 and June 2020, with this share peaking at nearly 15% in the second quarter of 2010.

The results of the Index show that demand for housing was the highest in Beirut in the third quarter of 2020, as 0.8% of its residents had plans to build or buy a house in the coming six months relative to 2% of residents in the third quarter of 2019. The South followed with 0.77% of its residents planning to build or buy a residential unit in the coming six months compared to 13.7% in the third quarter of 2019; while 0.7% of residents in the Mount Lebanon region had plans to buy or build a house, down from 1.7% in the third quarter last year. In addition, 0.6% of Bekaa residents intend to buy or build a house, compared to 5% in the same quarter of 2019, while 0.4% of residents in the North region had plans to build or buy a residential unit, down from 5.3% in the third quarter of last year. In parallel, real estate demand decreased across all income brackets in the third quarter of 2020 from the same quarter last 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. The data segregates the Index based on age, gender, income, profession, geographic region and religious affiliation. The surveyed persons are asked about their plans to buy or build a house in the coming six months. The Byblos Bank Economic Research and 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 ±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.

Byblos Bank Real Estate Demand Index



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

International community reiterates calls to form credible and effective government

The President of the French Republic Emmanuel Macron and the Secretary General of the United Nations Antonio Guterres organized on December 2 the Conference in Support of the Lebanese Population. The conference follows the International Conference on Support to Beirut and the Lebanese People, which was held on August 9 to mobilize emergency humanitarian response in the aftermath of the August 4 explosion at the Port of Beirut. The August 9 conference yielded €257m in pledges from the international community, but resulted in the disbursement of more than €280m that were directed towards priority areas, including healthcare, education, urban rehabilitation, and food.

The December 2 conference yielded the Reform, Recovery, and Reconstruction Framework (3RF) for Lebanon that will be financed through a multi-donor trust fund. The 3RF, which is prepared by the World Bank, the United Nations and the European Union, aims to ensure the continuity of funding for Lebanon beyond the emergency humanitarian aid that was disbursed after the August 4 blast. The framework will allow civil society stakeholders in Lebanon to define priority areas for action, such as good governance, healthcare, access to education, social protection, housing, culture and heritage, and will also cover small and medium-sized enterprises. The conference welcomed the coordination mechanism under the 3RF, and stressed the need to avoid duplication with existing mechanisms. The participants reaffirmed their "commitment to a transparent and efficient distribution of international aid, for the sole benefit of the population."

In parallel, the participants expressed concerns about the deteriorating socio-economic conditions in Lebanon and the emergence of a humanitarian crisis. They noted that Lebanon's economic, financial, monetary and social indicators have worsened, with an increase in the poverty rate that is pushing many Lebanese to emigrate. Further, the participants urged Lebanese political leaders to immediately agree on the formation of a government that is credible, effective and able to work in the general interest of the country. The international community considered that such a government has to urgently implement the reforms and measures to regain the trust of the Lebanese people and the international community, based on the French roadmap of September 1 that all the Lebanese political sides approved at the time. It reiterated that reforms are critical for the international community's engagement to support Lebanon, including access to the funding pledged at the CEDRE conference and the prospects for additional longer-term structural support as part of a reforms program that Lebanon has to reach with the International Monetary Fund.

In parallel, the International Monetary Fund endorsed the broad principles for reforms that Lebanon needs to implement, in order to restore the country's macroeconomic and financial stability, and that are outlined in the 3RF. It committed to help transform these principles into a viable reform program to restore the solvency of Lebanon's public finances and the soundness of the financial system; rehabilitate loss-making state-owned enterprises; strengthen governance, transparency, and accountability with comprehensive audits of key public institutions; and expand the social safety net. The IMF indicated that it was unable to advance in the preparation of a comprehensive stabilization and reform program due to the absence of "an empowered government", and despite providing technical assistance to Lebanese authorities during the past four months. It pointed out that Lebanon continues to lack a coherent fiscal framework to restore the sustainability of the public debt, as well as a credible strategy to rehabilitate the banking sector. The IMF called for the swift resolution of issues that are preventing the formation of an "empowered government" that has a strong mandate to implement reforms, and expressed its readiness to support a new government in its mission.

A total of 44 countries and international organizations participated in the conference, including, France, Germany, Canada, Egypt, Jordan, Saudi Arabia, as well as the International Monetary Fund, the European Union, the European Investment Bank, the European Bank for Reconstruction and Development, and the World Bank. In addition, seven civil society organizations from Lebanon participated in the conference.

USAID funds initiatives to support rural development and SMEs

The United States Agency for International Development (USAID) launched the Agriculture and Rural Empowerment (ARE) project to support several industries in the rural areas of Lebanon. The ARE project will allocate $57m over several years to develop "rural economies" in the country by supporting the agri-food industry and other sectors. The initiative will allow selected micro-, small- and medium-sized enterprises to improve their productivity, increase their local sales and exports, and expand their access to financial resources. The project also aims to create jobs and increase the income of farmers and workers in rural areas.

In parallel, the USAID-funded program Insure & Match Capital (IM Capital) launched an emergency relief initiative to support small- and medium-sized enterprises (SMEs), as well as families affected by the Beirut Port explosion. The Heartfelt Support To Beirut initiative aims to establish a "social value chain" by helping more than 8,000 impacted families, by sustaining and creating more than 200 jobs, and by supporting more than 300 SMEs. IM Capital will channel up to LBP2bn in funding through its portfolio of companies in the education, housing, food and water sectors, among others.

IM Capital indicated that the firms will provide relief packages of their own products and services to affected individuals and companies. It pointed out that other donors and aid organizations could use this model to support SMEs and the Lebanese economy.

IM Capital offers support through matching capital, equity guarantee, and technical assistance to qualified early-stage businesses (QESBs). It provides investment tools and support directly to QESBs, or indirectly through qualified early-stage investors that include angel investors, venture capital funds, as well as incubators and accelerators. The two initiatives are part of the $1.3bn in development assistance from the U.S. government to the Lebanese people since 2006.

International community launches Reform, Recovery and Reconstruction Framework for Lebanon

The World Bank, the United Nations and the European Union launched an 18-month Reform, Recovery, and Reconstruction Framework (3RF) for Lebanon, in response to the August 4 explosion at the Port of Beirut. The 3RF aims to achieve three central goals in response to the August 4 blast, which are to re-establish a sustainable livelihood for the population affected by the explosion; to reconstruct critical assets, services and infrastructure; as well as to implement reforms to support reconstruction and improve governance in the public sector. The initiative builds on the identified needs and recommendations of the World Bank's Rapid Damage and Needs Assessment that estimated the physical damage from the blast at between $3.8bn and $4.6bn.

The 3RF pursues two "tracks" over a period of 18 months. It indicated that 'Track 1' is a People-Centered Recovery Track that focuses on essential actions, such as policy measures, investments, and strengthening institutions, in order to address the urgent needs of the most vulnerable segments of the population and of small businesses that have been affected by the August 4 explosion. It noted that 'Track 1' will largely rely on international grant financing and on clear progress on immediate policy actions to facilitate the recovery, such as the adoption of appropriate action plans and institutional measures. It estimated the priority needs of the recovery track at $584m, including $426m for the first year. It pointed out that 'Track 2' is a Reform & Reconstruction Track that focuses on the implementation of critical reforms to address governance and recovery challenges in Lebanon, as well as on investments for the reconstruction of critical assets, services, and infrastructure. It estimated the cost for 'Track 2' at $2bn, and noted that the widespread damage and large reconstruction needs will require mobilizing a mix of public and private resources through public-private partnerships.

The 3RF is structured around four strategic pillars that are Improving Governance & Accountability; Jobs & Economic Opportunities; Social Protection, Inclusion & Culture; and Improving Services & Infrastructure. It noted that each pillar identifies strategic objectives and priority areas across the two tracks.

The first pillar intends to introduce an oversight mechanism for assistance funds, as well as to implement the National Anti-Corruption Strategy and conduct rapid corruption risk assessments in key reconstruction sectors, in order to prevent the leakage and misuse of funds. Under the second pillar, Lebanon needs to launch short-term employment programs and a business recovery plan that targets micro, small, and medium-sized enterprises, as well as to address the impact of the explosion and protect the most vulnerable insured retail clients in case an insurance firm fails. In addition, authorities need to prioritize reforms that facilitate and reduce the cost of doing business, promote competition, as well as enforce a strategy to improve the insurance sector and promote digital financial services. Further, key actions for the third pillar consist of establishing the foundations of a social assistance system by providing cash transfers to extremely poor households and by introducing social grants to address prevailing vulnerabilities, among other measures. Finally, the priorities under the fourth pillar include adopting strategies and action plans for housing, ensure cargo processing at the ports, clear rubble and debris inside and outside the port, as well as repair the partially destroyed housing and urban infrastructure, among others.

The 3RF stressed that progress on governance and socioeconomic reforms are prerequisites to mobilize international support for reconstruction beyond the recovery track, and to unlock new sources of public and private financing. It indicated that the policy actions and reforms outlined in the 3RF are a subset of the wider CEDRE reform package and are fully aligned with the French roadmap. It noted that it is essential to reach an agreement with the International Monetary Fund that would mobilize external financing and that would help implement macroeconomic stabilization measures. It pointed out that in the short-term, international grant financing will be required to finance urgent needs, along with the authorities' advancing on necessary reforms. It noted that Lebanon needs to make progress on critical reforms and macroeconomic stabilization in order to trigger concessional loans and private financing to support reconstruction. It said that the 3RF will be financed through the Lebanon Financing Facility (LFF), which will help pool and align grant financing for the 3RF. It noted that the LFF will channel support directly to the Lebanese people and to businesses that have been impacted by the explosion, under strong fiduciary monitoring and oversight.

3RF Priority Costs per Pillar (US$m)

	Track 1	Track 2
Pillar 1: Improving Governance and Accountability	4.8	4.3
Pillar 2: Jobs and Economic Opportunities	97.8	196.8
Pillar 3: Social Protection, Inclusion and Culture	174.8	1,018
Pillar 4: Improving Services and Infrastructure	306.9	781.9
Total	**584.2**	**2,001**

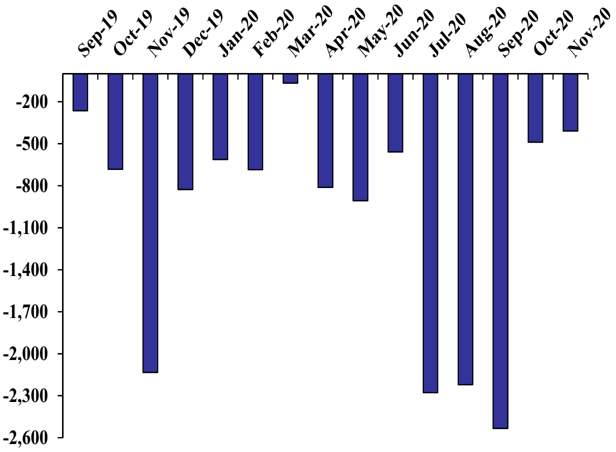
Source: World Bank

Banque du Liban's foreign assets at $25bn, gold reserves at $16.4bn at end-November 2020

Banque du Liban's (BdL) interim balance sheet reached $156.2bn at the end of November 2020, constituting an increase of 10.5% from $141.4bn at the end 2019, and a rise of 11.7% from $139.8bn at end-November 2019. Assets in foreign currency totaled $25bn at the end of November 2020, representing a drop of $12.2bn, or 32.8%, from $37.3bn at end-2019; and a decline of $13.1bn, or 34.3% from end-November 2019. Assets in foreign currency include $5.03bn in Lebanese Eurobonds relative to $5.7bn at the end of 2019.

BdL's assets in foreign currency, excluding Lebanese Eurobonds, stood at $20bn at the end of November 2020, and dropped by $11.6bn, or 36.7%, in the first 11 months of the year. They declined by $613.3m in January 2020, by $684.6m in February, by $67m in March, by $812m in April, by $907m in May, by $558m in June, by $2.3bn in July, by $2.2bn in August, by $2.5bn in September, by $489m in October, and by $409m in November.

Change in Gross Foreign Currency Reserves (US$m)



Source: Banque du Liban

The cumulative decline in BdL's assets in foreign currency, excluding Lebanese Eurobonds, is largely due to the financing of the imports of hydrocarbons, wheat, medicine, medical equipment, a basket of more than 300 food and non-food items, and raw materials for agriculture and industry. It is also due to the fact that BdL has paid, at the request of the government, maturing Eurobonds and external debt servicing until early March 2020, as well as to deposit outflows and to BdL's intervention in the currency market. In addition, the decrease in BdL's assets in foreign currency in September was mainly driven by the banks' repayment of their foreign currency loans to BdL.

In parallel, the value of BdL's gold reserves reached $16.4bn at the end of November 2020 and increased by 17.3% from $13.9bn at end-2019. The value of gold reserves reached a peak of $18.1bn at mid-September 2020. Also, the securities portfolio of BdL totaled $40bn at the end of November and grew by 5.4% from end-2019. In addition, loans to the local financial sector regressed by 3% in the first 11 months of the year and reached $14.5bn at the end of November 2020. Further, deposits of the financial sector stood at $108.2bn at the end of November 2020 and declined by $3.8bn from end-2019. Also, public sector deposits at BdL totaled $4.8bn at the end of November 2020 and fell by $682.1m in the first 11 months of 2020.

World Bank suggests roadmap for structural reforms

The World Bank proposed a structural reforms agenda for Lebanon that aims to stabilize the economy, establish economic efficiency and restore trust. It noted that its agenda consists of five pillars that are anchored on macroeconomic stabilization and on better governance and accountability. It added that the agenda is based on the "strong assumption that Lebanese policymakers want to rebuild a more productive, equitable, and resilient economy".

First, it pointed out that reforms need to start with a comprehensive and credible macroeconomic stabilization plan, given the rapid deterioration of the country's economic conditions. As such, it called on authorities to address the increase in the inflation rate, the weakening of the Lebanese pound, and the existence of multiple exchange rates. It also said that authorities have to restructure the public debt and introduce a fiscal framework for the sustainability of the public debt.

Second, it indicated that Lebanon needs to address the primary sources of corruption and inefficiencies in the public sector by strengthening the management of public funds, reforming public procurement, and improving accountability through anti-corruption and judicial reforms. It considered that these measures, which aim to improve governance and achieve accountability, would help rebuild trust between citizens and the government.

Third, it said that Lebanon requires urgent investments in its electricity, telecommunications, port system, transportation, and water & sanitation sectors. It added that the State cannot afford these investments and that the private sector is unwilling to undertake them, given weak and opaque regulatory governance. It noted that Lebanon's Capital Investment Plan, which the authorities submitted at the CEDRE Conference in April 2018, can be an effective tool in preparing the reform package for infrastructure development. Fourth, it pointed out that the private sector has to drive economic growth, and needs help in identifying and financing these opportunities. Fifth, it noted that authorities have to stop and reverse the deteriorating quality of the country's human capital.

In parallel, the World Bank identified seven high priority actions for Lebanon, which consist of endorsing a 2021 budget and a macro-fiscal framework for the 2021-22 period, as well as unifying the multiple exchange rates, formalizing capital control measures and carrying out an audit of Banque du Liban. It noted that the five other priority actions are to restructure the public debt, adopt an effective bank resolution framework, revoke the banking secrecy law, implement the public procurement law, as well as establish a High-level Justice Reform Committee and implement the Anti-Corruption Strategy. In addition, it called for the expansion of the social safety net system and for the implementation of a compensation scheme for subsidy reforms, among other measures.

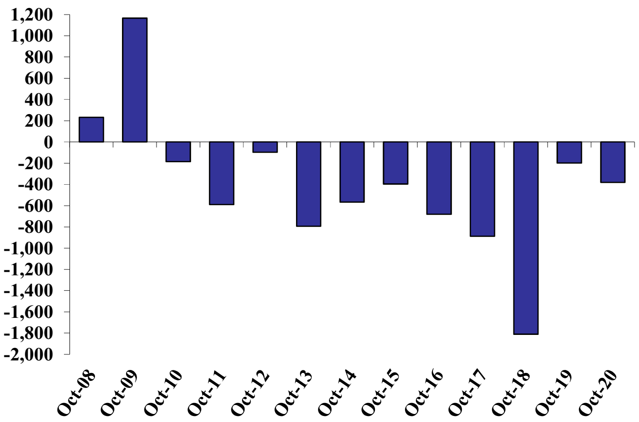
Net foreign assets of financial sector down $10bn in first 10 months of 2020

Figures issued by Banque du Liban (BdL) show that the net foreign assets of the financial sector, which are a proxy for Lebanon's balance of payments, declined by $10bn in the first 10 months of 2020 compared to a decrease of $6.2bn in the same period of 2019.

The cumulative deficit in the first 10 months of the year was caused by a drop of $12.5bn in the net foreign assets of BdL, which was partly offset by an increase of $2.5bn in those of banks and financial institutions. The deficit in the covered period reached its widest level in the first 10 months of a year since BdL started to publish the data in 1993, mainly due to sustained drawdowns of BdL's foreign currency reserves amid the drying up of capital inflows after the government defaulted on its foreign obligations in March.

Further, the net foreign assets of the financial sector regressed by $380m in October 2020 compared to a decline of $2.1bn in September 2020 and to a decrease of $198m in October 2019. The October decline was caused by a drop of $489.6m in the net foreign assets of BdL, which was partly offset by an increase of $109.6m in those of banks and financial institutions.

Change in Net Foreign Assets of Financial Sector (US$m)



Source: Banque du Liban

The cumulative increase in the banks' net foreign assets is due to the steeper decline of their foreign liabilities relative to the decrease of their foreign assets. The drop in foreign liabilities was driven to a large extent by a decrease in non-resident deposits and in liabilities to the non-resident financial sector; while the decline in the banks' foreign assets was mostly due to a contraction of the banks' claims on the non-resident financial sector, as well as to a decline of their claims on non-resident customers. In parallel, the decrease in BdL's net foreign assets was due in part to the financing of the imports of hydrocarbons, wheat, medicine, medical equipment, a basket of more than 300 food and non-food items, and raw materials for agriculture and industry.

Amount of cleared checks down 1%, returned checks down 26% in first 10 months of 2020

The amount of cleared checks reached $45.2bn in the first 10 months of 2020, constituting a decrease of 0.8% from $45.5bn in the same period of 2019. In comparison, the amount of cleared checks dropped by 18.4% year-on-year in the first 10 months of 2019 and by 1.2% annually in the same period of 2018. The dollar figures are converted at the official exchange rate of the Lebanese pound against the US dollar.

The amount of cleared checks in Lebanese pounds regressed by 6.8% year-on-year to the equivalent of $16.3bn in the first 10 months of 2020, while the amount of cleared checks in foreign currencies declined by 3.1% to $28.8bn in the covered period. The dollarization rate of cleared checks expanded from 61.5% in the first 10 months of 2019 to 63.9% in the same period of 2020. There were five million cleared checks in the first 10 months of 2020, down by 40.5% from 8.3 million cleared checks in the same period of 2019. The number of checks denominated in foreign currencies accounted for 50.7% of the cleared checks in the first 10 months of 2020.

In addition, the amount of cleared checks reached $4.5bn in October 2020, constituting a decrease of 2.5% from $4.6bn in the preceding month, and compared to $3.1bn in October 2019. The amount of cleared checks in Lebanese pounds reached the equivalent of $1.9bn in October and grew by 12.8% from $1.6bn in September 2020; while the amount of cleared checks in foreign currencies declined by 11% month-on-month to $2.6bn in October 2020. There were 464,932 cleared checks in October 2020 relative to 511,370 cleared checks in the preceding month.

In parallel, the amount of returned checks in local and foreign currencies was $841.8m in the first 10 months of 2020 compared to $1.14bn in the same period of 2019 and to $1.33bn in the first 10 months of 2018. This constitutes a decline of 26% in the first 10 months of 2020 relative to a decrease of 14% in the same period of 2019. The amount of returned checks in Lebanese pounds and in foreign currency reached $276m and $567m, respectively, in the first 10 months of 2020, and declined by 10% and 31.8% year-on-year, respectively. Also, there were 100,992 returned checks in the first 10 month of 2020, down by 52.5% from 212,580 returned checks in the same period of 2019. The number of returned checks in foreign currency and in Lebanese pounds reached 46,410 and 54,582, respectively, in the first 10 months of 2020, and dropped by 59.3% and 40.8% year-on-year, respectively, in the covered period. Further, the amount of returned checks in domestic and foreign currencies stood at $75.6m in October 2020 compared to $65m in the previous month and to $89m in October 2019. Also, there were 4,557 returned checks in October 2020, relative to 5,389 returned checks in September 2020 and to 16,427 checks in October 2019.

Occupancy rate at Beirut hotels at 15%, room yields down 84% in first nine months of 2020

EY's benchmark survey of the hotel sector in the Middle East indicates that the average occupancy rate at four- and five-star hotels in Beirut was 15% in the first nine months of 2020 relative to 72% in the same period of 2019, and compared to an average rate of 37.3% in 14 Arab markets included in the survey. The occupancy rate at Beirut hotels was the lowest in the region in the covered period, while it was the fifth highest in the first nine months of 2019. The occupancy rate at hotels in Beirut regressed by 57.2 percentage points in the first three quarters of 2020, representing the steepest decline in the region. In comparison, the average occupancy rate in Arab markets declined by 28.2 percentage points in the covered period.

The occupancy rate at Beirut hotels stood at 43% in September 2020, constituting a decrease of 33.5 percentage points from 77% in September 2019. It was, along with the occupancy rate at hotels in Dubai, the fourth highest rate in the region in the covered month. The occupancy rate at Beirut hotels reached 25% in January, 30% in February, 10% in March, 2% in April, 3% in May, 3% in June, 11% in July and 22% in August 2020. In comparison, it stood at 60% in January, at 71% in February, at 79% in March, at 85% in April, at 45% in May, at 77% in June, at 77% in July and at 83% in August 2019.

Hotel Sector Performance in First Nine Months of 2020

	Occupancy Rate (%)	RevPAR (US$)	RevPAR % change
Ras Al Khaimah	47	78	(23.2)
Riyadh	51	73	(21.8)
Kuwait City	36	71	(46.1)
Dubai	38	70	(55.0)
Jeddah	37	65	(63.9)
Doha	56	60	(18.9)
Abu Dhabi	71	53	(27.4)
Makkah	36	38	(70.1)
Amman	31	34	(62.5)
Manama	26	34	(60.5)
Muscat	25	29	(63.3)
Cairo	30	29	(67.0)
Madina	23	26	(73.0)
Beirut	**15**	**23**	**(83.6)**

Source: EY, Byblos Research

The average rate per room at Beirut hotels was $159 in the first nine months of 2020, decreasing by 20.2% from $199 in the same period of 2019 and constituting the fifth highest rate in the region. The average rate per room in Beirut was higher than the regional average of $134.5 that regressed by 19.6% from the first nine months of 2019. The average rate per room at Beirut hotels was $157 in September 2020, relative to $138 in January, $123 in February, $122 in March, $124 in April, $108 in May, $170 in June, $283 in July and $202 in August 2020, and up by 46% from $108 in September 2019.

Further, revenues per available room (RevPAR) were $23 at Beirut hotels in the first nine months of 2020, the lowest rate in the region, compared to $143 in the same period of 2019. Beirut's RevPAR regressed by 83.6% year-on-year and posted the steepest decrease regionally. Beirut posted a RevPAR of $68 in September 2020, down by 17.5% from $83 in September 2019. The RevPAR in Beirut was the third highest in the region in the covered month. In comparison, Beirut posted RevPARs of $35 in January, of $37 in February, of $12 in March, of $2 in April, of $3 in May, of $5 in June, of $32 in July and of $45 in August 2020; while it registered RevPARs of $118 in January, of $132 in February, of $146 in March, of $174 in April, of $83 in May, of $181 in June, of $164 in July and of $180 in August 2019. Abu Dhabi posted the highest hotels occupancy rate in the region at 71% in the first nine months of 2020, while Kuwait city registered the highest average rate per room at $200, and Ras Al-Khaimah had the highest RevPAR at $78 in the covered period.

Industrial exports down 22% to $1.4bn in first eight months of 2020

Figures released by the Ministry of Industry show that industrial exports totaled $1.4bn in the first eight months of 2020, constituting a decline of 21.5% from $1.7bn in the same period of 2019. Industrial exports reached $144.5m in August 2020, compared to $218m in July 2020 and $214.1m in August 2019.

Exports of machinery & mechanical appliances amounted to $264.1m and accounted for 19.3% of aggregate industrial exports in the first eight months of 2020, followed by the exports of prepared foodstuffs & tobacco with $259.4m (19%), chemical products with $239m (17.5%), base metals with $191.5m (14%), plastics & rubber with $67.3m (5%), pearls or semi-precious stones with $61.8m (4.5%), and papers & paperboards with $58.4m (4.3%). Arab countries were the destination of 50.8% of Lebanese industrial exports in the first eight months of 2020, followed by European economies with 21.6%, African countries with 12.2%, Asian markets with 7.2%, countries in the Americas with 6.3%, and markets in Oceania with 1%.

On a country basis, Saudi Arabia was the main destination of Lebanese industrial exports and accounted for 9.7% of the total in the first eight months of 2020, followed by the UAE with 9.2%, Iraq with 7.7%, Qatar with 5.2%, Egypt with 4.6%, the United States with 4.3%, Greece with 3.8%, and Jordan and Syria with 3.6% each. In August 2020, 11 European economies, 10 Arab states, seven African countries, five Asian economies, and two countries in the Americas imported $1m or more each of Lebanese industrial products.

In parallel, imports of industrial equipment and machinery reached $58.3m in the first eight months of 2020, constituting a decline of 59% from $142.5m in the same period of 2019. Italy was the main source of such imports and accounted for 35.8% of the total in the first eight months of 2020, followed by China with 18.2% and Germany with 13%.

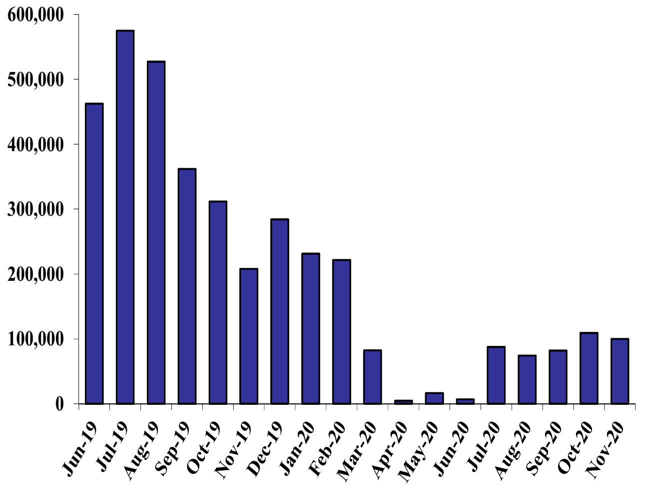
Further, imports of industrial equipment and machinery amounted to $5.6m in August 2020, down by 12.5% from $6.4m in July 2020 and down by 70.8% from $19.3m in August 2019. China was the main source of such imports with $1.4m and accounted for 25.4% of the total in the covered month, followed by Turkey with $0.8m (14.3%), and Italy with $0.68m (12%).

Number of airport passengers down 73% in first 11 months of 2020

Figures released by the Beirut-Rafic Hariri International Airport (HIA) show that 2,219,845 passengers utilized the airport (arrivals, departures and transit) in the first 11 months of 2020, constituting a decline of 72.7% from 8.14 million passengers in the same period of 2019. The number of arriving passengers dropped by 77% to 1,016,992 in the first 11 months of 2020, compared to a decrease of 2% in the same period last year and to a rise of 8.1% in the first 11 months of 2018. Also, the number of departing passengers fell by 74.6% to 1,149,741 in the first 11 months of 2020, relative to a marginal increase of 0.3% in the same period of 2019 and to a rise of 6.6% in the first 11 months of 2018.

In parallel, the airport's aircraft activity regressed by 64% to 24,279 take-offs and landings in the covered period, relative to a marginal decline of 0.6% in the same period of 2019 and to an increase of 3.4% in the first 11 months of 2018. In addition, the HIA processed 57,155 metric tons of freight in the first 11 months of 2020 that consisted of 26,557 tons of import freight and 30,598 tons of export freight. Middle East Airlines had 8,879 flights in the first 11 months of 2020 and accounted for 36.6% of HIA's total aircraft activity.

Number of Arriving Passengers



Source: Beirut-Rafic Hariri International Airport

The significant decline in the number of airport passengers and aircraft activity in the covered period is mainly due to the closure of the airport between March 18 and the end of June, as well as to the lockdown measures and the closure of airports in several countries in response to the outbreak of the coronavirus worldwide. However, the number of passengers that utilized the airport increased by nearly 10 times month-on-month to reach about 150,000 in July and by an additional 33% to around 200,000 passengers in August 2020, as the airport resumed its partial activity at the beginning of July. It then declined marginally to 199,391 passengers in September, improved to 242,817 in October, and decreased to 220,333 in November 2020. Also, the airport's aircraft activity increased from 653 take-offs and landings in June to 1,884 in July and reached 2,770 take-offs and landings in August 2020. It moderated to 2,157 take-offs and landings in September, improved to 2,398 take-offs and landings in October and stabilized at 2,366 take-offs and landings in November 2020. Still, the number of passengers that utilized the airport in the November of this year fell by 50%, while aircraft activity dropped by 48.4% from November 2019.

Revenues through Port of Beirut down 46% to $85m in first nine months of 2020

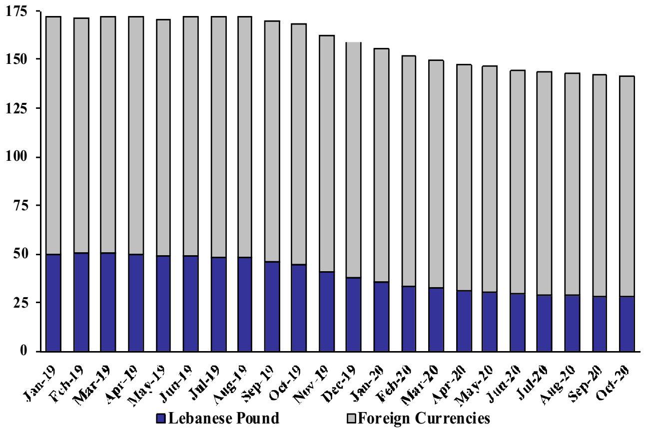
Figures released by the Port of Beirut show that the port's revenues reached $84.8m in the first nine months of 2020, constituting a decline of 44.5% from $152.8m in the same period of 2019. The Beirut Port processed 3.3 million tons of freight in the covered period, down by 37% from 5.2 million tons in the first nine months of 2019. Imported freight amounted to 2.7 million tons in the first nine months of the year, down by 40.5% from 4.6 million tons in the same period of 2019, and accounted for 83.2% of total freight. In addition, export cargo reached 549,000 tons in the covered period and declined by 11% from 616,000 tons in the first nine months of 2019. It represented 16.8% of total freight in the first nine months of 2020. A total of 1,024 vessels docked at the port in the first three quarters of the year, down by 23.5% from 1,338 ships in the same period of 2019. The decrease in revenues and the contraction in activity at the Beirut Port in the covered period are mainly due to the deterioration in economic and financial conditions in Lebanon, to the coronavirus pandemic, as well as to the August 4 explosion at the port that led to substantial damages and to its closure for more than eight days. However, revenues generated through the Beirut Port reached $10.8m in September 2020 and increased by 69.5% from $6.3m in August, as the port's activity recovered following the explosion. The port handled 372,000 tons of freight in September, constituting a rise of 29.2% from 288,000 tons in August. In addition, 96 vessels docked at the port in September, up by 52.4% from 63 ships in August 2020.

In parallel, revenues generated through the Port of Tripoli reached $9.4m in the first nine months of 2020, constituting a decrease of 19% from $11.7m in the same period of 2019. The Tripoli Port handled 1.5 million tons of freight in the first nine months of the year, down by 7% from 1.6 million tons in the same period of 2019. Imported freight amounted to 1.1 million tons in the first three quarters of 2020 and declined by 6.6% from 1.2 million tons in the same period of last year. It accounted for 73.4% of total freight in the covered period. In parallel, export cargo reached 407,690 tons, or 26.6% of total freight, and decreased by 8.2% from 443,973 tons in the first nine months of 2019. A total of 424 vessels docked at the port in the covered period, decreasing by 10.4% from 473 ships in the same period of 2019. Further, revenues generated through the Port of Tripoli increased by 10.3% from $1.6m in August to $1.8m in September 2020. The port handled 267,239 tons of freight in September, constituting an expansion of 6.3% from 251,401 tons in August. In addition, 65 vessels docked at the port in September, down by 23.5% from 85 ships in August 2020. Activity at the Port of Tripoli surged in August in the aftermath of the explosion at the Port of Beirut, as some vessels docked at the Tripoli Port instead. This trend continued in September but at a slower pace, as activity at the Beirut Port started to recover.

Private sector deposits down $31.6bn in 14-month period ending October 2020

The consolidated balance sheet of commercial banks operating in Lebanon shows that total assets stood at $191.1bn at the end of October 2020, constituting a decrease of 11.8% from $216.8bn at the end of 2019 and a decline of 27.3% from $262.8bn at end-October 2019. The dollar figures are based on the official exchange rate of the Lebanese pound to the US dollar. The year-on-year decline in assets is mainly due to the "netting" on the assets and liabilities' sides of the consolidated balance sheet of banks, as part of the implementation of international accounting standard IFRS 7 starting in December 2019.

Private Sector Deposits (US$bn)



Source: Banque du Liban, Byblos Research

Loans extended to the private sector reached $37.7bn at the end of October 2020, and declined by 24.3% from end-2019 and by 30.4% from a year earlier. Loans to the resident private sector totaled $33.4bn, constituting a decrease of 24.4% from the end of 2019 and of 30% from end-October 2019. Also, credit to the non-resident private sector reached $4.3bn at end-October 2020, and contracted by 23.4% from end-2019 and by 35.3% from a year earlier. In nominal terms, credit to the private sector contracted by $12.1bn in the first 10 months of 2020 relative to a decrease of $5.22bn in the same period of 2019, as lending to the resident private sector declined by $10.8bn and credit to the non-resident private sector regressed by $1.3bn in the covered period. The dollarization rate of private sector loans regressed from 70.4% at end-October 2019 to 60.7% at the end of October 2020. The average lending rate in Lebanese pounds was 7.61% in October 2020 compared to 11.2% a year earlier, while the same rate in US dollars was 7.46% relative to 10.05% in October 2019.

In addition, claims on non-resident financial institutions reached $4.4bn at the end of October 2020 and declined by $2.4bn (-35.2%) from end-2019, by $4bn (-47.7%) from a year earlier, and by $4.7bn (-52%) from the end of August 2019. Also, deposits at foreign central banks totaled $675.1m, constituting an increase of $86.6m (14.7%) from end-2019 and a drop of $245.9m (-26.7%) from end-October 2019. In addition, the banks' claims on the public sector stood at $22.1bn at end-October 2020, down by $6.5bn (-22.8%) from end-2019 and by $9.4bn (-29.7%) from the end of October 2019. The banks' holdings of Lebanese Treasury bills stood at $12bn, while their holdings of Lebanese Eurobonds reached $9.9bn at end-October 2020. Further, the deposits of commercial banks at BdL totaled $111.5bn at the end of October 2020, down by 5.3% from $117.7bn at the end of 2019 and by 27.7% from $154.3bn at the end of October 2019, following the netting operation.

In parallel, private sector deposits totaled $141bn at the end of October 2020, and contracted by 11.3% from the end of 2019 and by 16.3% from end-October 2019. Deposits in Lebanese pounds reached the equivalent of $27.9bn at end-October 2020, and declined by 26.8% from the end of 2019 and by 37.7% from a year earlier; while deposits in foreign currency reached $113.1bn, as they regressed by 6.4% from end-2019 and by 8.5% from end-October 2019. Resident deposits totaled $113.7bn at the end of October 2020 and decreased by $12.8bn (-10.1%) from the end of 2019 and by $19.2bn (-14.4%) from a year earlier. Also, non-resident deposits reached $27.3bn at end-October 2020, as they regressed by $5.1bn (-16%) from end-2019 and by $8.2bn (-23.1%) from the end of October 2019. In nominal terms, private sector deposits declined by $3.8bn in January, by $3.4bn in February, by $2.1bn in March, by $2.1bn in April, by $1.2bn in May, by $1.8bn in June, by $1.2bn in July, by $258.2m in August, by $856m in September, and by $1.22bn in October 2020. As such, aggregate private sector deposits dropped by $17.9bn in the first 10 months of 2020 relative to a decrease of $5.9bn in the same period of 2019, with deposits in Lebanese pounds regressing by $10.2bn and foreign-currency deposits shrinking by $7.7bn. In addition, private sector deposits declined by $2.2bn in September, by $1.9bn in October, by $5.8bn in November and by $3.7bn in December 2019. As such, aggregate private sector deposits dropped by $31.6bn in the 14-month period ending in October 2020, due largely to the repayment of loans, to the hoarding of cash at households, to banks and companies paying their foreign obligations, and to deposit outflows. The dollarization rate of private sector deposits was 80.2% at end-October 2020 compared to 76% at the end of 2019 and to 73.4% a year earlier.

Further, the liabilities of non-resident financial institutions reached $7.3bn at the end of October 2020 and decreased by 18% from end-2019. Further, the average deposit rate in Lebanese pounds was 3.14% in October 2020 compared to 9.03% a year earlier, while the same rate in US dollars was 1.04% relative to 6.61% in October 2019. The ratio of private sector loans to deposits in foreign currency stood at 20.2% at the end of October 2020 compared to 30.8% a year earlier, well below BdL's limit of 70%. The same ratio in Lebanese pounds reached 53.1% at end-October 2020 relative to 35.8% from a year earlier. As such, the total private sector loans-to-deposits ratio reached 26.7% compared to 32.2% at end-October 2019. The banks' aggregate capital base stood at $18.8bn at the end of October 2020, down by 8.7% from $20.6bn a year earlier.

Stock market capitalization down 19% to $6.1bn at end of November 2020

Figures released by the Beirut Stock Exchange (BSE) indicate that the trading volume reached 46,421,041 shares in the first 11 months of 2020, constituting a decline of 76.6% from 198,063,633 shares traded in the same period last year; while aggregate turnover amounted to $213.5m, down by 75.7% from a turnover of $877m in the first 11 months of 2019. The sharp decline in the volume and turnover during the first 11 months of 2020 came from a high base in the same period of 2019, which saw nine block trades in the shares of three listed companies. The market capitalization of the BSE reached $6.1bn at the end of November 2020 and regressed by 21% from $7.8bn at the end of 2019 and by 18.6% from $7.5bn at end-November 2019, with banking stocks accounting for 52.8% of the total, followed by real estate equities (42%), industrial shares (4.7%), and trading firms' equities (0.6%). The market liquidity ratio was 3.5% in the covered period compared to 11.6% in the first 11 months of 2019.

Banking stocks accounted for 70% of the trading volume in the first 11 months of 2020, followed by real estate equities with 29.7%, industrial shares with 0.3%, and trading firms' equities with 0.1%. Also, real estate equities accounted for 75.8% of the aggregate value of shares traded, followed by banking stocks with 23.7%, industrial stocks with 0.4%, and trading firms' equities with 0.1%. The average daily traded volume for the period was 215,912 shares for an average daily amount of $1m. The figures reflect a decrease of 77.4% in the average daily traded volume and a drop of 76.6% in the average amount in the first 11 months of the year. In parallel, the Capital Markets Authority's (CMA) Market Value-Weighted Index for stocks traded on the BSE rose by 155% in the first 11 months of 2020, while the CMA's Banks Market Value-Weighted Index regressed by 37.2% in the covered period. The increase in the Market Value-Weighted Index is mainly due to the surge in the prices of Solidere A and of Solidere B shares in the covered period, given that the shares have market weights of 25.4% and 16.5%, respectively, at end-November 2020, the highest among listed companies on the BSE.

Securité Assurance's net profits up 4% to $1.3m in 2019

Securité Assurance sal announced audited net profits of $1.3m in 2019, constituting an increase of 3.5% from net earnings of $1.2m in 2018. The company's audited balance sheet shows total assets of $55.3m at the end of 2019, up by 3.8% from $53.3m at end-2018. On the assets side, general company investments reached $26.3m at the end of 2019, nearly unchanged from $26.4m a year earlier. They included $11.2m in cash & cash equivalents, $8m in land and real estate, and $2m investments in subsidiaries and associates. Also, the firm blocked $4.4m as bank deposits and deposits with a maturity of more than three months in favor of the Ministry of Economy & Trade as guarantees. Further, the reinsurance share in technical reserves for the non-life category grew by 20.8% to $3m in 2019, while that for the life category regressed by 1% to $2.1m last year.

On the liabilities side, technical reserves for the life segment decreased by 3.4% to $2.9m in 2019, while technical reserves for the non-life category reached $24.3m at end-2019 and increased by 3.5% from a year earlier. Non-life technical reserves included unearned premium reserves of $9.7m, and outstanding claims reserves of $8.4m. Provisions for risks and charges reached $0.2m at the end of 2019 and decreased by 4.6% from a year earlier. Also, the firm's shareholders' equity totaled $24m at end-2019, up by 5.7% from a year earlier.

Figures released by the Insurance Control Commission show that Securité Assurance ranked in 14th and 18th places in 2019 in terms of life and non-life premiums, respectively. The firm's non-life premiums totaled $20.4m in 2019 and regressed by 7.8% from the previous year, while life premiums increased by 5.5% to $5.7m last year. Securité Assurance had a 1.2% share of the life market and a 1.8% share of the local non-life market in 2019. It ranked in 18th place in terms of life and non-life premiums in 2019, with a 1.6% market share.

Ratio Highlights

(in % unless specified)	2017	2018	2019	Change*
Nominal GDP ($bn)	53.1	55.0	51.3	(3.70)
Public Debt in Foreign Currency / GDP	57.2	60.9	65.8	4.89
Public Debt in Local Currency / GDP	92.5	93.9	112.9	18.96
Gross Public Debt / GDP	149.7	154.8	178.6	23.85
Total Gross External Debt / GDP**	190.3	192.8	196.3	3.50
Trade Balance / GDP	(31.5)	(31.0)	(30.2)	0.73
Exports / Imports	14.5	14.8	19.4	4.62
Fiscal Revenues / GDP	21.9	21.0	19.5	(1.53)
Fiscal Expenditures / GDP	28.9	32.4	29.7	(2.62)
Fiscal Balance / GDP	(7.1)	(11.4)	(10.3)	1.09
Primary Balance / GDP	2.7	(1.2)	(0.5)	0.65
Gross Foreign Currency Reserves / M2	68.2	63.8	70.2	6.38
M3 / GDP	260.8	256.9	262.2	5.29
Commercial Banks Assets / GDP	413.7	453.6	422.6	(31.04)***
Private Sector Deposits / GDP	317.4	316.9	309.7	(7.21)
Private Sector Loans / GDP	112.3	108.0	97.0	(10.96)
Private Sector Deposits Dollarization Rate	68.7	70.6	76.0	5.41
Private Sector Lending Dollarization Rate	68.6	69.2	68.7	(0.50)

**change in percentage points 19/18; **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; ***The decline in assets in 2019 incorporates the "netting" on the assets and liabilities' sides of the consolidated balance sheet of commercial banks as part of the implementation of international accounting standard IFRS 7;*
Source: Association of Banks in Lebanon, International Monetary Fund, Central Administration of Statistics, Byblos Research Estimates & Calculations
Note: M2 includes money in circulation and deposits in LBP, M3 includes M2 plus Deposits in FC and bonds

National Accounts, Prices and Exchange Rates

	2018	2019e	2020f
Nominal GDP (LBP trillion)	82.9	80.8	127.6
Nominal GDP (US$ bn)	55.0	51.3	30.4
Real GDP growth, % change	-1.9	-6.8	-26.6
Private consumption	-1.3	-7.3	-25.3
Public consumption	6.7	-43.6	-45.2
Gross fixed capital	-1.8	-11.3	-41.1
Exports of goods and services	0.5	-4.0	-35.3
Imports of goods and services	1.1	-4.9	-39.3
Consumer prices, %, average	6.1	2.9	91.3
Official exchange rate, average, LBP/US$	1,507.5	1,507.5	1,507.5
Parallel exchange rate, average, LBP/US$	n/a	1,620	5,662
Weighted average exchange rate LBP/US$	1,507.5	1,575	4,201

Source: Instiute of International Finance- October 2020

Ratings & Outlook

Sovereign Ratings	Foreign Currency			Local Currency		
	LT	ST	Outlook	LT	ST	Outlook
Moody's Investors Service	C	NP	-	C		-
Fitch Ratings	RD	C	-	CC	C	-
S&P Global Ratings	SD	SD	-	CC	C	Negative
Capital Intelligence Ratings	SD	SD	-	C-	C	Negative

**for downgrade*
***CreditWatch negative*
Source: Rating agencies

Banking Sector Ratings	Outlook
Moody's Investors Service	Negative

Source: Moody's Investors Service

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