650 ISSUES+
Issue 679 | April 26-May 8, 2021

BYBLOS BANK SAL
Economic Research & Analysis Department

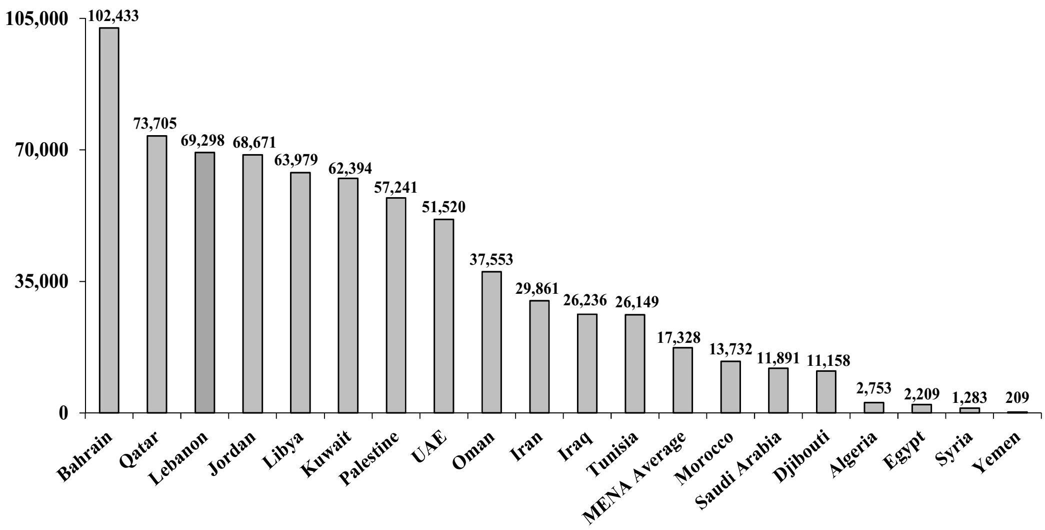
# LEBANON THIS WEEK

## In This Issue

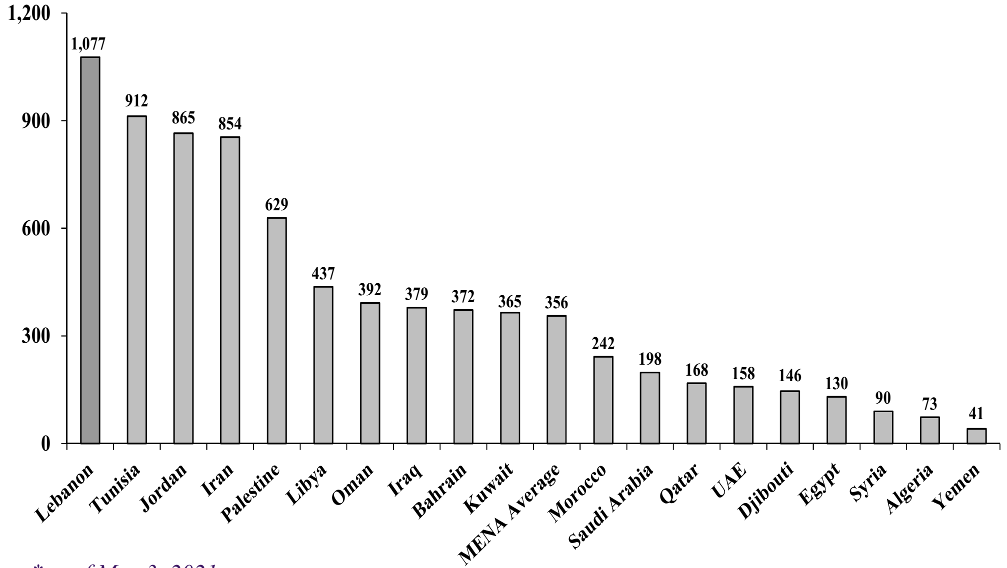


## Charts of the Week

**Number of COVID-19 Cases per One Million Persons in MENA Countries***




**Number of COVID-19 Related Deaths per One Million Persons in MENA Countries***




**as of May 3, 2021*
*Source: World Bank Group, Byblos Bank*

## Quote to Note

"A unified market-clearing exchange rate, which balances the demand and supply of foreign currency in the market, is key to restoring macroeconomic stability and to supporting investments and economic growth."

*The Institute of International Finance, on the need to unify the multiple exchange rates of the US dollar in Lebanon*

## Number of the Week

**9:** Number of months that Lebanon has been without a functioning government

## Lebanon in the News

| $m *(unless otherwise mentioned)* | 2018 | 2019 | 2020 | % Change* | Dec-19 | Nov-20 | Dec-20 |
|---|---|---|---|---|---|---|---|
| Exports** | 2,706 | 3,407 | 3,250 | (4.6) | 324 | 283 | - |
| Imports** | 18,411 | 17,893 | 10,078 | (43.7) | 1,346 | 1,006 | - |
| Trade Balance** | (15,705) | (14,486) | (6,828) | (52.9) | (1,022) | (723) | - |
| Balance of Payments | (4,823) | (5,851) | (10,551) | 80.3 | (841) | (214) | (348) |
| Checks Cleared in LBP | 22,133 | 22,145 | 19,937 | (10.0) | 2,402 | 1,683 | 1,942 |
| Checks Cleared in FC | 44,429 | 34,826 | 33,881 | (2.7) | 3,898 | 2,242 | 2,802 |
| Total Checks Cleared | 66,570 | 56,982 | 53,828 | (5.5) | 6,300 | 3,926 | 4,744 |
| Fiscal Deficit/Surplus*** | (4,734) | (4,024) | (2,802) | (30.4) | (920) | - | - |
| Primary Balance*** | (402) | 217 | (1,153) | - | (521) | - | - |
| Airport Passengers | 8,842,442 | 8,683,719 | 2,501,975 | (71.2) | 544,967 | 220,333 | 282,130 |
| Consumer Price Index | 6.1 | 2.9 | 84.9 | 8,200 | 7.0 | 133.5 | 145.8 |

| $bn *(unless otherwise mentioned)* | Dec-19 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | % Change* |
|---|---|---|---|---|---|---|---|
| BdL FX Reserves | 29.55 | 22.76 | 20.00 | 19.46 | 19.03 | 18.60 | (18.3) |
| In months of Imports | 21.95 | 28.49 | 20.95 | 16.31 | 18.91 | - | - |
| Public Debt | 91.64 | 94.29 | 94.84 | 95.06 | 95.51 | 95.59 | 1.4% |
| Bank Assets | 216.78**** | 195.71 | 192.57 | 191.09 | 190.31 | 188.04 | (3.9) |
| Bank Deposits (Private Sector) | 158.86 | 143.04 | 142.18 | 140.96 | 139.91 | 139.14 | (2.7) |
| Bank Loans to Private Sector | 49.77 | 39.64 | 38.60 | 37.68 | 37.11 | 36.17 | (8.7) |
| Money Supply M2 | 42.11 | 40.21 | 40.94 | 42.06 | 43.32 | 44.78 | 11.4% |
| Money Supply M3 | 134.55 | 130.53 | 130.92 | 131.20 | 131.92 | 132.70 | 1.7% |
| LBP Lending Rate (%) | 9.09 | 7.14 | 7.89 | 7.61 | 7.92 | 7.77 | 63 |
| LBP Deposit Rate (%) | 7.36 | 3.47 | 3.35 | 3.14 | 2.91 | 2.64 | (83) |
| USD Lending Rate (%) | 10.84 | 7.54 | 7.54 | 7.46 | 6.63 | 6.73 | (81) |
| USD Deposit Rate (%) | 4.62 | 1.28 | 1.15 | 1.04 | 0.97 | 0.94 | (34) |

**year-on-year **figures for the period reflect the first 11 months of each year ***figures for the period reflect the first 10 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" | 24.74 | (0.6) | 277,719 | 26.3% |
| Audi Listed | 2.64 | (1.9) | 253,687 | 16.5% |
| Solidere "B" | 24.93 | (0.3) | 208,455 | 17.2% |
| Audi GDR | 1.97 | 5.9 | 32,084 | 2.5% |
| BLOM GDR | 3.50 | (11.4) | 27,700 | 2.7% |
| Byblos Common | 0.93 | 9.4 | 19,837 | 5.6% |
| BLOM Listed | 3.70 | 2.8 | 5,000 | 8.5% |
| HOLCIM | 16.01 | 0.7 | 46 | 3.3% |
| Byblos Pref. 09 | 38.50 | 0.0 | - | 0.8% |
| Byblos Pref. 08 | 35.00 | 0.0 | - | 0.7% |

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

| Sovereign Eurobonds | Coupon % | Mid Price $ | Mid Yield % |
|---|---|---|---|
| Oct 2022 | 6.10 | 12.75 | 217.95 |
| Jan 2023 | 6.00 | 12.63 | 166.15 |
| Apr 2024 | 6.65 | 12.63 | 84.12 |
| Jun 2025 | 6.25 | 13.00 | 56.72 |
| Nov 2026 | 6.60 | 13.00 | 40.40 |
| Feb 2030 | 6.65 | 12.75 | 24.85 |
| Apr 2031 | 7.00 | 12.63 | 21.93 |
| May 2033 | 8.20 | 12.50 | 18.08 |
| Nov 2035 | 7.05 | 12.75 | 14.75 |
| Mar 2037 | 7.25 | 13.00 | 13.28 |

*Source: Refinitiv*

| | May 4-7 | Apr 26-29 | % Change | Apr 2021 | Apr 2020 | % Change |
|---|---|---|---|---|---|---|
| **Total shares traded** | 848,346 | 678,478 | 25.0 | 1,917,215 | 10,769,186 | (82.2) |
| **Total value traded** | $13,716,298 | $11,522,604 | 19.0 | $32,181,843 | $23,969,907 | 34.3 |
| **Market capitalization** | $9.41bn | $9.41bn | (0.04) | $9.4bn | $6.5bn | 44.1 |

*Source: Beirut Stock Exchange (BSE)*

## Budget & Finance Committee drafts capital control law

The Lebanese Parliament's Finance & Budget Committee drafted a capital control law that legally introduces exceptional and temporary restrictions on foreign transfers and on cash withdrawals from banks in Lebanon. The draft law exempts "fresh funds" or "fresh accounts" from all restrictions, as well as the deposits of international financial institutions, foreign embassies, and international and regional organizations.

The draft law prohibits foreign transfers from the accounts of clients at banks in Lebanon, as well as from the accounts of banks and financial institutions in the country. The text sets four exemptions to foreign transfers that consist of transfers for education-related expenses, for mortgage payments, for the settlement of taxes and fees, as well as for online subscriptions, based on the availability of the funds. It noted that Banque du Liban's (BdL) Central Council will set the limits for each transfer category, provided that the aggregate amount does not exceed $50,000 per year from a client's accounts at all banks in Lebanon, including from joint accounts.

Further, the draft law sets a ceiling of LBP20m per month for cash withdrawals from bank accounts in Lebanon, and excludes the withdrawal of salaries from the monthly limit. In addition, the text allows clients to withdraw banknotes in foreign currencies from their accounts if the funds did not originate from the conversion of Lebanese pound deposits after 2016, on the condition that the cash does not exceed the equivalent of 50% of the withdrawals in Lebanese pounds. The draft law asks BdL to set a "special formula" to calculate the exchange rate of the Lebanese pound that will be used in this operation, which needs to take into account the exchange rate of the US dollar on BdL's Sayrafa electronic platform. Also, the draft law prohibits banks from converting deposits from Lebanese pounds to any foreign currency, unless their cash position is sufficient to execute and cover the conversion.

In parallel, the draft stipulates that BdL has to set up a central unit to receive the applications for foreign transfers, and to form individual files for each beneficiary that include the details of each transfer operation. The text also provides a mechanism for banks that they need to follow once they receive a request for transfer from a client, and that includes providing BdL with all the necessary documents to proceed with the transfers. Further, the draft law states that banks that fail to transfer the money after the client receives the proper approval will be subject to penalties under Clause 208 of the Law of Money and Credit.

According to the text, the capital control law will supersede all existing laws, rules and regulations that are not in line with the new law, and will apply to all pending litigations between banks and their clients. In addition, the text authorizes depositors to settle their taxes and official fees from their foreign currency accounts through transfers or bankers' checks to the Lebanese Treasury, based on the exchange rate determined by the Sayrafa platform.

## Association of Banks provides input on draft capital control law

In its input on the draft capital control law that the Parliament's Finance & Budget Committee prepared, the Association of Banks in Lebanon (ABL) reaffirmed its support for a capital control law in Lebanon in order to preserve the interest of depositors in the country.

The ABL highlighted three main principles for the success of any capital control law. It said that, based on international experience, official capital controls need to halt all bank transfers abroad in order to preserve a country's foreign currency reserves. It also noted that the International Monetary Fund's guidance highlights the need to completely stop foreign transfers, temporarily, and to stop the conversion of local currency to foreign currencies, in order to respect the non-discrimination principle among depositors. In addition, it considered that, in order to maximize the efficiency of a capital control law, the latter needs to be part of a comprehensive set of economic and social goals that aim to stabilize financial conditions and stimulate economic activity in Lebanon. Consequently, it cautioned that the enactment of any capital control law that does not take into account these points would fail to yield the desired results.

In parallel, the ABL indicated that banks cannot execute clients' foreign transfers using their own funds for several reasons. First, it said that the banks' foreign liabilities exceeded their foreign assets by $1.7bn as at the end of February 2021. Second, it noted that banks cannot utilize any foreign currency liquidity that originates from fresh funds, as they are obliged to return these funds to depositors at maturity. Third, it pointed out that the 3% liquidity in foreign currency that banks are accumulating at their correspondent banks, as part of Banque du Liban's (BdL) Circular 154, are crucial to maintaining relations with correspondent banks and are subject to specific rules that restrict their use. Consequently, the ABL suggested to fund foreign transfers through banks from the banks' free deposits in foreign currency at BdL. It noted that customer deposits at banks in Lebanon declined by $12.5bn between October 2019 and February 2021, which freed about $1.8bn from the banks' reserve requirements at BdL. It considered that this amount would be sufficient to finance the exemptions set in the draft capital control law. Further, the ABL suggested to limit annual foreign transfers to $20,000 for each client who qualifies for the exemptions, provided that the latter demonstrates that he or she does not have enough resources abroad to cover their specific expenses. The exemptions cover student-related expenses, medical cases that require foreign hospitalization, mortgage payments that were ongoing prior to October 2019, the payment of taxes dues in foreign jurisdictions on income generated in Lebanon, and the payment or renewal of foreign insurance policies that existed prior to October 2019.

Moreover, the ABL pointed out that, cash withdrawals from foreign currency deposits should be in Lebanese pounds based on the exchange rate of BdL's Sayrafa electronic platform, given that the available foreign currency liquidity of banks does not allow for cash withdrawals in foreign currency. It noted the need to set a ceiling for Lebanese pound cash withdrawals in order to contain the size of money in circulation to avoid inflationary pressures and their impact on the exchange rate.

## Fiscal deficit equivalent to 26% of expenditures in first 10 months of 2020

Figures released by the Ministry of Finance show that the fiscal deficit reached $2.8bn in the first 10 months of 2020 and narrowed by 30.4% from a deficit of $4bn in the same period of 2019, based on the official exchange rate of the Lebanese pound to the US dollar. The deficit was equivalent to 26% of total budget and Treasury expenditures relative to 30% of spending in the same period last year. Government spending reached $10.8bn in the first 10 months of 2020 and decreased by 19.6% from the same period of 2019, while revenues stood at $8bn and regressed by 15% year-on-year. The narrowing of the deficit was caused by a drop of $2.6bn in spending due to lower debt servicing cost and Treasury transfers to Electricité du Liban (EdL), which was partly offset by a decline of $1.4bn in revenues.

On the revenues side, tax receipts decreased by 21.6% year-on-year to $5.6bn in the first 10 months of 2020, of which 17.5%, or $983.4m, were in VAT receipts that dropped by 46.8% annually. Tax receipts accounted for 79.5% of budgetary revenues and for 70.6% of Treasury and budgetary income in the covered period. The distribution of other tax receipts shows that revenues from taxes on income, profits & capital gains declined by 16% to $2.66bn in the covered period; receipts from property taxes rose by 57.6% to $726.3m; revenues from customs dropped by 32.3% to $700.8m; while revenues from taxes on goods & services decreased by 17.4% to $309.3m, and proceeds from stamp fees fell by 17.2% to $256.6m.

The distribution of income tax receipts shows that the tax on interest income accounted for 69.6% of income tax revenues in the first 10 months of 2020, followed by the tax on wages & salaries with 16.2%, the tax on profits with 10.7%, and the capital gains tax with 3%. Receipts from the tax on interest income surged by 26.4%, while revenues from the tax on profits dropped by 68%, revenues from the tax on capital gains fell by 65.6%, and proceeds from the tax on wages & salaries dipped by 23% in the covered period. Also, revenues from real estate registration fees surged by 108% to $558.2m and receipts from the built property tax contracted by 19.4% to $109m, while revenues from the inheritance tax grew by 3.5% to $59m in the first 10 months of 2020.

Further, non-tax budgetary receipts declined by 17% year-on-year to $1.45bn in the covered period. They mainly included $885.6m in revenues generated from government properties that fell by 22%, as well as $375.4m in receipts from administrative fees and charges that decreased by 18% annually. Receipts from telecommunication services dropped by 24% to $606.8m in the first 10 months of 2020, and accounted for 68.5% of income from government properties and for 41.8% of non-tax budgetary revenues. In parallel, Treasury receipts surged by 102.8% to $891m in the covered period, due to Banque du Liban's repayment to the Ministry of Finance of interest payments on its holdings of debt-denominated in Lebanese pounds.

On the expenditures side, total budgetary spending, which includes general expenditures and debt servicing, declined by 24% to $9.38bn in the first 10 months of 2020. General spending regressed by 4.7% to $7.73bn in the covered period, and included $739m in transfers to EdL that decreased by 43.4% year-on-year, and $1.27bn in outlays from previous years that declined by 13.1% annually, among other general spending items. Also, debt servicing totaled $1.65bn in the covered period and dropped by 61% from the first 10 months of 2019. Interest payments on Lebanese pound-denominated debt regressed by 46.5% year-on-year to $1.4bn in the first 10 months of 2020, while debt servicing on foreign currency debt fell by 90% to $147.8m, due to the government's decision to suspend all payments on its outstanding Eurobonds starting in March 2020. In addition, Treasury expenditures, excluding transfers to EdL, grew by 32.8% year-on-year to $1.4bn in the covered period. Further, the primary budget balance posted a deficit of $644.9m in the first 10 months of 2020, equivalent to 6.9% of budgetary expenditures, while the overall primary balance registered a deficit of $1.15bn, or 10.7% of spending.

**Fiscal Results in First 10 Months of Each Year**

| | 2019 (US$m) | 2020 (US$m) | Change (%) |
|---|---|---|---|
| Budget Revenues | 8,939 | 7,085 | -20.7% |
| Tax Revenues | 7,189 | 5,634 | -21.6% |
| Non-Tax Revenues | 1,750 | 1,451 | -17.1% |
| of which Telecom revenues | 797 | 607 | -23.9% |
| Budget Expenditures | 12,348 | 9,379 | -24.1% |
| **Budget Surplus/Deficit** | **(3,410)** | **(2,294)** | **-32.7%** |
| In % of budget expenditures | -27.6% | -24.5% | |
| **Budget Primary Surplus** | **831** | **(645)** | |
| In % of budget expenditures | 6.7% | -6.9% | |
| Treasury Receipts | 439 | 891 | 102.8% |
| Treasury Expenditures | 1,054 | 1,399 | 32.8% |
| Total Revenues | 9,378 | 7,976 | -15.0% |
| Total Expenditures | 13,402 | 10,777 | -19.6% |
| **Total Deficit** | **(4,024)** | **(2,802)** | **-30.4%** |
| In % of total expenditures | -30.0% | -26.0% | |
| **Total Primary Surplus/Deficit** | **217.2** | **(1,152.8)** | |
| In % of total expenditures | 1.6% | -10.7% | |

*Source: Ministry of Finance, Byblos Research*

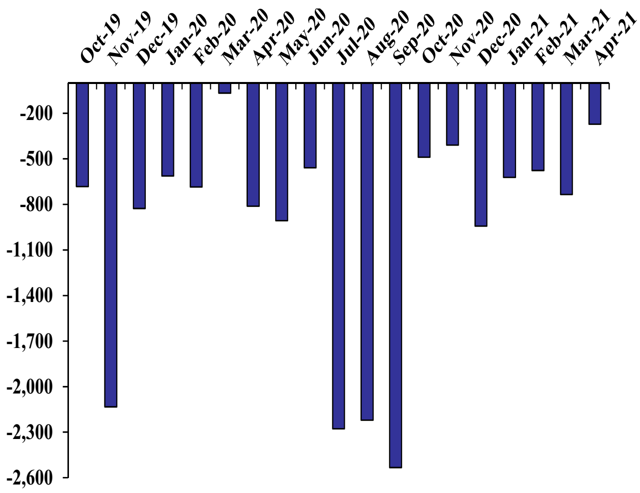
## Lebanon in the News

### Banque du Liban's foreign assets at $21.6bn, gold reserves at $16.4bn at end-April 2021

Banque du Liban's (BdL) interim balance sheet reached $154.7bn on April 30, 2021, constituting increases of 4.1% from $148.6bn at end-2020 and of 3.9% from $148.9bn a year earlier. Assets in foreign currency totaled $21.6bn at the end of April 2021, representing a decrease of $2.4bn, or of 10.2%, from $24.1bn at the end of 2020 and a drop of $12.8bn (-37.1%) from $34.4bn at end-April 2020. Assets in foreign currency include $5.03bn in Lebanese Eurobonds, unchanged from a year earlier.

BdL's assets in foreign currency, excluding Lebanese Eurobonds, stood at $16.6bn at end-April 2021 and fell by $12.8bn, or by 43.5%, from $29.4bn a year earlier. 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 large number of food and non-food items, as well as raw materials for agriculture and industry. It is also due to the steep drop in capital flows to Lebanon since September 2019, and to the near halt of inflows after the government decided to default on its Eurobonds obligations.

**Change in Gross Foreign Currency Reserves (US$m)**



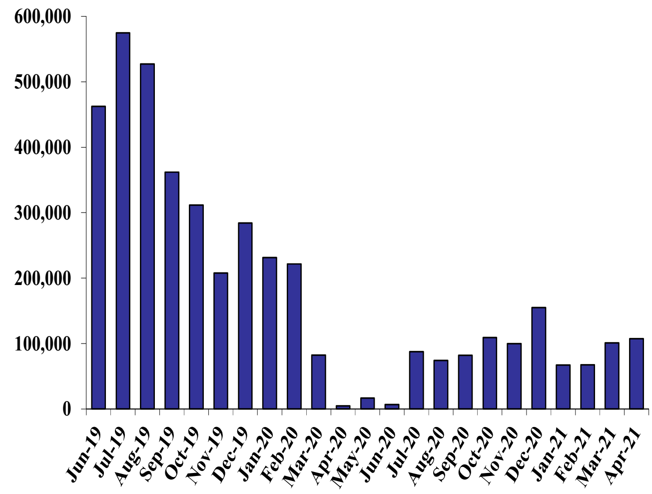

*Source: Banque du Liban, Byblos Research*

In parallel, the value of BdL's gold reserves amounted to $16.4bn at end-April 2021 and regressed by $946.7m or by 5.5% in the first four months of the year, while it increased by 3.3% from $15.9bn a year earlier. The value of gold reserves reached a peak of $18.1bn at mid-September 2020. Also, the securities portfolio of BdL totaled $40.9bn at end-April 2021, increasing by 2.3% from $40bn at the end of 2020 and by 6.3% from $38.5bn a year earlier. In addition, loans to the local financial sector totaled $14.1bn, regressing by 1.4% in the first four months of the year and by 4.6% from April 2020. Further, deposits of the financial sector stood at $108bn at end-April 2021 and declined by $5bn from a year earlier. In addition, public sector deposits at BdL reached $5bn at end-April 2021, increasing by $486.4m from the end of 2020 and by $652.5m from a year earlier.

### Number of airport passengers down 35% in first four months of 2021

Figures released by the Beirut-Rafic Hariri International Airport (HIA) show that 765,820 passengers utilized the airport (arrivals, departures and transit) in the first four months of 2021, constituting a drop of 34.6% from 1,171,123 passengers in the same period of 2020, and relative to 2,566,814 passengers in the first four months of 2019. The number of arriving passengers fell by 36.5% year-on-year to 342,904 in the first four months of 2021, compared to 540,380 passengers in the same period of 2020 and 1,238,426 passengers in the first four months of 2019. Also, the number of departing passengers totaled 407,357 in the first four months of 2021 and decreased by 34% from 617,700 passengers in the same period last year, relative to 1,307,752 in the first four months of 2019.

**Number of Arriving Passengers**




*Source: Beirut-Rafic Hariri International Airport*

In parallel, the airport's aircraft activity totaled 8,911 take-offs and landings in the first four months of 2021, representing a drop of 21.3% from 11,326 takeoffs and landings in the same period of 2020. In comparison, aircraft activity regressed by 47.3% in the first four months of 2020 and increased by 1.3% in the same period of 2019. In addition, the HIA processed 24,831 metric tons of freight in the first four months of 2021 that consisted of 8,934 tons of import freight and 15,898 tons of export freight. Middle East Airlines had 3,019 flights in the first four months of 2021 and accounted for 34% of HIA's total aircraft activity.

The decline in the number of airport passengers and aircraft activity in the first four months of 2021 is mainly due to the lockdown measures, travel restrictions, and the closure of airports in many countries in response to the outbreak of the coronavirus worldwide.

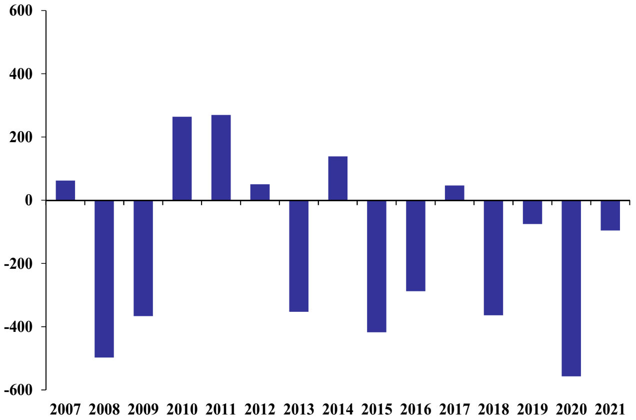
### Net foreign assets of financial sector down $847m in first quarter of 2021

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 $847.2m in the first quarter of 2021, compared to decreases of $1.06bn in the same period of 2020 and of $2bn in the first quarter of 2019.

The cumulative deficit in the first quarter of 2021 was caused by a drop of $1.85bn in the net foreign assets of BdL, which was partly offset by an increase of $1bn in those of banks and financial institutions.

Further, the net foreign assets of the financial sector regressed by $96m in March 2021 compared to a deficit $340.6m in February 2021 and of $556.8m in March 2020. The March decrease was caused by a drop of $766.3m in the net foreign assets of BdL, which was partly offset by an increase of $670.4m in those of banks and financial institutions. Also, the deficit in March constituted the narrowest deficit in the net foreign assets of the financial sector since posting a surplus of $1.1bn in November 2019.

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




**in March of each year*
*Source: Banque du Liban, Byblos Research*

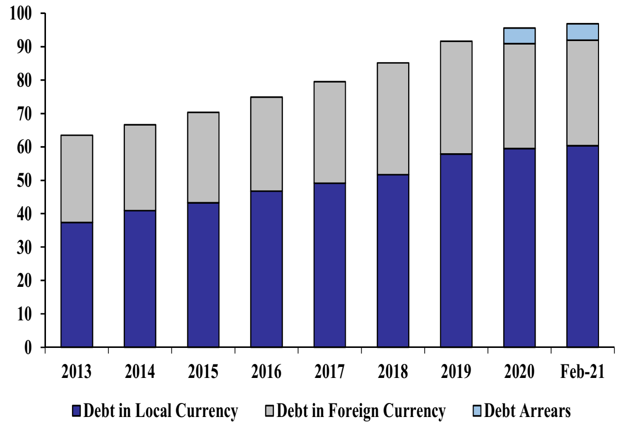
The cumulative increase in the banks' net foreign assets is mostly due to a decline of their foreign liabilities. The decline in foreign liabilities was driven by a decrease in liabilities to the non-resident financial sector and in non-resident customer deposits. In parallel, the drop in BdL's net foreign assets was due in part to the financing of the imports of hydrocarbons, wheat, medicine, medical equipment, a large number of food and non-food items, and raw materials for agriculture and industry.

### Gross public debt at $97bn at end-February 2021

Lebanon's gross public debt reached $96.8bn at the end of February 2021, constituting an increase of 1.3% from $95.6bn at the end of 2020 and a rise of 5% from $92.3bn at the end of February 2020. The dollar figures are converted at the official exchange rate of the Lebanese pound against the US dollar. The gross public debt grew by $1.2bn in the first two months of 2021 relative to an increase of $609m in the same period of 2020.

Debt denominated in Lebanese pounds totaled $60.4bn at the end of February 2021 and expanded by 1.4% from end-2020 and by 3.8% from a year earlier; while debt denominated in foreign currency stood at $36.5bn and grew by 1.1% from end-2020 and by 7% from end-February 2020. On March 7, 2020, the Lebanese government decided to default on the $1.2bn Eurobond that matures on March 9, 2020. It also announced on March 23, 2020 that Lebanon will discontinue payments on all of its outstanding Eurobonds. About $5bn of the debt stock denominated in foreign currency were in arrear as at the end of February 2021.

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




*Source: Ministry of Finance, Byblos Research*

Local currency debt accounted for 62.4% of the gross public debt at the end of February 2021 and foreign currency-denominated debt represented the balance of 37.6%, compared to 63% and 37%, respectively, a year earlier. The weighted interest rate on outstanding Treasury bills was 6.51% in February 2021, while the weighted life of Treasury bills and bonds was 1,658 days.

BdL held 43.6% of the public debt at the end of February 2021, followed by commercial banks (25.7%), and non-bank resident financial institutions (8.1%); while other investors, including foreign investors, held 20.6% of the debt, and multilateral institutions and foreign governments accounted for the remaining 2.1%. BdL held 61.6% of the Lebanese pound-denominated public debt at the end of February 2021 compared to 58.3% a year earlier, while commercial banks accounted for 25.5% of the local debt relative to 28.6% at end-February 2020. Also, public agencies, financial institutions and the public held 12.9% of the local debt at the end of February 2021, compared to 13.1% a year earlier. Further, holders of Eurobonds and special T-bills in foreign currencies accounted for 94.4% of foreign currency denominated debt at the end of February 2021, followed by multilateral institutions with 4% and foreign governments with 1.6%.

In addition, the net public debt, which excludes public sector deposits at BdL and at commercial and investment banks from overall debt figures, stood at $86.7bn at the end of February 2021 and grew by 5% from a year earlier. Further, the gross market debt accounted for about 54% 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.

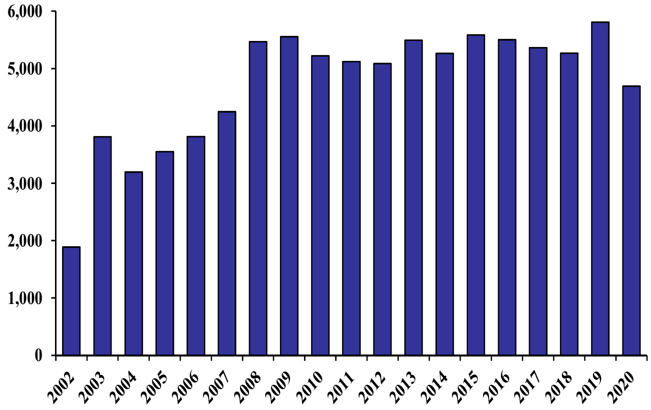
### Remittance inflows to Lebanon down 19% to $4.7bn in first nine months of 2020

Figures released by Banque du Liban (BdL) show that the inflows of expatriates' remittances to Lebanon totaled $4.7bn in the first nine months of 2020, constituting a decrease of 19.2% from $5.8bn in the same period of 2019.

Remittance inflows in the first nine months of 2020 reached their lowest level for the period since 2007, and were below the average of $5.3bn for the first nine months of each year in the 2008-2020 period. The figures include workers' remittances and the compensation of employees, according to the World Bank's definition of remittances. Banque du Liban's figures are the only official data on remittance flows to and from Lebanon.

Remittance inflows to Lebanon reached $1.5bn, $1.56bn and $1.6bn in the first, second and third quarters of 2020, respectively, constituting declines of 19.5%, 21% and 17%, respectively, from the same quarters of the previous year.

**Remittance Inflows to Lebanon* (US$m)**




**in the first nine months of each year*
*Source: Banque du Liban, Byblos Research*

In parallel, remittance outflows from Lebanon amounted to $2.3bn in the first nine months of 2020, and dropped by 33.5% from $3.5bn in the first nine months of 2019. Remittance outflows in the first nine months of the year reached their lowest level for the period since 2007. They posted an average of $3.3bn for the first nine months of each year between 2008 and 2020. Remittance outflows totaled $850.2m, $751.2m and $706.2m in the first, second and third quarters of 2020, respectively, representing decreases of 28.7%, 36% and 36.1%, respectively, from the same quarters of the preceding year.

As such, net remittance inflows to Lebanon totaled $2.4bn in the first nine months of 2020, constituting an increase of 2.1% from $2.3bn in the first nine months of 2019. Net remittance flows averaged $2bn in the first nine months of each year between 2008 and 2020.

### World Bank earmarks $55m to vulnerable households and businesses in Lebanon

The World Bank indicated that the Partnership Council for the Lebanon Financing Facility (LFF) endorsed an annual work plan of nearly $55m. The LFF is a five-year multi-donor trust fund that aims to pool grants and funds, as well as to coordinate financing to support the socioeconomic recovery of vulnerable people and businesses that were affected by the explosion at the Port of Beirut on August 4, 2020. The Partnership Council will provide guidance and monitor the implementation of the LFF. It is responsible for aligning the financing with the priorities of the Reform, Recovery and Reconstruction Framework (3RF) that the World Bank, the European Union and the United Nations issued last December.

The World Bank said that the LFF's plan consists of four key recovery projects. First, it said that the plan aims to support the immediate social recovery needs of vulnerable groups that were affected by the port's explosion. Second, it noted that the plan stipulates the removal of critical hazardous waste inside and outside the Port of Beirut. Third, it indicated that the Beirut Housing Reconstruction and Cultural Heritage and Creative Industries Recovery aims to support the rehabilitation of cultural heritage residential buildings and the access to sustainable housing solutions for vulnerable households affected by the blast, as well as to revitalize cultural production in Beirut. Fourth, it said that the Building Beirut Businesses Back Better initiative aims to support the recovery of targeted micro-, small-, and medium-sized enterprises and sustain the operations of eligible microfinance institutions. It noted that the plan will also focus on governance reforms that will prepare a roadmap for reforming Lebanon's port sector. It added that the plan aims to establish an Independent Oversight Board led by civil society in order to make the 3RF operational.

Established in December 2020 in the aftermath of the explosion at the Port of Beirut on August 4, 2020, and following the launch of the 3RF, the LFF aims to provide the foundation for medium-term recovery and the reconstruction of the Port of Beirut and affected neighborhoods. The LFF has three priorities that consist of the socioeconomic and business recovery; preparing for reform and reconstruction; as well as strengthening coordination, monitoring, accountability and oversight of the 3RF.

## Constitutional Council blocks advance payment of LBP300bn to Electricité du Liban

The Lebanese Constitutional Council suspended on May 4, 2021 the implementation of Law 215/2021, which authorizes an advance of LBP300bn, or $200m based on the official exchange rate of the Lebanese pound against the US dollar, to Electricité du Liban (EdL) in order to finance the imports of fuel oil for electricity generation. The law that the Parliament enacted on March 29, 2021 stipulates that EdL cannot use the funds that Banque du Liban (BdL) will disburse to cover other expenditures. However, the council attributed its decision to the need to ensure that BdL will not use its mandatory reserve requirements to provide the funds, after a parliamentary bloc filed an appeal.

As a result, EdL announced that it will have to reduce its production by 16% from 1,250 megawatts to 1,050 megawatts, which will lead to the additional rationing of power supply across the country. EdL has exhausted the majority of the LBP1,500bn, or $1bn, earmarked for its expenditures in the budget law for 2020. The LBP300bn, or $200m payment, is a part of the LBP1,500bn, or $1bn, that the draft budget for 2021 earmarked as transfers to EdL. However, the payment required a law in the absence of a budget law for 2021, given that, according to the Lebanese Constitution, a caretaker government cannot approve a budget and forward it to Parliament for deliberation.

In addition, the Parliament's Public Works, Transport, Energy & Water Committee urged the council to speed up the appeal process, as it warned that delays in transferring the funds will lead to the shutdown of several power plants. It expected the Zouk power plant to shut down on May 18, 2021 in absence of funds to purchase fuel oil, followed by the power plant of Deir Ammar on June 2, Jiyyeh on June 8, and Zahrani on June 13.

Further, Lebanon's Financial Prosecutor issued on May 6, 2021 an order to suspend payments to Turkish energy company Karadeniz and its Karpowership branch in Lebanon, and to ban its vessels from leaving the country amid investigations into the possibility of corruption in the renewal of power-supply contracts. In response, Karpowership threatened to switch off its two floating power plants that provide about one fifth of Lebanon's electricity.

In parallel, Lebanon and Iraq signed on April 2, 2021 a framework agreement stipulating that Lebanon would provide medical services and assistance to Iraqi medical centers in exchange for fuel oil supplies from Iraq for electricity generation. The deal complements the agreement that the Lebanese and Iraqi authorities reached in February 2021 whereby Iraq will export 500,000 tons, worth $200m, of heavy fuel oil to Lebanon in 2021. The volume is equivalent to one sixth of Lebanon's fuel oil needs. The agreement between the two countries came after the contract between the Lebanese State and the Algerian energy conglomerate Sonatrach to supply fuel oil to Lebanon expired on December 31, 2020, which raised concerns about sourcing fuel oil for electricity production in Lebanon.

## BdL asks banks for breakdown of customer deposits

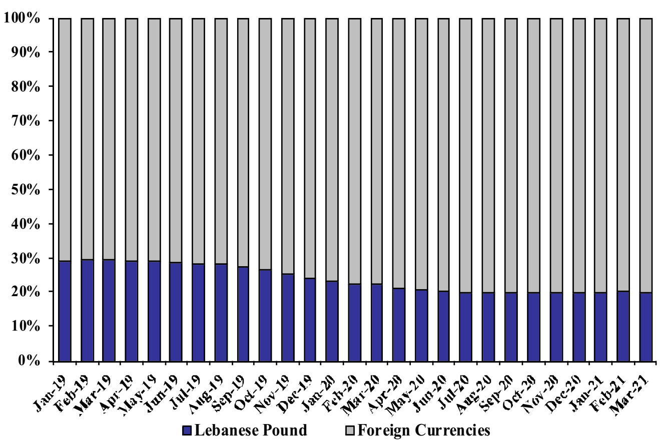
Banque du Liban (BdL) issued on May 5, 2021 Announcement 939 to banks operating in Lebanon, requesting data about aggregate customer deposits. Specifically, BdL asked banks for the breakdown of customer deposits in Lebanese pounds and in foreign currencies by account brackets as at October 31, 2019 and March 31, 2021. It added that the reported accounts for the end of March 2021 should exclude bank accounts opened after October 31, 2019, or any fresh fund accounts. BdL also asked banks to provide it with the breakdown of customer deposits in Lebanese pounds and in foreign currencies by account brackets as at December 31, 2015 and March 31, 2021, excluding fresh fund accounts. BdL gave banks until May 17, 2021 to submit the requested data.

## Private sector loans down $25bn since start of 2019

The consolidated balance sheet of commercial banks operating in Lebanon shows that total assets stood at $186.3bn at the end of March 2021, constituting declines of 1% from $188bn at the end of 2020 and of 10.7% from $208.5bn at end-March 2020. The dollar figures are based on the official exchange rate of the Lebanese pound to the US dollar.

Loans extended to the private sector reached $34.2bn at the end of March 2021 and declined by 5.4% in the first quarter of 2021 and by 24% from a year earlier. Loans to the resident private sector totaled $30.4bn, constituting decreases of 5.1% from the end of 2020 and of 24% from end-March 2020. Also, credit to the non-resident private sector amounted to $3.8bn at end-March 2021, and contracted by 8.1% from end-2020 and by 24.3% from a year earlier. In nominal terms, credit to the private sector contracted by $2bn in the first quarter of 2021 relative to a decrease of $4.8bn in the same quarter of 2020, as lending to the resident private sector declined by $1.63bn and credit to the non-resident private sector regressed by $334.6m in the covered quarter. Also, loans extended to the private sector declined by $25.2bn since the start of 2019.

**Private Sector Deposits (US$bn)**




*Source: Banque du Liban, Byblos Research*

The dollarization rate of private sector loans regressed from 66.3% at end-March 2020 to 59.2% at the end of March 2021. The average lending rate in Lebanese pounds was 8.02% in March 2021 compared to 9.41% a year earlier, while the same rate in US dollars was 7.14% relative to 8.55% in March 2020.

In addition, claims on non-resident financial institutions reached $4.9bn at the end of March 2021 and increased by $173m (+3.7%) from end-2020, while they dropped by $256.7m (-5%) from a year earlier and by $4.5bn (-46.5%) from the end of August 2019. Also, deposits at foreign central banks totaled $647m, constituting increases of $69.4m (+12%) from end-2020 and of $20.8m (+3.3%) from a year earlier. In addition, the banks' claims on the public sector stood at $20.3bn at end-March 2021, down by $785.3m (-0.8%) in the first quarter of the year and by $4.8bn (-19.3%) from the end of March 2020. The banks' holdings of Lebanese Treasury bills stood at $11.6bn, while their holdings of Lebanese Eurobonds reached $8.4bn at end-March 2021. Further, the deposits of commercial banks at Banque du Liban (BdL) totaled $110bn at the end of March 2021, down by a marginal 0.4% from $110.4bn at the end of 2020 and by 6.6% from $117.8bn at the end of March 2020.

In parallel, private sector deposits totaled $136.9bn at the end of March 2021 and regressed by 1.6% in the first quarter of 2021 and by 8.5% from end-March 2020. Deposits in Lebanese pounds reached the equivalent of $27.1bn at end-March 2021, as they regressed by 1% from the end of 2020 and by 18% from a year earlier; while deposits in foreign currency reached $109.9bn, and declined by 1.7% from end-2020 and by 5.8% from the end of March 2020. Resident deposits totaled $110.1bn at the end of March 2021 and decreased by $1.7bn (-1.5%) from the end of 2020 and by $9.9bn (-8.3%) from a year earlier. Also, non-resident deposits reached $26.9bn at end-March 2021, down by $461.6m (-1.7%) from end-2020 and by $2.7bn (-9.3%) from the end of March 2020.

Private sector deposits declined by $2.2bn in the first quarter of 2021, with deposits in Lebanese pounds decreasing by $255.8m and foreign currency deposits shrinking by $1.94bn. Private sector deposits regressed by $227.1m in January, by $60.7m in February and by $1.9bn in March 2021. In comparison, private sector deposits declined by $3.8bn in January, by $3.4bn in February and by $2.1bn in March 2020. In addition, private sector deposits declined by $10.7bn between September and December 2019 and by $19.7bn in 2020. As such, aggregate private sector deposits dropped by $35.6bn between September 2019 and March 2021, and by $37.33bn since the start of 2019. The decrease is due largely to the repayment of loans by companies and individuals, 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-March 2021 compared to 80.4% at the end of 2020 and to 78% a year earlier.

Further, the liabilities of non-resident financial institutions reached $6bn at the end of March 2021 and decreased by 27% from a year earlier. Also, the average deposit rate in Lebanese pounds was 1.96% in March 2021 compared to 5.13% a year earlier, while the same rate in US dollars was 0.52% relative to 2.53% in March 2020. The ratio of private sector loans to deposits in foreign currency stood at 18.4% at the end of March 2021 compared to 25.6% a year earlier, well below BdL's limit of 70%. The same ratio in Lebanese pounds reached 51.5% at end-March 2021 relative to 46% from a year earlier. As such, the total private sector loans-to-deposits ratio reached 25% compared to 30.1% at end-March 2020. The banks' aggregate capital base stood at $17bn at the end of March 2021, down by 18.2% from $20.7bn a year earlier.

## Corporate Highlights

### Byblos Bank approves cash contribution to capital, releases first quarter results

The Extraordinary General Assembly of Byblos Bank sal, which was held on April 21, 2021, verified and approved the participation in the cash contribution to capital that is convertible into shares and its payment. It also confirmed the increase of the Bank's capital in stages by up to the equivalent of $270m in Lebanese pounds through cash contributions.

Further, the Extraordinary General Assembly approved the exchange of the $20.38m in fiduciary notes that are issued by Mitsubishi UFG Global Custody SA for subordinated notes that are issued by Byblos Bank sal and that are paid in Lebanon, as well as approved the issuance of the new subordinated notes.

In parallel, Byblos Bank sal declared unaudited net profits of $0.9m in the first quarter of 2021 relative to $8m in the same period of 2020. The Bank's net interest income reached $177.8m in the first quarter of 2021 compared to $102m in the same period of 2020; while revenues from net fees & commissions stood at $16.5m in the covered period relative to $21.3m in the first quarter of 2020. The Bank's net operating income totaled $78.5m in the first three months of 2021 relative to $84m in the same period of 2020. Further, Byblos Bank's operating expenditures reached $52.4m in the first quarter of 2021, nearly unchanged from $52.3m in the same period of 2020, with personnel cost accounting for 56.1% of the total.

Also, the Bank's aggregate assets reached $18.4bn at the end of March 2021 and declined by 2.2% from $18.8bn at end-2020. Net loans & advances to customers totaled $2.3bn at the end of March 2021 compared to $2.6bn at end-2020, while net loans & advances to related parties reached $6.3m. Further, customer deposits amounted to $14.2bn and deposits from related parties stood at $261.1m at the end of March 2021. As a result, aggregate deposits stood at $14.5bn at end-March 2021, down by 3% from $14.9bn at end-2020. In parallel, the Bank's equity was $1.6bn at the end of March 2021, nearly unchanged from end-2020.

### Stock market capitalization up 44% to $9.4bn at end of April 2021

Figures released by the Beirut Stock Exchange (BSE) indicate that the trading volume reached 12,965,362 shares in the first four months of 2021, constituting a decrease of 32% from 19,067,473 shares traded in the same period of 2020; while aggregate turnover amounted to $98m and increased by 45.6% from a turnover of $67.3m in the first four months of 2020. The market capitalization of the BSE reached $9.4bn at the end of April 2021, increasing by 44% from $6.5bn at the end of April 2020, with banking stocks accounting for 52% of the total, followed by real estate equities (43.7%), industrial shares (3.8%), and trading firms' equities (0.4%). The market liquidity ratio was 1% in the first four months of 2021, unchanged from the same period of 2020.

Banking stocks accounted for 71% of the trading volume in the first four months of 2021, followed by real estate equities (28.5%) and industrial shares (0.4%). Also, real estate equities accounted for 85.1% of the aggregate value of shares traded, followed by banking stocks (14.2%) and industrial shares (0.6%). The average daily traded volume for the first four months of 2021 was 209,119 shares for an average daily amount of $1.6m. The figures reflect a decline of 15.6% in the average daily traded volume and a rise of 81% in the average daily value in the covered period.

In parallel, the Capital Markets Authority's (CMA) Market Value-Weighted Index for stocks traded on the BSE increased by 76.3% in the first four months of 2021, while the CMA's Banks Market Value-Weighted Index improved by 5.2% in the covered period. The uptick in the Market Value-Weighted Index is mainly due to the surge in the prices of Solidere A and of Solidere B shares by 34.6% and 36.7%, respectively, in the first four months of the year, which, in turn, led to a rise in their market weights to 26.5% and 17.3%, respectively, at the end of April 2021, the highest among listed companies on the BSE.

### BLOM Bank's profits at $1.1m in first quarter of 2021

BLOM Bank sal declared unaudited net profits of $1.1m in the first quarter of 2021, constituting a drop of 92.8% from $15.9m in the same period of 2020. The bank's net interest income reached $363.5m the first quarter compared to $244.1m in the same period of 2020; while its net fees & commission income stood at $16.2m relative to $25.9m in the first quarter of 2020. Net operating income totaled $107.6m in the first three months of 2021 and decreased by 9.2% from $118.5m in the same period of the previous year. In parallel, the bank's operating expenditures reached $71.6m in the covered period, down by 14% from $83.1m in the first quarter of 2020, with personnel cost accounting for 58% of the total in the first quarter of the year.

Also, the bank's aggregate assets amounted to $29.8bn at the end of March 2021 compared to $29.7bn at end-2020. Net loans & advances to customers totaled $2.9bn at end-March 2021, and dropped by 8.4% from $3.1bn at end-2020, while net loans & advances to related parties reached $6.5m. Further, customer deposits reached $20.9bn at the end of March 2021 relative to $21bn at end-2020, with deposits from related parties standing at $70m. In parallel, the bank's shareholders' equity was $3.2bn at the end of March 2021, down by 0.4% from end-2020.

The bank indicated that it is required to comply with all the circulars that Banque du Liban (BdL) issues, as stipulated in the Code of Money & Credit, especially article 208. As such, it noted that it calculated the expected credit losses in accordance with specific ratios listed in BdL's Basic Circular 44 dated March 25, 1998 about the capital adequacy regulatory framework for banks operating in Lebanon, and according to Circular 567 dated August 26, 2020. Circular 567 amended the Regulatory Expected Credit Losses requirements that banks must apply on their exposure to the government and to BdL in order to book provisions and, in turn, to compute the capital ratios.

## Ratio Highlights

| (in % unless specified) | 2018 | 2019 | 2020 | Change* |
|---|---|---|---|---|
| Nominal GDP ($bn) | 55.0 | 51.3 | 25.2 | (26.06) |
| Public Debt in Foreign Currency / GDP | 60.6 | 63.0 | 55.8 | (7.17) |
| Public Debt in Local Currency / GDP | 93.4 | 108.1 | 92.2 | (15.87) |
| Gross Public Debt / GDP | 154.0 | 171.1 | 148.1 | (23.04) |
| Trade Balance / GDP | (30.8) | (29.0) | - | - |
| Exports / Imports | 14.8 | 19.4 | - | - |
| Fiscal Revenues / GDP | 20.9 | 20.7 | - | - |
| Fiscal Expenditures / GDP | 32.2 | 31.6 | - | - |
| Fiscal Balance / GDP | (11.3) | (10.9) | - | - |
| Primary Balance / GDP | (1.1) | (0.5) | - | - |
| Gross Foreign Currency Reserves / M2 | 63.8 | 70.2 | 41.5 | (28.63) |
| M3 / GDP | 255.6 | 251.2 | 205.6 | (45.67) |
| Commercial Banks Assets / GDP | 451.3 | 404.8 | 291.3 | (113.50) |
| Private Sector Deposits / GDP | 315.3 | 296.6 | 215.5 | (81.10) |
| Private Sector Loans / GDP | 107.4 | 92.9 | 56.0 | (36.91) |
| Private Sector Deposits Dollarization Rate | 70.6 | 80.3 | 80.4 | 0.08 |
| Private Sector Lending Dollarization Rate | 69.2 | 68.7 | 59.6 | (9.12) |

**change in percentage points 20/19;*
*Source: Banque du Liban, Central Administration of Statistics, Institute of International Finance, 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 | 99.4 |
| Nominal GDP (US$ bn) | 55.0 | 51.3 | 25.9 |
| Real GDP growth, % change | -1.9 | -6.7 | -26.4 |
| Private consumption | -1.3 | -7.3 | -23.4 |
| Public consumption | 6.7 | 2.5 | -64.7 |
| Gross fixed capital | -1.8 | -11.1 | -32.2 |
| Exports of goods and services | 0.5 | -4.0 | -31.6 |
| Imports of goods and services | 1.1 | -4.9 | -39.5 |
| Consumer prices, %, average | 6.1 | 2.9 | 85.2 |
| 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 | 5,528 |
| Weighted average exchange rate LBP/US$ | 1,507.5 | 1,575 | 3,853 |

*Source: Institute of International Finance- December 2*

## 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*

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

# BYBLOS BANK GROUP

**LEBANON**

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

**IRAQ**

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

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

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

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

**UNITED ARAB EMIRATES**

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

**ARMENIA**

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

**NIGERIA**

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

**BELGIUM**

Byblos Bank Europe S.A.
Brussels Head Office
Boulevard Bischoffsheim 1-8
1000 Brussels
Phone: (+ 32) 2 551 00 20
Fax: (+ 32) 2 513 05 26
E-mail: byblos.europe@byblosbankeur.com

**UNITED KINGDOM**

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

**FRANCE**

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

**CYPRUS**

Limassol Branch
256 Archbishop Makariou III Avenue, Eftapaton Court
3105 Limassol - Cyprus
Phone: (+ 357) 25 341433/4/5
Fax: (+ 357) 25 367139
E-mail: byblosbankcyprus@byblosbank.com.lb

**ADIR INSURANCE**

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