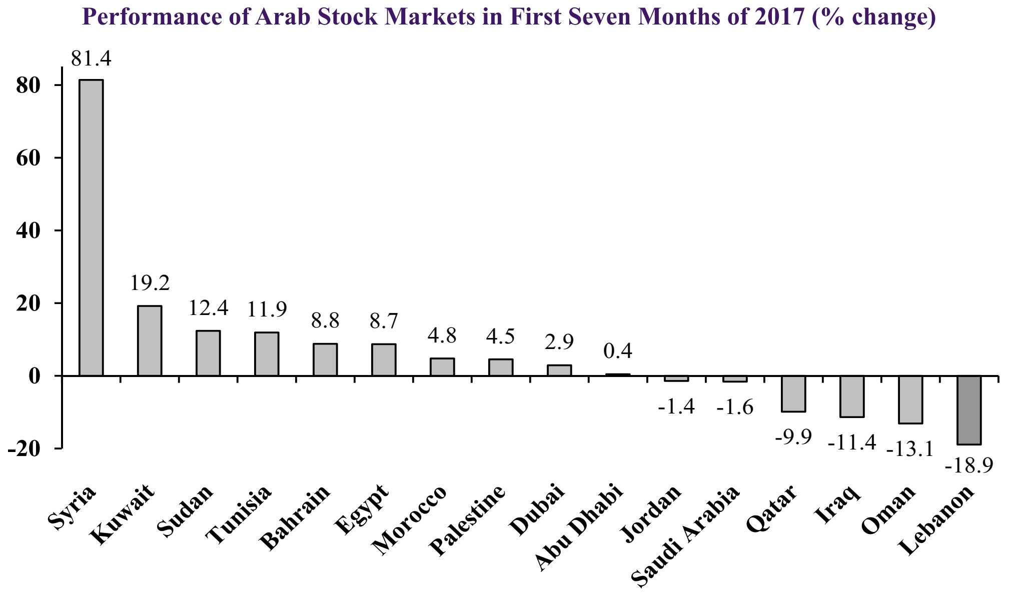
500 ISSUES+
Issue 502 | July 31 - August 5, 2017

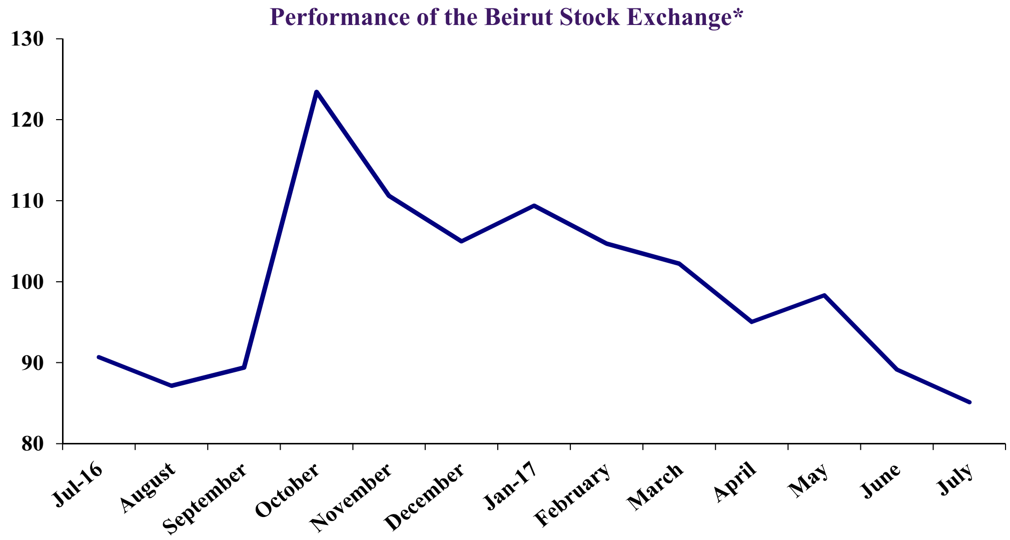
BYBLOS BANK SAL
Economic Research & Analysis Department

LEBANON THIS WEEK

In This Issue

Charts of the Week





*Capital Markets Authority Value Weighted Index end of month values
Source: Local Stock Markets, Capital Markets Authority, Byblos Bank

Quote to Note

"The increase in taxes will further dampen economic activity and bank profits."

Citi, on the expected impact of the tax increases that were ratified in July by the Lebanese Parliament

Number of the Week

$907m: Aggregate amount that the World Food Program has directly injected in the Lebanese economy since 2012 through cash-based interventions, according to the United Nations

Lebanon in the News

$m (unless otherwise mentioned)	2016	Feb 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	% Change*
Exports	2,977	228	247	244	229	226	(0.88)
Imports	18,705	1,377	1,450	1,536	1,604	1,648	19.68
Trade Balance	(15,728)	(1,149)	(1,203)	(1,292)	(1,375)	(1,422)	23.76
Balance of Payments	1,238	363	453	910	167	342	(5.74)
Checks Cleared in LBP	19,892	1,538	1,684	1,879	1,733	1,676	8.97
Checks Cleared in FC	48,160	3,988	3,968	3,880	3,973	3,547	(11.06)
Total Checks Cleared	68,052	5,526	5,652	5,759	5,706	5,223	(5.48)
Budget Deficit/Surplus	(3,667.15)	(260.49)	(706.12)	(513.35)	330.43	(453.93)	74.26
Primary Balance	1,297.65	(23.60)	(40.58)	(111.56)	558.07	(189.09)	701.1
Airport Passengers***	7,610,231	442,212	555,931	598,009	539,089	462,605	4.61

$bn (unless otherwise mentioned)	2016	Feb 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	% Change*
BdL Gross FX Reserves	34.03	31.42	34.38	34.03	35.02	35.44	12.77
In months of Imports	*21.83*	*22.82*	*23.71*	*22.15*	*21.83*	*21.50*	(5.77)
Public Debt	74.89	71.22	74.55	74.89	76.17	76.13	6.89
Bank Assets	204.3	186.59	200.95	204.3	204.38	204.93	9.83
Bank Deposits (Private Sector)	162.5	151.42	159.19	162.5	162.73	163.86	8.22
Bank Loans to Private Sector	57.18	54.56	56.49	57.18	56.95	57.01	4.49
Money Supply M2	54.68	52.29	54.12	54.68	54.50	54.96	5.11
Money Supply M3	132.8	123.49	130.04	132.8	132.88	133.83	8.37
LBP Lending Rate (%)****	8.23	8.18	8.26	8.23	8.47	8.37	-
LBP Deposit Rate (%)	5.56	5.57	5.54	5.56	5.55	5.56	(1bps)
USD Lending Rate (%)	7.35	7.31	7.16	7.35	7.26	7.14	(17bps)
USD Deposit Rate (%)	3.52	3.22	3.48	3.52	3.52	3.57	35bps
Consumer Price Index**	(0.80)	(2.94)	1.78	3.14	4.68	4.93	-

** Year-on-Year ** Year-on-Year percentage change ***includes arrivals, departures, transit*
***** Starting January 2016, lending rates in Lebanese pounds are reported before any subsidy or facility from reserve requirements according to Intermediate Circular No 389, and as such they are not comparable year-on-year*
Note: bps i.e. basis points
Source: Association of Banks in Lebanon, Banque du Liban, Ministry of Finance, Central Administration of Statistics, Byblos Research

Capital Markets

Most Traded Stocks on BSE	Last Price ($)	% Change*	Total Volume	Weight in Market Capitalization
Solidere "A"	7.99	1.14	955,115	7.01%
Audi Listed	6.04	(0.98)	330,000	21.20%
BLOM Listed	11.30	0.00	26,137	21.33%
BLOM GDR	12.49	1.54	21,556	8.10%
Solidere "B"	7.98	3.23	19,009	4.55%
Audi GDR	6.01	(1.48)	10,447	6.33%
Byblos Pref. 09	102.00	0.79	3,854	1.79%
Byblos Pref. 08	102.00	0.89	2,000	1.79%
Byblos Common	1.63	(0.61)	591	8.09%
HOLCIM	11.70	(10.00)	247	2.00%

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

Sovereign Eurobonds	Coupon %	Mid Price $	Mid Yield %
Dec 2017	4.00	99.75	4.62
Nov 2018	5.15	100.50	4.73
May 2019	6.00	101.13	5.33
Mar 2020	6.38	101.75	5.64
Oct 2022	6.10	99.63	6.19
Jun 2025	6.25	98.75	6.45
Nov 2026	6.60	100.00	6.60
Feb 2030	6.65	98.63	6.81
Apr 2031	7.00	100.25	6.97
Nov 2035	7.05	99.50	7.10

Source: Byblos Bank Capital Markets

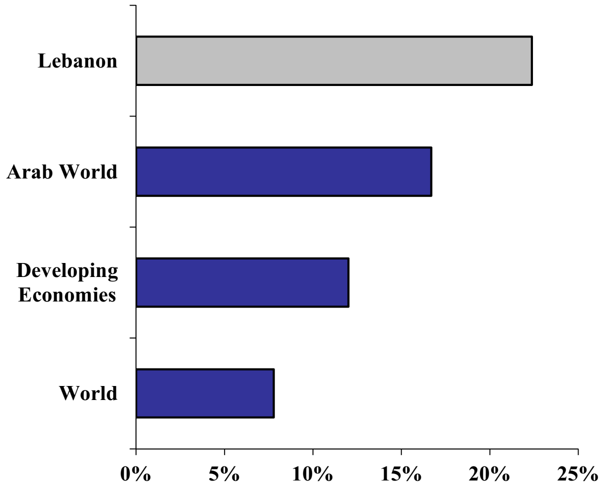
	Jul 31- Aug 4	Jul 24-28	% Change	July 2017	July 2016	% Change
Total shares traded	1,422,360	2,179,715	(34.7)	5,916,251	2,886,513	105
Total value traded	$11,714,913	$20,660,447	(43.3)	$59,216,017	$18,444,372	221.1
Market capitalization	$11.39bn	$11.41bn	(0.21)	$11.39bn	$11.08bn	2.7

Source: Beirut Stock Exchange (BSE)

Growth of broadband penetration in Lebanon outperforms Arab and developing economies

Figures released by the International Telecommunication Union (ITU) indicate that Lebanon ranked in 48th place among 197 countries at the end of 2016 in terms of fixed broadband penetration, which is the number of subscriptions to the service per 100 inhabitants. Lebanon also came in first place among 19 Arab countries and ranked in second place among 53 upper middle-income countries (UMICs) included in the survey. Based on the same number of countries in 2015 and 2016, Lebanon's global and regional ranks were unchanged year-on-year. Lebanon had 25.6 fixed broadband subscriptions per 100 inhabitants in 2016, nearly unchanged from 25.4 subscriptions in 2015. Lebanon's fixed broadband penetration rate was higher than the global penetration rate of 11.9 subscriptions per 100 inhabitants, the developing economies' penetration rate of 8.2 subscriptions per 100 inhabitants and the Arab states' penetration rate of 4.8 subscriptions per 100 inhabitants. Also, fixed broadband penetration in Lebanon grew by a compound annual growth rate (CAGR) of 22.4% during the 2010-16 period compared to a CAGR of 12% for developing economies and of 16.7% for Arab countries during the covered period. On a global basis, Lebanon had a similar fixed broadband penetration rate than Latvia, a higher rate than Singapore (25.5%), Italy (25.4%) and Croatia (24.6%), and a lower rate than Israel (28.1%), the Czech Republic (27.7%) and Uruguay (26.8%) among economies with a GDP of $10bn or more. Also, Lebanon came second to Belarus (33.3%) among UMICs.

CAGR of Broadband Penetration in 2010-16 (%)



Source : ITU, Byblos Research

In parallel, Lebanon ranked in 56th place among 205 countries at the end of 2016 in terms of Internet penetration, which represents the number of Internet users per 100 inhabitants. Lebanon also came in fifth place among 20 Arab countries and among 54 UMICs. Based on the same set of countries in 2015 and 2016, Lebanon's rank fell by five spots in 2016, constituting the 11th steepest decline globally, while its rank was unchanged among Arab countries. Lebanon had 76.1 Internet users per 100 inhabitants in 2016, up by 2.9% from 74 Internet users per 100 inhabitants in 2015. Lebanon's Internet penetration rate came above the global penetration rate of 47.1 users per 100 inhabitants, the Arab countries' penetration rate of 41.6 users per 100 inhabitants and the developing economies' penetration rate of 40.1 users per 100 inhabitants. Also, the penetration rate of Internet users in Lebanon grew by a CAGR of 9.7% during the 2010-16 period compared to a CAGR of 11.4% for developing economies and of 9.8% for Arab countries during the covered period. On a global basis, Lebanon had a higher Internet penetration rate than Cyprus (75.9%), Slovenia (75.5%) and Brunei Darussalam (75%), and a lower rate than the Czech Republic (76.5%), Russia (76.4%) and the U.S. (76.2%) among economies with a GDP of $10bn or more. Also, Lebanon had a lower penetration rate than only Malaysia (78.8%), Azerbaijan (78.2%), Kazakhstan (76.8%) and Russia (76.4%) among UMICs, while it trailed Bahrain (98%), Qatar (94.3%), the UAE (90.6%) and Kuwait (78.4%) among Arab countries.

Industrial exports down by 7% to $807m in first four months of 2017

Figures released by the Ministry of Industry show that industrial exports totaled $806.9m in the first four months of 2017, constituting a decrease of 6.7% from $865m in the same period of 2016. Industrial exports reached $210.4m in April 2017, down by 6% from $223.9m in the preceding month and by 9% from $231.1m in April 2016. Exports of machinery & mechanical appliances totaled $159.3m, while those of prepared foodstuffs & tobacco amounted to $159.1m, each accounting for 19.7% of aggregate industrial exports in the first four months of 2017. Exports of chemical products followed with $132.7m (16.4%), then base metals with $105.4m (13.1%), pearls & precious or semi-precious stones & metals with $47.3m (5.9%), and plastics & rubber with $46.1m (5.7%). Arab countries were the destination of 55.7% of Lebanese industrial exports in the first four months of 2017, followed by European economies with 14.4%, African countries with 11%, Asian economies with 9.7%, countries in the Americas with 7.2% and markets in Oceania with 0.8%. On a country basis, the UAE was the main destination of Lebanese industrial exports and accounted for 11.3% of the total in the first four months of 2017, followed by Saudi Arabia with 10.6%, Iraq and Syria with 8.1% each, Turkey with 4.3% and Jordan with 3.9%. In April 2017, 12 Arab states, 10 European economies, nine African countries, four Asian economies, three countries in the Americas and one market in Oceania imported $1m or more each in industrial products from Lebanon.

In parallel, imports of industrial equipment and machinery reached $69.9m in the first four months of 2017, down by 22.8% from $90.5m in the same period of 2016. Italy was the main source of such imports and accounted for 24.2% of the total in the first four months of 2017, followed by China with 21.1% and Germany with 16.6%. Further, imports of industrial equipment and machinery amounted to $18m in April 2017, down by 21% from $22.8m in the same month of 2016. China was the main source of such imports with $4.2m and accounted for 23.3% of the total in the covered month, followed by Germany with $3.3m (18.6%) and Italy with $2.9m (16.2%).

Merrill Lynch maintains Lebanon's external debt at Marketweight, Eurobonds post 33rd lowest return in EMs

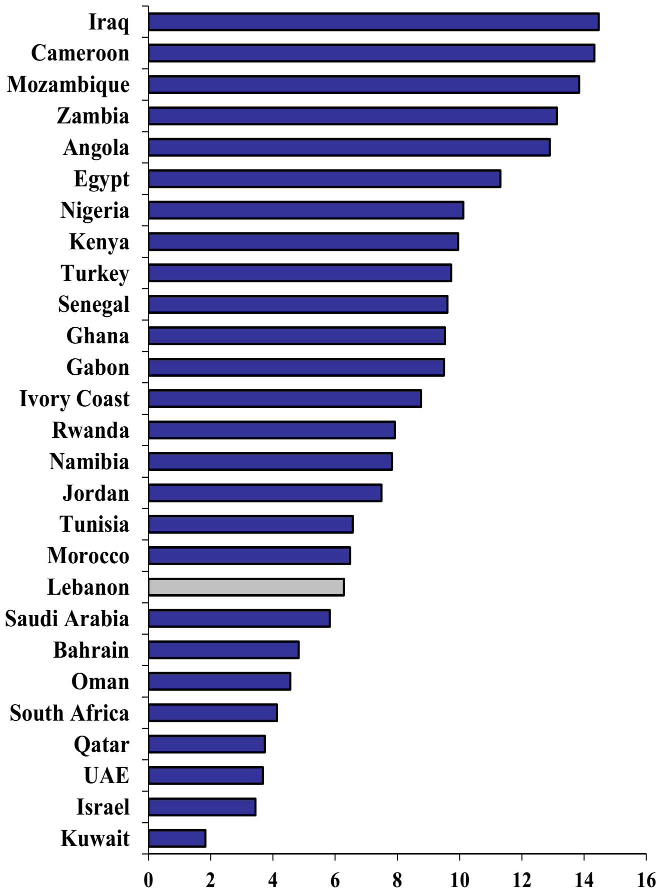
Figures issued by Merrill Lynch indicate that Lebanon's external debt posted a return of 6.28% in the first seven months of 2017, constituting the 23rd highest return among 44 markets in the Central & Eastern Europe and the Middle East & Africa (CEEMEA) region, as well as the 33rd lowest return among 76 emerging markets included in Merrill Lynch's External Debt EM Sovereign Index. Lebanon underperformed the overall emerging markets' return of 6.34% during the covered period. Further, Lebanon's external debt posted the ninth lowest return among 27 countries in the Middle East & Africa region in the first seven months of the year, ahead of Saudi Arabia (+5.83%), Bahrain (+4.83%), Oman (+4.56%), South Africa (+4.13%), Qatar (+3.74%), the UAE (+3.68%), Israel (+3.44%) and Kuwait (+1.83%).

In parallel, Merrill Lynch maintained its recommendation for Lebanon's external debt at "Marketweight" in its emerging markets portfolio. It attributed its decision to the performance of Lebanese Eurobonds and to the positive bias in case structural reforms are implemented.

Further, Lebanon's external debt posted a return of 0.31% in July 2017, constituting the sixth lowest return in the CEEMEA region, and the 14th lowest in emerging markets during the covered month. Lebanon underperformed the emerging markets' return of 0.67% in July 2017. It also posted the fourth lowest return in the Middle East & Africa region in July 2017, ahead of Cameroon and Israel (+0.26% each), and Saudi Arabia (+0.1%).

In parallel, Merrill Lynch indicated that the option-adjusted spread on Lebanese Eurobonds was 437 basis points at the end of July 2017 compared to 521 basis points at end-July 2016. It constituted the 10th widest spread in the CEEMEA region and the 16th widest among emerging markets. The spread on Lebanese Eurobonds was wider than the emerging markets' overall spread of 270 basis points at the end of July 2017.

External Debt Performance in the Middle East & Africa in First Seven Months of 2017 (%)



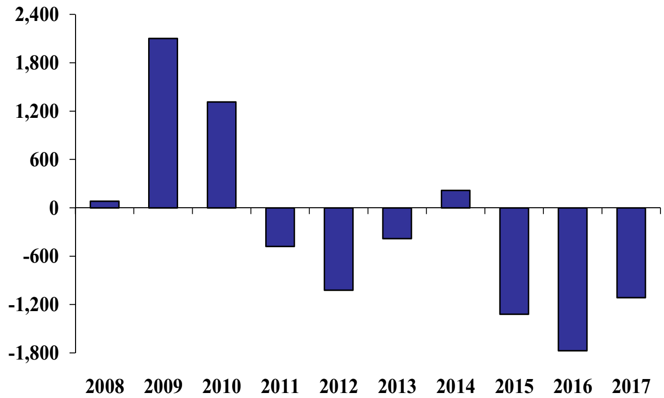
Source: Merrill Lynch, Byblos Research

Lebanon has a weight of 2.7% on Merrill Lynch's External Debt EM Sovereign Index, the fifth largest weight in the CEEMEA universe and the 11th largest among emerging economies. Lebanon accounted for 5.1% of allocations in the CEEMEA region.

Balance of payments posts deficit of $1bn in first half of 2017

Figures issued by Banque du Liban show that Lebanon's balance of payments posted a deficit of $1.12bn in the first half of 2017 compared to a deficit of $1.77bn in the same period of 2016. The balance of payments posted a deficit of $758m in June 2017 compared to deficits of $591.5m in May 2017 and of $13m in June 2016. The June 2017 deficit was caused by a decrease of $2.5bn in the net foreign assets of banks and financial institutions, which was partly offset by a rise of $1.77bn in those of Banque du Liban. The cumulative deficit over the first half of 2017 was caused by a decline of $769m in the net foreign assets of banks and financial institutions and a decrease of $346.6m in those of Banque du Liban. The balance of payments posted surpluses of $7.9bn in 2009, $3.3bn in 2010 and $1.2bn in 2016, and deficits of $2bn in 2011, $1.5bn in 2012, $1.1bn in 2013, $1.4bn in 2014 and $3.4bn in 2015.

Balance of Payments* (US$m)



**in the first half of each year*
Source: Banque du Liban

Average stay at hotels and furnished apartments in Lebanon at 3.2 nights per person in 2016

A survey conducted by the Ministry of Tourism showed that 790,795 persons used hotels and furnished apartments in Lebanon and spent 2,534,047 nights in such facilities in 2016, leading to an average stay of 3.2 nights per person last year. It indicated that 688,374 persons used hotels in Lebanon and spent 2,222,537 nights in such facilities in 2016, while 102,421 persons used furnished apartments and spent 311,510 nights in such accommodations last year. The results show that Arab nationals, including Lebanese citizens, accounted for 55.1% of the total number of guests in 2016 and for 64.7% of aggregate nights spent at surveyed hotels and furnished apartments in the country. The ministry based its 2016 figures on data collected from 209 hotels and 82 furnished apartment facilities across Lebanon. It indicated that the 2016 figures are not comparable with those of previous years, given that the number of surveyed hotels and furnished apartments changes each year.

Length of Stay at Hotels & Furnished Apartments in 2016*

	Total Nights	Average Night per Person
Iraq	399,599	4.22
Lebanon	**395,176**	**3.51**
Syria	375,905	4.11
France	183,932	3.64
Egypt	157,894	4.52
Jordan	151,225	3.63
United States	127,945	3.63
Germany	72,214	2.17
England	67,138	2.22
Saudi Arabia	54,626	2.77

**Top 10 sources*

Source: Ministry of Tourism, Byblos Research

The distribution of guests by nationality indicates that there were 112,624 clients from Lebanon, representing 14.2% of total clients in 2016. They were followed by 94,733 guests from Iraq (12%), 91,451 from Syria (11.6%), 50,465 from France (6.4%), 41,653 from Jordan (5.3%), 35,287 from the United States (4.5%), 34,946 from Egypt (4.4%), 33,229 from Germany (4.2%), 30,230 from the United Kingdom (3.8%), 27,585 from Canada (3.5%), and 19,922 from Australia and 19,724 clients from Saudi Arabia (2.5% each). Further, Iraqi citizens accounted for 15.8% of total nights spent at surveyed hotels and furnished apartments in Lebanon in 2016, followed by Lebanese citizens at 15.6% of the total, Syrians (14.8%), French (7.3%), Egyptians (6.2%) and Jordanians (6%).

In parallel, Egyptian nationals stayed an average of 4.52 nights at surveyed hotels and furnished apartments in Lebanon last year, the highest usage per night among Arab nationalities. Clients from Iraq followed with 4.22 nights, then guests from Syria (4.11 nights), the Comoros Islands (3.87 nights), Jordan (3.63 nights), Lebanon (3.51 nights), Algeria (3.12 nights), Oman (2.99 nights),Yemen (2.97 nights), Palestine (2.93 nights), Djibouti (2.83 nights), Saudi Arabia (2.77 nights), Qatar (2.75 nights), Libya (2.6 nights), Kuwait (2.48 nights), Morocco (2.46 nights), Tunisia (2.45 nights), Bahrain (2.44 nights), Mauritania and Sudan (2.2 nights each), and the UAE (2.33 nights). In parallel, the average length of stay per person for non-Arab visitors shows that nationals from Kirghizstan stayed 7.5 nights, followed by clients from Dominica (6.79 nights), Zambia (6.38 nights), Afghanistan (5.37 nights), Lichtenstein (5.3 nights), Moldova (5.12 nights), Georgia (5.03 nights), Mozambique (4.9 nights), Brunei Darussalam (4.89 nights), Andorra (4.84 nights) and Malta (4.68 nights).

Utilized credits by private sector at $64bn at end-March 2017, advances against real estate account for 38% of total

Figures issued by Banque du Liban show that utilized credits by the private sector from commercial banks and financial institutions totaled $64.4bn at the end of March 2017, nearly unchanged from $64.2bn at end-2016 and constituting a growth of 3.4% from $62.3bn at end-March 2016. Trade & services accounted for $21.1bn or 32.8% of utilized credits at the end of March 2017, followed by personal credit with $19.9bn (30.9%), construction with $11.3bn (17.5%), industry with $6.4bn (9.9%), financial intermediaries with $3.3bn (5.1%) and agriculture with $769.9m (1.2%), while other sectors represented the remaining $1.7bn (2.6%). The distribution of credit by type shows that advances against real estate totaled $24.2bn and accounted for 37.6% of private sector utilized credits at the end of March 2017. They were followed by overdrafts with $17.7bn (27.5%), advances against personal guarantees with $11.8bn (18.4%), advances against cash collateral or bank guarantees with $7.2bn (11.1%), advances against other real guarantees with $2.2bn (3.5%) and advances against financial values with $1.2bn (1.9%).

Also, the distribution of utilized credits in trade & services shows that wholesale trade accounted for 45.5% of overall trade & services credits, followed by retail with 18%, real estate services with 16.2%, transport & storage with 8.2%, hotels & restaurants with 7.3% and educational services with 4.8%. Personal credit accounted for 87% of loan beneficiaries, followed by trade & services with 9% of beneficiaries, industry with 2.4%, construction with 1.4%, agriculture with 1% and financial intermediaries with 0.5%, while other sectors attracted the remaining 2.7% of loan beneficiaries.

The aggregate number of loan beneficiaries grew by 0.9% from end-2016 and by 4.3% from end-March 2016 to 598,893 at end-March 2017; while 71.2% of beneficiaries had loans ranging from LBP5m to LBP100m at the end of March 2017. Beirut and its suburbs accounted for 75.3% of bank credits and for 54.2% of beneficiaries. Mount Lebanon followed with 12.6% of credits and 18.1% of beneficiaries, then South Lebanon with 4.8% of credits and 9.9% of beneficiaries, North Lebanon with 4.3% of credits and 10.6% of beneficiaries, and the Bekaa region with 3.1% of credits and 7.2% of beneficiaries.

In parallel, the off-balance sheet liabilities of banks and financial institutions totaled $107.7bn at the end of March 2017, regressing by 0.4% from $108.1bn at end-2016 and increasing by 3.7% from $103.8bn at end-March 2016. They included endorsement & guarantees of $100.6bn, or 93.4% of the total, followed by letters of undertaking with $2.8bn (2.6%) and commitments on notes with $2.3bn (2.1%).

Fiscal deficit narrows by 78% to $162m in first two months of 2017, equivalent to 8% of expenditures

Figures released by the Finance Ministry show that the fiscal deficit reached $161.6m in the first two months of 2017 and narrowed by 77.8% from a deficit of $727.6m in the same period of 2016. The deficit was equivalent to 8.1% of total budget and Treasury expenditures compared to 29.4% in the first two months of 2016. Government expenditures reached $2bn and decreased by 19% from the same period last year, while revenues grew by 5.6% annually to $1.85bn. As such, the narrowing of the deficit reflects a decline of $467.5m in overall expenditures and an increase of $98.5m in total revenues during the first two months of 2017. The drop in spending mostly reflects a decline of 76.7%, or $496.5m, in Treasury expenditures due to a decrease of 99%, or $494m, in transfers to municipalities.

On the revenues side, tax receipts grew by 8.1% to $1.3bn in the first two months of 2017, of which 35.6%, or $450.9m, were in VAT receipts that increased by 8.3% year-on-year. Tax receipts accounted for 73% of budgetary revenues and for 68.5% of total Treasury and budgetary receipts in the covered period. The distribution of other tax revenues shows that receipts from taxes on income, profits & capital gains grew by 10.3% year-on-year to $363.5m in the first two months of 2017; revenues from property taxes improved by 8.8% to $129.3m; receipts from stamp fees increased by 6.7% to $61.5m and revenues from taxes on goods & services jumped by 38.3% to $47.6m; while revenues from customs regressed by 0.6% year-on-year to $212m.

The distribution of income tax receipts shows that taxes on wages & salaries accounted for 35.9% of income tax revenues in the first two months of 2017, followed by the tax on interest deposits with 27.7%, the tax on profits with 26.3% and the capital gains tax with 6.9%. Revenues from the capital gains tax rose by 40% in the covered period, those from taxes on profits grew by 14.4%, the tax on interest deposits improved by 6.2% and receipts from taxes on wages & salaries increased by 3%. Also, the distribution of property taxes shows that revenues from real estate registration fees increased by 4.8% to $86m in the first two months of the year, receipts from the built property tax improved by 46.8% to $27.2m, while revenues from the inheritance tax fell by 11.6% to $16.1m. Further, non-tax budgetary receipts increased by 11.3% year-on-year to $467.7m in the first two months of 2017. They mainly included $310.2m in revenues generated from government properties that grew by 3.1% year-on-year, as well as $134m in receipts generated from administrative fees and charges that rose by 47.6% year-on-year. Receipts from telecommunications services increased by 1.6% to $265.3m and accounted for 85.5% of income from government properties and for 56.7% of non-tax budgetary revenues.

On the expenditures side, budgetary spending, which includes general expenditures and debt servicing, grew by 1.6% annually to $1.9bn in the first two months of 2017. General budgetary spending increased by 1.5% to $1.4bn, and included $481.3m in outlays from previous years that regressed by 13.3% year-on-year, as well as $205m in transfers to Electricité du Liban that jumped by 2.3 times, among others. Further, debt servicing totaled $492.5m in the first two months of 2017 and grew by 2% from the same period last year. Debt servicing accounted for 24.5% of total expenditures and for 26.5% of budgetary spending, while it absorbed 26.7% of overall revenues and 28.4% of budgetary receipts in the covered period. Interest payments on Lebanese pound-denominated debt grew by 8.2% year-on-year to $353.5m in the first two months of the year, while debt servicing on foreign currency debt regressed by 14.2% to $115.3m. Also, the repayment of principal on foreign debt, including concessional loans earmarked for project financing, increased by 8.8% to $23.7m. The primary budget balance posted a surplus of $369m in the first two months of 2017, or 19.9% of budgetary expenditures, relative to a surplus of $246.1m, or 13.5% of budgetary spending, in the same period of 2016. The overall primary balance posted a surplus of $330.9m, or 16.5% of spending, compared to a deficit of $244.6m, or 9.9% of total expenditures, in the first two months of 2016.

Comparative Fiscal Results in First Two Months of the Year

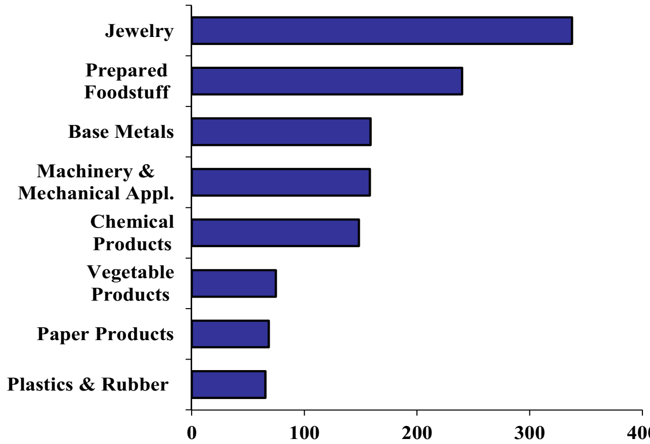
	2016 (US$m)	**2017 (US$m)**	**Change (%)**
Budget revenues	1,590	1,732	9.0
Tax revenues	1,170	1,265	8.1
Non-tax revenues	420	468	11.3
of which Telecom revenues	*261*	*265*	*1.6*
Budget expenditures	1,827	1,856	1.6
Budget Surplus/Deficit	**(237)**	**(124)**	**-47.9**
In % of budget expenditures	*(13%)*	*(6.7%)*	
Budget Primary Surplus	**246**	**369**	**49.9**
In % of budget expenditures	*13.5%*	*19.9%*	
Treasury Receipts	157	113	-28
Treasury Expenditures	647	115	-76.7
Total Revenues	1,747	1,845	5.6
Total Expenditures	2,474	2,007	-18.9
Total Deficit	**(728)**	**(162)**	**-77.8**
In % of total expenditures	*(29.4%)*	*(8.1%)*	
Total Primary Surplus/Deficit	**(244.6)**	**330.9**	**-**
In % of total expenditures	(9.9%)	16.5%	

Source: Ministry of Finance, Byblos Research

Trade deficit narrows by 1% to $7.9bn in first half of 2017

The total value of imports reached $9.4bn in the first half of 2017, constituting a marginal decrease of 0.2% from the same period of 2016; while the aggregate value of exports grew by 3.4% to reach $1.4bn in the covered period. As such, the trade deficit narrowed by 0.8% to $7.9bn in the first half of 2017 due to an increase of $47.8m in exports and a $16.1m decline in imports. The growth in exports mainly reflects an expansion of $34m, or 11.2%, in the value of jewelry exports in the first half of the year; an increase of $30.6m, or 23.9%, in the value of base metals exports; and a rise of $25.2m, or 3.6 times, in the value of exported mineral products. It was partly offset by a decrease of $23.2m, or 12.8%, in the value of exported machinery & mechanical appliances; a drop of $10.3m, or 20.5%, in the value of exported miscellaneous manufactured articles; and a decline of $4.6m, or 18%, in the value of textile exports.

Main Lebanese Exports* (US$m)



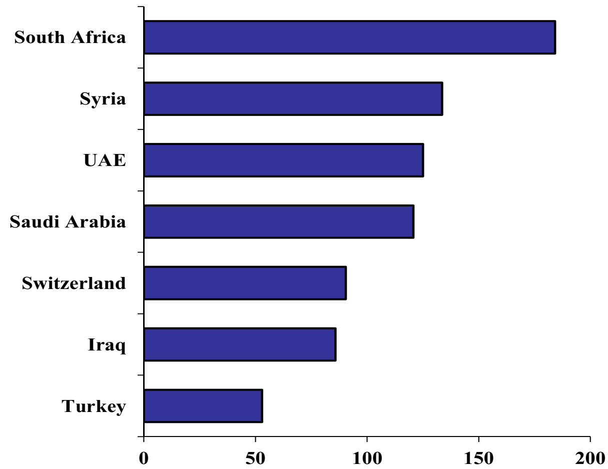
**in the first half of 2017*
Source: Lebanese Customs Administration, Byblos Research

In addition, the growth in imports mainly reflects an increase of $48m, or 5.6%, in the value of imported vehicles; a rise of $44.8m, or 7.8%, in the value of imported base metals; an expansion of $43.3m, or 9.3%, in the import of vegetable products; an increase of $33.4m, or 4.9%, in imported prepared foodstuff; and a growth of $31m, or 3.3%, in the value of imported machinery & mechanical appliances in the first half of 2017. The value of imported oil & mineral fuels decreased by $215.3m, or 10.2%, to $1.9bn in the first half of 2017 and accounted for 20.2% of total imports in the covered period, compared to a share of 22.4% in the first half of 2016. Further, the coverage ratio was 15.3% in the first half of 2017 compared to 14.8% in the same period of 2016, while it reached 15.8% in June 2017 relative to 18.3% in the same month of 2016.

In volume terms, imports reached 8.96 million tons in the first half of 2017, compared to 8.95 million tons in the same period last year, while exports jumped by 22.1% annually to 925,084 tons in the covered period. Imports of oil & mineral fuels increased by 2.1% year-on-year to 4.7 million tons, while non-hydrocarbon imports regressed by 1.9% annually to 4.3 million tons.

In parallel, exports to Switzerland jumped by 3.2 times in the first half of 2017, those to Syria expanded by 55.8% and exports to Iraq grew by 1%, while exports to Saudi Arabia decreased by 17.4% and those to South Africa regressed by 16.2%. Re-exports totaled $379.7m in the first half of 2017 compared to $245.3m in the same period of 2016. Also, the Port of Beirut was the exit point for 49% of Lebanon's total exports in the first half of 2017, followed by the Hariri International Airport (33.7%), the Port of Tripoli (7.3%), the Arida crossing point (4.2%), the Masnaa crossing point (4.1%), the Port of Saida (0.9%) and the Abboudieh crossing point (0.8%).

Main Destinations of Lebanese Exports*($USm)



**in the first half of 2017*
Source: Lebanese Customs Administration, Byblos Research

Lebanon's main non-hydrocarbon imports were chemical products that reached $1.04bn in the first half of 2017 and accounted for 11% of the total. They were followed by machinery & mechanical appliances at $960.8m (10.2%), vehicles, aircraft & vessels at $897.8m (9.6%), prepared foodstuff at $715.1m (7.6%), base metals at $615.6m (6.6%), jewelry at $533.1m (5.7%) and vegetable products at $507.7m (5.4%). In parallel, the Port of Beirut was the entry point for 71.5% of Lebanon's merchandise imports in the first half of 2017, followed by the Hariri International Airport (18.8%), the Port of Tripoli (6.8%), the Port of Saida (1.9%), the Arida crossing point (0.4%), the Masnaa crossing point (0.3%) and the Abboudieh and Tyre crossing points (0.1% each).

China was the main source of imports with $914.7m, or 9.8% of the total, in the first half of 2017, followed by Italy with $750.7m (8%), Greece with $701m (7.5%), Germany with $599m (6.4%), the United States with $568.1m (6.1%) and Russia with $441.2m (4.7%). Imports from Greece grew by 1.5 times year-on-year in the first half of 2017, those from Russia improved by 19.5%, imported goods from Germany rose by 6.9% and those from Italy increased by 4.5%; while imported goods from the United States decreased by 14.6% and those from China regressed by 9.8% year-on-year.

Value of unsold apartments in downtown Beirut at $750m

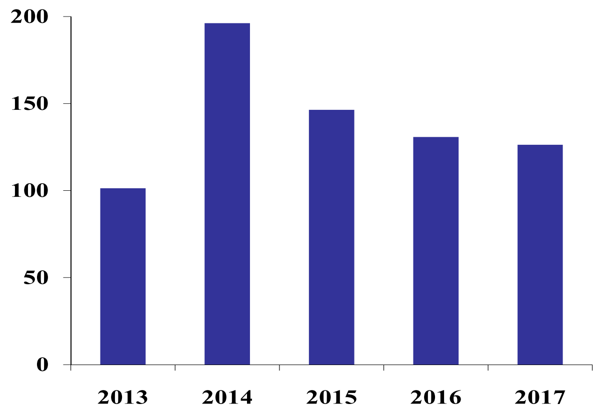
Figures released by property advisory firm RAMCO show that 250 residential apartments that were completed in downtown Beirut are still available for sale. It noted that the number of unsold apartments reflects a slowdown in the real estate market. It attributed the slow sales to a lack of quality in the construction and design of the new apartments, noisy neighborhoods, as well as to an inconsistency in the apartments' size and prices with the current trend in the real estate market. It added that the high-end segment of the real estate market is adversely affected by a reduction in expatriate and local demand for luxury apartments.

Further, it said that the completed residential projects represent a total of 425,000 square meters (sqm) of built-up area (BUA), of which 79,500 sqm of BUA, or 18.7% of the total, are still available for sale. As such, the ratio of sold BUA to total BUA, is currently at 81.3%. It added that the surface area per unsold apartment averages 329 sqm. In addition, it estimated the value of the unsold stock at $750m, with the average value per unsold apartment at $3.1m. The study is based on a sample of 24 buildings in downtown Beirut.

Subsidized interest loans down 3% to $126m in first quarter of 2017

Figures released by Banque du Liban show that the amount of subsidized interest loans to productive sectors in Lebanon totaled $126.3m in the first quarter of 2017, constituting a decrease of 3.4% from $130.7m in the same quarter of 2016. The tourism sector benefited from $63.3m in subsidized interest loans, equivalent to 50.2% of the total, followed by the industrial sector with $51.7m (41%) and agriculture with $11.2m (8.9%). Subsidized medium & long-term loans by Banque du Liban amounted to $107.2m in the first quarter of 2017, equivalent to 84.9% of the total. The tourism sector accounted for 56.8% of subsidized medium & long-term loans, followed by the industrial sector with 38.9% and agriculture with 4.4%. The program was established in the first half of 1997 and consists of a 5% to 7% subsidy on the interest charged on loans extended to productive sectors.

Subsidized Interest Loans* (US$m)



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

Also, subsidized interest loans guaranteed by the Kafalat Corporation reached $15.8m, or 12.5% of the total, in the first quarter of 2017. The industrial sector received 42.4% of Kafalat-backed subsidies, followed by the agricultural sector with 41.6% and the tourism sector with 16%. Kafalat provides financial guarantees for loans of up to $430,000 for small and medium-sized enterprises in productive sectors. In addition, subsidized interest loans granted by leasing companies amounted to $3.3m in the first quarter of 2017, or 2.6% of the total, and were extended in full to the industrial sector. The cumulative amount of subsidized interest loans to productive sectors in Lebanon totaled $7.1bn between 1997 and March 2017.

Construction and public works activity deteriorates in first quarter of 2017

Banque du Liban's quarterly business survey shows that construction activity deteriorated in relative terms in the first quarter of 2017, with the balance of opinions standing at -35 compared to -27 in the fourth quarter of 2016 and to -23 in the first quarter of 2016. The balance of opinions indicates that construction activity was the highest in the South at zero, followed by Beirut & Mount Lebanon and the North (-34 each) and the Bekaa (-47). The business survey reflects the opinions of enterprise managers about the evolution of their businesses, in order to depict the trend of a number of key economic variables. The balance of opinions for public works stood at -42 in the first quarter of 2017 compared to -35 in the preceding quarter and to -7 in the first quarter of 2016. Opinions about the level of public works were the highest in the South region at +20, followed by Beirut & Mount Lebanon (-29), the Bekaa (-51) and the North (-86).

In parallel, the balance of opinions for the portfolio of projects was -30 in the first quarter of 2017, unchanged from the previous quarter and relative to -25 in the first quarter of 2016. The balance of opinions for the portfolio of projects was the highest in the South at -6, followed by Beirut & Mount Lebanon (-21), the Bekaa (-30) and the North (-63). Also, the balance of opinions for general construction activity was -39 in the first quarter of 2017, compared to -33 in the preceding quarter and to -24 in the first quarter of 2016. Further, the balance of opinions for construction costs reached +1 in the covered quarter, down from +17 in the fourth quarter of 2016 and compared to -2 in the first quarter of 2016. The balance of opinions is the difference between the proportion of surveyed managers who consider that there was an improvement in a particular indicator and the proportion of those who reported a decline in the same indicator.

Construction and Public Work Activity: evolution of opinions

Aggregate results	Q1-14	Q1-15	Q1-16	Q1-17
General activity	-14	-31	-24	-39
Construction	-14	-29	-23	-35
Public work	-19	-37	-7	-42
Portfolio of projects	-20	-37	-25	-30
Construction costs	19	26	-2	1
Investments (% of yes)	32%	37%	36%	20%

Source: Banque du Liban Business Survey for First Quarter of 2017

Stock market activity down 19% in first seven months of 2017

Figures released by the Beirut Stock Exchange (BSE) indicate that trading volume reached 47,103,683 shares in the first seven months of 2017, constituting a marginal decrease of 0.1% from 47,146,705 shares traded in the same period of 2016; while aggregate turnover amounted to $405.5m, down by 1.6% from a turnover of $411.9m in the first seven months of 2016. Market capitalization grew by 2.7% from the end of July 2016 to $11.4bn, with banking stocks accounting for 85.9% of the total, followed by real estate shares (11.3%), industrial firms (2.4%) and trading stocks (0.3%). The market liquidity ratio was 3.6% in the covered period, compared to 3.7% in the first seven months of 2016.

Banking stocks accounted for 72.8% of the aggregate trading volume in the first seven months of the year, followed by real estate equities with 19.9%, stocks of trading firms with 6.7% and industrial shares with 0.6%. Also, banking stocks represented 77.1% of the aggregate value of shares traded, followed by real estate equities with 20.1%, stocks of trading firms with 2.4% and industrial stocks with 0.4%. The average daily traded volume for the period was 334,069 shares for an average daily value of $2.88m. The figures reflect year-on-year decreases of 0.8% and 2.3% in volume and in value, respectively. In parallel, the Capital Markets Authority's Market Value-Weighted Index for stocks traded on the BSE regressed by 18.9% in the first seven months of 2017, while the CMA's Banks Market Value-Weighted Index improved by 1% in the covered period.

Aggregate net profits of listed banks up 4% in first half of 2017

Financial results issued by the six banks listed on the Beirut Stock Exchange show that their aggregate net profits reached $642.2m in the first half of 2017, constituting an increase of 3.7% from net earnings of $619.3m in the same period last year. Further, the banks' aggregate pre-tax profits grew by 4.4% year-on-year to $794.5m in the covered period. The figures exclude the one-time profits that Bank Audi generated from the sale of Areeba sal, an electronic payment and card processing firm. The aggregate net interest income of the six banks, including net interest on financial instruments, totaled $1.3bn in the first six months of 2017, up by 6% from $1.2bn in the same period of 2016; while their receipts from total net fees & commission declined by 2.1% year-on-year to $287.9m. Also, the total operating income of the listed banks reached $1.7bn in the covered period and decreased by 3.1% from $1.8bn in the same period last year. Further, the banks' collective cost-to-income ratio regressed from 49.7% in the first six months of last year to 49.1% in the first half of 2017.

In parallel, the aggregate assets of the publicly-listed banks increased by 2.4% from end-2016 to $122.2bn at the end of June 2017; while their total loans, including those to related parties, grew by 4.1% to $38.4bn. Also, total deposits, including those from related parties, increased by 3.5% from end-2016 to $100bn at end-June 2017. Further, the banks' aggregate shareholders' equity, including subordinated notes, regressed by 0.6% from end-2016 to $12.4bn at the end of June 2017.

The six banks' aggregate loans-to-deposits ratio stood at 38.4% at the end of June 2017, compared to 38.2% at end-2016. BLOM Bank had the lowest loans-to-deposits ratio at 28.8% relative to 28.9% at end-2016; followed by Byblos Bank with a ratio of 29.6% at end-June 2017, down from 30.3%; Bank of Beirut and BLC Bank with 39.4% each, compared to 37.9% and 39.5%, respectively, at end-2016; Bank Audi with 48.6% at end-June 2017, up from 47.9%; and Banque BEMO with 53.8% at end-June 2017 relative to 47.5% at end-2016.

Results of Listed Banks in Second Quarter of 2017

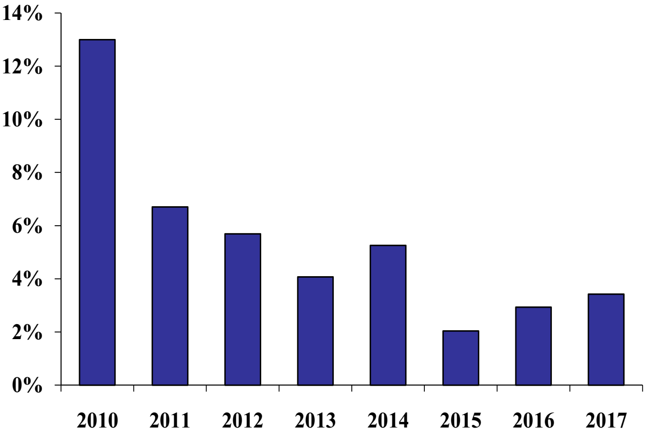
	Audi	BLOM	Byblos	BoB	BLC	BEMO
Net Profits ($m)	212.8	233.5	66.3	96.8	24.9	7.9
% Change*	5.3%	3.0%	-9.1%	6.5%	27.3%	8.2%
Total Assets ($bn)	43.9	31.3	21.8	17.6	5.9	1.7
% Change**	-0.9%	6.1%	4.7%	2.5%	1.8%	-2.6%
Loans ($bn)	17.6	7.7	5.3	5.1	1.9	0.8
% Change**	2.4%	7.4%	2.0%	7.6%	1.3%	9.1%
Deposits ($bn)	36.3	26.7	17.8	13.0	4.8	1.4
% Change**	1.0%	7.5%	4.3%	3.4%	1.4%	-3.6%

** year-on-year*
***Change from end-2016*
Source: Banks' financial statements, Byblos Research

Commercial banks' assets reach $208bn at the end of June 2017

The consolidated balance sheet of commercial banks operating in Lebanon shows that total assets reached $208.2bn at the end of June 2017, constituting an increase of 1.9% from the end of 2016 and a growth of 9.4% from end-June 2016. Loans extended to the private sector reached $58.4bn at the end of June 2017, up by 2.2% from end-2016 and by 4.5% from a year earlier. Loans to the resident private sector reached $52.8bn, constituting an increase of 3.4% from end-2016 and a rise of 6.7% year-on-year; while credit to the non-resident private sector totaled $5.6bn at end-June 2017 and regressed by 8.3% from end-2016 and by 12.4% from a year earlier. In nominal terms, credit to the private sector grew by $1.24bn in the first half of 2017 relative to an increase of $1.66bn in the same period of 2016. Lending to the resident private sector increased by $1.75bn in the first half of 2017, relative to a growth of $1.4bn in the same period of 2016, while credit to the non-resident private sector decreased by $506.8m in the first half of the year compared to an increase of $249.4m in the same period of 2016. The dollarization rate in private sector lending regressed to 71.1% at end-June 2017 from 74.4% a year earlier.

**Resident Private Sector Lending Growth*
(% Change)**



** in the first half of each year*
Source: Association of Banks in Lebanon, Byblos Research

In addition, claims on non-resident banks reached $12.2bn at the end of June 2017 and grew by 8.5% from $11.24bn at the end of 2016, while claims on the public sector stood at $36bn at end-June 2017, up by 3.6% from end-2016. The average lending rate in Lebanese pounds was 8.39% in June 2017, while the same rate in US dollars stood at 7.27%. Further, the deposits of commercial banks at Banque du Liban totaled $89.6bn at end-June 2017, constituting a marginal increase of 0.4% from end-2016 and a growth of 19.1% from a year earlier.

In parallel, private sector deposits of the non-financial sector totaled $167.7bn at the end of June 2017, increasing by 3.2% from the end of 2016 and by 8.5% from a year earlier. Deposits in Lebanese pounds reached $55.8bn at end-June 2017, up by 0.5% from end-2016 and by 2.8% year-on-year; while deposits in foreign currencies totaled $111.9bn and grew by 4.6% from end-2016 and by 11.5% from end-June 2016. Aggregate non-resident deposits reached $34.8bn at the end of June 2017, up by 2.4% from end-2016 and by 8.1% from a year earlier. In nominal terms, private sector deposits grew by $239.5m in January, by $1.12bn in February, by $492.9m in March, by $1.13bn in April, by $655.4m in May and by $1.6bn in June 2017. As such, total private sector deposits rose by $5.2bn in the first half of 2017 compared to an increase of $3.1bn in the same period of 2016. Resident private sector deposits grew by $4.4bn in the first half of 2017 relative to a growth of $2.76bn in the same period of 2016, while non-resident deposits rose by $808.6m in the first half of the year compared to an increase of $313.1m in the same period of 2016. Further, foreign-currency deposits grew by $4.9bn in the first half of 2017 relative to an increase of $2bn in the same period of 2016.

In parallel, deposits of non-resident banks reached $6.6bn at the end of June 2017 and increased by 4.7% from end-2016 and by 5.9% from a year earlier. The dollarization rate of deposits was 66.7% at the end of June 2017 relative to 66.6% at end-May 2017 and compared to 64.9% a year earlier. Further, the average deposit rate in Lebanese pounds was 5.51% in June 2017 compared to 5.56% a year earlier, while the same rate in US dollars was 3.58% relative to 3.31% in June 2016.

The ratio of private sector loans-to-deposits in foreign currency stood at 37.1%, well below Banque du Liban's limit of 70% and compared to 41.5% a year earlier. The same ratio in Lebanese pounds was 30.3% at end-June 2017 relative to 26.3% at the end of June 2016. As such, the ratio of total private sector loans-to-deposits reached 34.8%, down from 36.1% at end-June 2016. The banks' aggregate capital base stood at $18.9bn at end-June 2017, up by 3.5% from $18.2bn at the end of 2016.

United Commercial Assurance's net profits at $2.5m in 2016

United Commercial Assurance sal (UCA) announced audited net profits of $2.5m in 2016, constituting a decrease of 15.8% from net earnings of $3m in 2015. The firm's audited balance sheet shows total assets of $45.7m at the end of 2016, up by 1.3% from $45.1m at the end of 2015. On the assets side, general company investments reached $28.8m and grew by 2.4% from a year earlier. They included $7.9m in cash & cash equivalents that increased by 10.4% year-on-year, $4.1m in land and real estate investments that decreased by 0.3% from a year earlier, $3.5m in variable income investments that regressed by 0.8% from end-2015 and $1.9m in fixed income investments that improved by 4.8% from a year earlier. They also included $10.9m in blocked bank deposits and deposits with maturity of more than three months, of which $2.1m, or 18.8%, were blocked in favor of the Economy Ministry as guarantees. Also, the reinsurance's share in technical reserves for the non-life category decreased by 7.1% to $3.8m in 2016, while that for the life segment grew by 20.6% to $0.2m last year.

On the liabilities side, technical reserves for the non-life segment decreased by 5.4% to $12.8m in 2016, while technical reserves for the life category reached $0.7m at end-2016 and rose by 8.6% from a year earlier. Non-life technical reserves included unearned premium reserves of $9m that declined by 12.2%, outstanding claims reserves of $3.1m that grew by 15.3% and $0.1m in reserves incurred but not reported that increased by 0.6% year-on-year. Also, provisions for risks and charges reached $0.5m and rose by 11.9% from the previous year. The firm's shareholders' equity totaled $24.7m at end-2016 and increased by 2.2% from $24.2m a year earlier.

Al-Bayan magazine's annual survey of the insurance sector in Lebanon ranked United Commercial Assurance in 20th and 26th place in 2016 in terms of non-life and life premiums, respectively. The firm's non-life premiums totaled $14.4m in 2016 and regressed by 3.2% from the previous year; while life premiums increased by 15.5% to $0.8m last year. It had a 1.3% share of the local non-life insurance market and a 0.2% share of the life insurance market in 2016.

Bank Audi redeems and cancels preferred shares, to issue $275m in new shares

The Extraordinary General Assembly of Bank Audi sal that was held on July 21, 2017, approved the redemption and cancellation of 1,500,000 Series "F" Preferred Shares. The Series "F" Preferred Shares were issued in May 2012, carried an annual dividend rate of 4% per share of the issue price for fiscal year 2012 and 6% per share annually afterwards, and were redeemable, non-cumulative and perpetual. Also, the assembly approved the increase of the bank’s capital by LBP347.5m, or $0.23m, from LBP672.33bn ($446m) to LBP672.68bn ($446.2m) by raising the nominal value per common share from LBP1,656 to LBP1,663. As such, the bank converted LBP2.8bn ($1.88m) from its free reserves to its capital account, representing the nominal value of the cancelled shares and the capital increase. Following the cancellation, the bank's capital would consist of 399,749,204 common shares, 2,500,000 Series "I" Preferred Shares, 1,500,000 Series "G" Preferred Shares and 750,000 Series "H" Preferred Shares.

In parallel, the bank announced that it plans to increase its capital from LBP672.68bn ($446.2m) to LBP677.26bn ($449.3m) through the issuance of 2,750,000 new Series "J" Preferred Shares. The shares will have an issue price of $100 per share, of which LBP1,663 is par value and the remaining $98.9 constituting the issue premium. The Series "J" Preferred Shares are non-cumulative, redeemable and perpetual, and they will carry an annual dividend rate of 7% of the issue price adjusted on a pro-rata basis for the fraction of the year during which the issuance of the shares occurs. The annual dividend payments are contingent on the availability of sufficient declared net profits. The Series "J" Shares will be listed on the Beirut Stock Exchange, in line with previous issuances. The bank has the option to call the shares within 60 days after the Ordinary General Assembly meets in April 2023 to approve the financials for fiscal year 2022, and annually thereafter, at a call price of $100 per share plus any declared but unpaid dividends. Current holders of Series "G" Preferred Shares, Series "H" Preferred Shares and Series "I" Preferred Shares have the priority to subscribe to the new shares in a proportion equivalent to the percentage of shares they currently own.

Ratio Highlights

(in % unless specified)	2014	2015	2016e	Change*
Nominal GDP ($bn)	50.0	51.1	52.0	
Public Debt in Foreign Currency / GDP	51.2	53.0	54.2	1.26
Public Debt in Local Currency / GDP	81.9	84.6	89.6	4.98
Gross Public Debt / GDP	133.1	137.6	144.0	6.42
Total Gross External Debt / GDP**	170.0	174.7	176.6	1.90
Trade Balance / GDP	(34.4)	(29.5)	(30.0)	(0.47)
Exports / Imports	16.2	16.6	16.1	(0.49)
Fiscal Revenues / GDP	21.8	18.7	19.1	0.30
Fiscal Expenditures / GDP	27.9	26.5	28.6	2.1
Fiscal Balance / GDP	(6.1)	(7.7)	(9.5)	(1.8)
Primary Balance / GDP	2.6	1.4	0.04	(1.4)
Gross Foreign Currency Reserves / M2	66.5	58.7	62.7	3.94
M3 / GDP	235.4	241.9	250.0	8.11
Commercial Banks Assets / GDP	351.4	364.0	392.9	28.9
Private Sector Deposits / GDP	288.9	296.6	312.5	15.8
Private Sector Loans / GDP	101.8	106.1	108.7	3.85
Private Sector Deposits Dollarization Rate	65.7	64.9	65.0	0.10
Private Sector Lending Dollarization Rate	75.6	74.8	73.6	(1.23)

**Change in percentage points 15/16*
***Includes portion of public debt owed to non-residents, liabilities to non-resident banks, non-resident deposits (estimated by the IMF), Bank for International Settlements' claims on Lebanese non-banks*
Source: Association of Banks in Lebanon, Institute of International Finance, International Monetary Fund, World Bank, Byblos Research Estimates & Calculations
Note: M2 includes money in circulation and deposits in LBP, M3 includes M2 plus Deposits in FC and bonds

Risk Metrics

Lebanon	Aug 2015	July 2016	Aug 2016	Change**	Risk Level
Political Risk Rating	54.5	55.0	54.5		High
Financial Risk Rating	39.0	36.5	36.5		Low
Economic Risk Rating	33.0	30.5	30.5		Moderate
Composite Risk Rating	63.25	61.0	60.75		Moderate

MENA Average*	Aug 2015	July 2016	Aug 2016	Change**	Risk Level
Political Risk Rating	57.6	57.5	57.4		High
Financial Risk Rating	39.4	38.8	38.8		Low
Economic Risk Rating	32.1	29.7	29.7		High
Composite Risk Rating	64.5	63.0	62.9		Moderate

**excluding Lebanon*
***year-on-year change in risk*
Source: The PRS Group, Byblos Research
Note: Political & Composite Risk Ratings range from 0 to 100 (where 100 indicates the lowest risk)
Financial & Economic Risk ratings range from 0 to 50 (where 50 indicates the lowest risk)

Ratings & Outlook

Sovereign Ratings	Foreign Currency			Local Currency		
	LT	ST	Outlook	LT	ST	Outlook
Moody's	B2	NP	Negative	B2		Negative
Fitch Ratings	B-	B	Stable	B-		Stable
Standard & Poor's	B-	B	Stable	B-	B	Stable
Capital Intelligence	B	B	Stable	B	B	Stable

Source: Rating agencies

Banking Ratings	Banks' Financial Strength	Banking Sector Risk	Outlook
Moody's	E+		Negative

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