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LEBANON THIS WEEK

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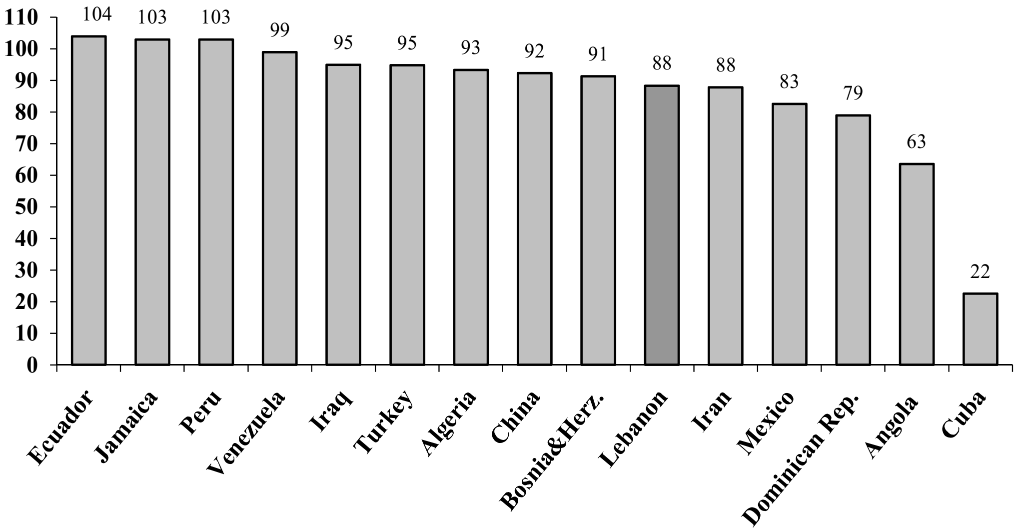
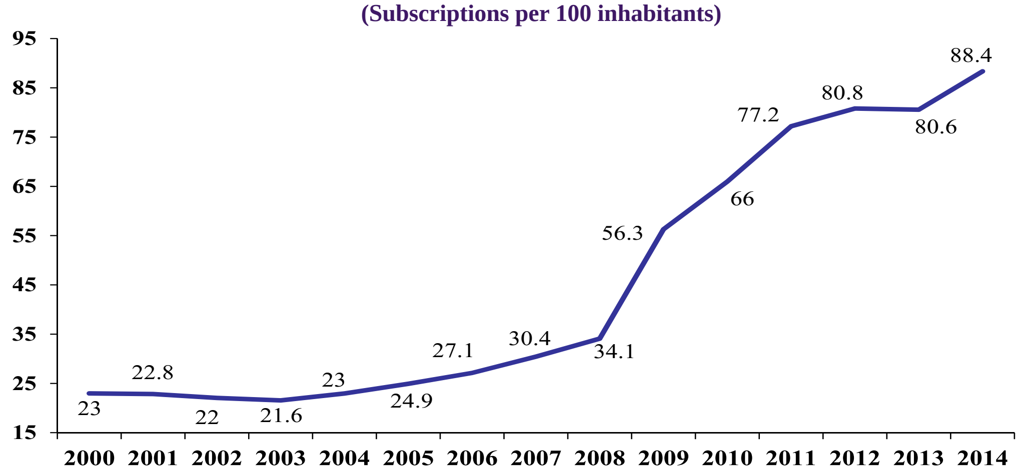
Emirates Lebanon Bank's net profits down 32% to $6.9m in 2014

Charts of the Week

Mobile Cellular Penetration Rates among select Upper-Middle Income Countries at end-2014 (Subscriptions per 100 inhabitants)



Mobile Cellular Penetration Rate in Lebanon (Subscriptions per 100 inhabitants)



Source: International Telecommunication Union, Byblos Reseach

Quote to Note

"Lebanese banks will continue to benefit from a stable and growing deposit base, with minimal reliance on market funding."

Moody's Investors Service, on a key factor that supports the stability of the Lebanese banking sector

Number of the Week

27: Number of times the Lebanese Parliament convened and failed to elect a President

Lebanon in the News

$m *(unless otherwise mentioned)*	**2014**	**Jun 14**	**Mar 15**	**Apr 15**	**May 15**	**Jun 15**	**% Change***
Exports	3,313	278	257	235	342	281	1.08
Imports	20,494	1,567	1,509	1,444	1,486	1,690	7.85
Trade Balance	(17,181)	(1,289)	(1,252)	(1,209)	(1,144)	(1,409)	9.31
Balance of Payments	(1,408)	(561)	(417)	136	189	(794)	41.59
Checks Cleared in LBP	18,143	1,518	1,579	1,550	1,564	1,593	4.94
Checks Cleared in FC	56,348	4,807	4,322	4,158	4,424	4,504	(6.30)
Total Checks Cleared	74,491	6,325	5,901	5,708	5,988	6,097	(3.60)
Budget Deficit/Surplus	(4,632)	(187.36)	(391.66)	(85.53)	(167.04)	(38.90)	(79.24)
Primary Balance	1,970	133.93	(22.84)	42.17	281.74	289.34	116.04
Airport Passengers	6,567,647	610,170	476,739	598,055	544,388	591,890	(3.00)

$bn *(unless otherwise mentioned)*	**2014**	**Jun 14**	**Mar 15**	**Apr 15**	**May 15**	**Jun 15**	**% Change***
BdL FX Reserves	32.40	33.85	34.53	33.77	34.10	34.11	0.77
In months of Imports	*18.97*	*21.60*	*22.88*	*23.38*	*22.95*	*20.18*	*(6.56)*
Public Debt	66.58	65.71	69.44	69.46	69.37	69.02	5.04
Net Public Debt	57.31	55.17	58.51	58.97	59.28	59.46	7.78
Bank Assets	175.70	169.57	176.95	179.40	179.03	180.08	6.20
Bank Deposits (Private Sector)	144.43	140.35	145.46	147.50	147.89	148.58	5.86
Bank Loans to Private Sector	50.90	49.18	51.14	51.43	51.37	51.74	5.21
Money Supply M2	48.69	46.89	49.44	50.01	50.26	50.59	7.90
Money Supply M3	117.68	114.97	118.06	119.75	120.04	120.46	4.77
LBP Lending Rate (%)	7.49	7.45	6.94	7.10	7.11	7.12	(33bps)
LBP Deposit Rate (%)	5.56	5.49	5.57	5.61	5.56	5.51	2bps
USD Lending Rate (%)	6.97	6.97	7.16	7.08	7.04	7.03	6bps
USD Deposit Rate (%)	3.07	2.98	3.12	3.16	3.14	3.16	18bps
Consumer Price Index**	0.59	1.19	0.00	(0.17)	(0.13)	(0.38)	-

** Year-on-Year*
*** Year-on-Year percentage change*
Note: bps i.e. basis point
Source: Association of Banks in Lebanon, Banque du Liban, Byblos Research

Capital Markets

Most Traded Stocks on BSE	Last Price ($)	% Change*	Total Volume	Weight in Market Capitalization
BLOM Listed	9.50	(1.04)	168,170	18.01%
Audi GDR	5.99	(0.33)	41,972	6.14%
Byblos Common	1.64	0.61	41,900	5.20%
Solidere "A"	10.95	(1.44)	39,159	9.66%
Solidere "B"	10.76	(5.53)	36,080	6.17%
HOLCIM	15.28	1.19	3,711	2.63%
BLOM GDR	10.00	0.00	3,305	6.52%
Audi Listed	6.00	0.84	900	21.15%
Byblos Pref. 08	101.00	(0.10)	590	1.78%
Byblos Pref. 09	102.00	0.00	168	1.80%

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

Sovereign Eurobonds	Coupon %	Mid Price $	Mid Yield %
Jan 2016	8.500	101.93	3.56
Mar 2017	9.000	107.13	4.26
Nov 2018	5.150	101.25	4.72
May 2019	6.000	103.00	5.11
Mar 2020	6.375	103.88	5.40
Apr 2021	8.250	112.75	5.58
Oct 2022	6.100	102.00	5.75
Jun 2025	6.250	101.00	6.11
Nov 2026	6.600	102.75	6.25
Feb 2030	6.650	101.88	6.45

Source: Byblos Bank Capital Markets

	August 17-21	August 10-14	% Change	July 2015	July 2014	% Change
Total Shares Traded	465,918	1,077,121	(56.74)	3,371,034	3,616,820	(6.81)
Total Value Traded	$4,825,652	$17,212,202	(71.96)	$28,058,062	$19,622,207	42.99
Market Capitalization	$11.34bn	$11.39bn	(0.44)	$11.44bn	$10.94bn	4.58

Source: Beirut Stock Exchange (BSE)

Slight pick up in consumer confidence in first half of 2015, households' outlook improves

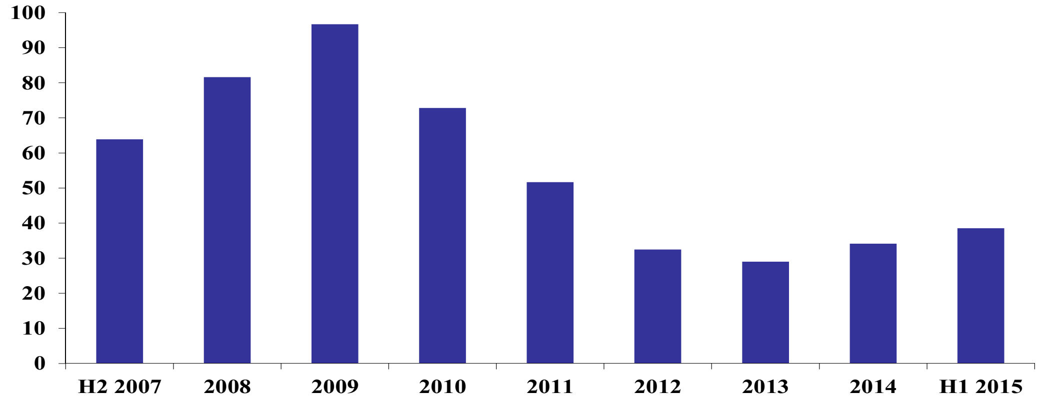
The level of consumer confidence in Lebanon improved in relative terms in the first half of 2015, as reflected by the results of the Byblos Bank/AUB Consumer Confidence Index for the first and second quarters of the year. The Index declined by 2.8% in January and by 2% in February, grew by 25% in March, regressed by 12% in April, and improved by 4.2% in May and by 1.5% in June 2015. Further, the Index averaged 37.7 in the first quarter, nearly unchanged from the fourth quarter of 2014, and increased by 4.3% to an average of 39.3 in the second quarter of 2015. The results of the first half of 2015 constitute a drop of 60.5% from the Index's peak level reached in the first half of 2009, reflecting the ongoing trend of low household confidence since 2012.

Political and security issues continued to have a disproportionate effect on consumer sentiment. Fears that clashes in January between Hezbollah and Israeli forces on the Southern border would escalate into a wider military confrontation, security breaches in Tripoli, and the standstill regarding the issue of the soldiers held by terrorist groups, negatively affected the confidence of Lebanese consumers during the first quarter of the year. In addition, the repeated failure of the Lebanese Parliament to elect a President and the resulting uncertain political outlook, along with job insecurity due to the economic stagnation, held back the confidence of Lebanese consumers during the first and second quarters of 2015. In contrast, the ongoing countrywide crackdown on suspected terrorists by security forces and the stable security conditions in the second quarter of the year; a functioning Cabinet amid the presidential vacuum and the parliamentary paralysis; the start of a formal dialogue between the Free Patriotic Movement and the Lebanese Forces Party; and the ongoing political dialogue between the Future Movement and Hezbollah supported consumer sentiment during the first half of the year. Further, the positive impact on households' budgets of the 30% drop in local gasoline retail prices and of the sharp reduction in telecom tariffs, as well as the acceleration of the Ministry of Public Health's food safety campaign, helped improve the outlook of consumers.

In parallel, the Byblos Bank/AUB Expectations Index posted higher values than the Byblos Bank/AUB Present Situation Index in each of the first six months of 2015, constituting the first instance since the first seven months of 2011 where consumers have a more positive view about the future than about their present circumstances in six consecutive months. But the results do not reflect a reversal of trends or a shift in households' attitudes, as only 9.7% of Lebanese polled in the second quarter of the year expected that their financial conditions will improve in the coming six months, while 69.6% of them believed their financial situation will deteriorate. The results also show that female consumers had a relatively higher level of confidence than their male counterparts in the first half of 2015, while consumers in the 21 to 29 year-old bracket posted a higher level of confidence than citizens in other age brackets during the covered period. Also, households with an income of $2,500 or more per month had a higher level of confidence than those earning less. Moreover, private sector employees had a higher level of confidence than those in other professional categories. In addition, consumers in the North posted the highest confidence level across administrative districts, or mohafaza, in the first half of the year, followed by consumers in Mount Lebanon, the South, the Bekaa and Beirut. Further, Christian consumers had a higher level of confidence than those from other religious affiliations during the covered period, followed by Sunni, Shiite and Druze consumers.

The Byblos Bank/AUB Consumer Confidence Index is a measure of the sentiment and expectations of Lebanese consumers towards the economy and their own financial situation. The Index is compiled, implemented and analyzed in line with international best practices and according to criteria from leading consumer confidence indices worldwide. It is composed of two sub-indices, the Byblos Bank/AUB Present Situation Index and the Byblos Bank/AUB Expectations Index. The first sub-index covers the current economic and financial conditions of Lebanese consumers, and the second one addresses their outlook over the coming six months. In addition, the data segregates the Index based on age, gender, income, profession, administrative district, and religious affiliation. The Index has been calculated on a monthly basis since July 2007, with January 2009 as its base month. It is based on a nationally representative survey of 1,200 face-to-face interviews with adult males and females living throughout Lebanon. The monthly field survey is conducted by Statistics Lebanon, a market research and opinion-polling firm.

Byblos Bank/AUB Consumer Confidence Index*



** Monthly average Index for the period*

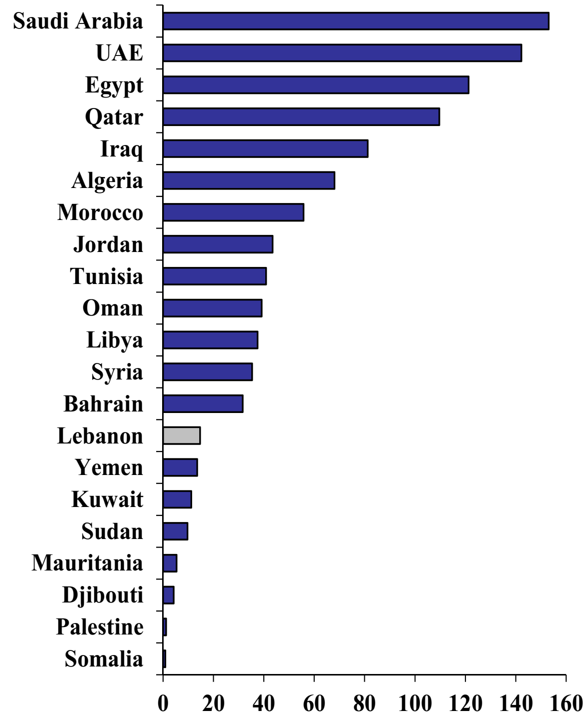
Source: Byblos Research, based on surveys conducted by Statistics Lebanon

Greenfield FDI in Lebanon at $14.7bn between January 2003 and May 2015, real estate and tourism attract 80% of FDI

Figures released by fDi Markets show that the cumulative value of inward greenfield foreign direct investment (FDI) in Lebanon totaled $14.7bn between January 2003 and May 2015. Lebanon was the eighth smallest recipient of greenfield FDI in nominal terms among 21 Arab countries during the covered period, ahead of Yemen ($13.5bn), Kuwait ($11.2bn), Sudan ($9.7bn) Mauritania ($5.4bn), Djibouti ($4.2bn), Palestine ($1.2bn) and Somalia ($936m). The value of greenfield FDI projects in Lebanon accounted for 1.4% of total greenfield foreign FDI projects in Arab countries between January 2003 and May 2015. The FDI figures cover cross-border greenfield projects that lead to the direct creation of jobs and capital investment. They include joint ventures when these transactions lead to a new physical greenfield operation, but exclude mergers and acquisitions and other equity investments. fDi Markets is a database that tracks cross-border greenfield investments across the world, and is owned by the Financial Times Group.

The real estate sector attracted $7.1bn in greenfield FDI, or 48.5% of the total, between January 2003 and May 2015. It was followed by the hospitality & tourism sector with $4.5bn (30.6%), the chemicals product industry with $583m (4%), the financial services sector with $418m (2.8%), the metals industry with $300m (2%), the telecommunications sector with $286m (1.9%), the entertainment industry with $271m (1.8%), the business services sector with $231m (1.6%), the textiles industry with $151m (1%), and the transportation sector with $122m (0.8%); while other sectors attracted $723m, or 4.9% of the total during the covered period.

Greenfield FDI inflows to Arab countries* (US$bn)



**between January 2003 and May 2015*
Source: fDi Markets, Byblos Research

The UAE was the main source of greenfield FDI in Lebanon with $7.31bn or 49.7% of the total, followed by Kuwait with $2bn (13.8%), Saudi Arabia with $1.84bn (12.5%), the United States with $786m (5.3%), Spain with $605m (4.1%), Canada with $570m (3.9%), Mexico with $228m (1.6%) and Luxembourg with $150m (1%) as the top 8 sources of investments.

Further, Lebanon attracted 224 greenfield FDI projects from 199 regional and international companies between January 2003 and May 2015, constituting the ninth lowest number of projects among 21 Arab countries. Lebanon attracted more projects than Syria (164 projects), Libya (162 projects), Sudan (63 projects), Yemen (50 projects), Mauritania (29 projects), Djibouti (22 projects), Somalia (17 projects) and Palestine (16 projects). Also, the number of greenfield FDI projects in Lebanon accounted for 2.1% of such projects in Arab countries over the covered period. In parallel, Lebanon attracted 87 greenfield FDI projects from Arab countries between 2003 and May 2015 for a total of $11.4bn. The UAE, Kuwait and Saudi Arabia accounted for 89.7% of the number of projects and for 98% of their value.

The Dubai Islamic Bank was the top foreign greenfield investor in Lebanon with $1.9bn or 13.1% of the total between January 2003 and May 2015. It was followed by Majid Al Futtaim Group with $1.49bn (10.2%), Al-Sayer Group with $1bn (6.8%), Abu Dhabi Investment House (ADIH) with $760m (5.2%), Rotana Hotels with $685m (4.7%), Four Seasons Hotels & Resorts with $556m (3.8%), Al Habtoor Group with $541m (3.7%), Kuwait Projects Company (KIPCO) with $265m (1.8%), One to One Hotels & Resorts and Plus Properties with $228m each (1.6% each); while other companies invested $7bn (47.7%) in 200 greenfield projects in Lebanon over the covered period.

Number of new construction permits down 14% in first seven months of 2015, surface area down 19%

The Orders of Engineers & Architects of Beirut and of Tripoli issued 8,657 new construction permits in the first seven months of 2015, constituting a decrease of 14.3% from 10,096 permits in the same period last year, relative to a 0.2% drop in the first seven months of 2014. Mount Lebanon accounted for 42.6% of newly issued construction permits in the first seven months of 2015, followed by South Lebanon with 16.3%, Nabatieh with 13%, the Bekaa with 10.2%, the North with 10.1% and Beirut with 5.9%. The remaining 1.9% represents permits issued by the Order of Engineers & Architects of Tripoli for regions located outside northern Lebanon.

Further, the surface area of construction permits granted in the first seven months of 2015 reached 6,910,105 square meters (sqm), constituting a drop of 18.5% from the same period of 2014 compared to a rise of 11.2% in the first seven months of 2014. Mount Lebanon accounted for 3,245,466 sqm or 47% of total construction permits in the covered period. It was followed by the North with 902,274 sqm (13.1%), the South with 804,747 sqm (11.6%), the Bekaa with 589,750 sqm and Nabatieh with 584,902 sqm (8.5% each), and Beirut with 405,980 sqm (5.9%). The remaining 376,986 sqm, or 5.5% of total construction permits, reflect the surface area of permits that were issued by the Order of Engineers & Architects of Tripoli for regions located outside northern Lebanon. In parallel, cement deliveries totaled 1.8 million tons in the first five months of 2015 and dropped by 20.3% annually, relative to increases of 7.4% in the same period of last year and 1.5% in the first five months of 2013.

Fiscal deficit widens by 13% to $1.8bn in first half of 2015, equivalent to 26.3% of expenditures

Figures released by the Finance Ministry show that the fiscal deficit reached $1.78bn in the first half of 2015 and widened by 13.2% from $1.58bn in the same period of 2014. The deficit was equivalent to 26.3% of total budget and Treasury expenditures compared to 23.1% of overall spending in the first half last year. Government expenditures reached $6.8bn, almost unchanged from the same period of 2014, while revenues dropped by 4.4% to $5bn. Budgetary expenditures increased by 3.5% to $5.9bn in the first half of the year and included $627.6m in transfers to Electricité du Liban and $624.5m in outlays from previous years, while budget revenues regressed by 2.3% to $4.8bn. Tax revenues dropped by 1.4% to $3.8bn in the first half of 2015, of which 27.6%, or $1bn, were in VAT receipts that decreased by 4.9% year-on-year. Tax revenues accounted for 78.4% of budgetary revenues and for 74.9% of total Treasury and budgetary receipts.

The distribution of other tax revenues shows that receipts from taxes on income, profits & capital gains grew by 0.4% to $1.3bn in the first half of 2015; revenues from customs rose by 4.3% to $665.3m; receipts from property taxes dropped by 5.5% to $406.5m; revenues from taxes on goods & services fell by 7.1% to $175.8m; and other tax receipts, mainly stamp fees, improved by 2.5% to $162.5m. Further, the distribution of income tax revenues shows that receipts from taxes on profits accounted for 52% of total income tax receipts in the first half of the year, followed by the tax on interest deposits with 19%, taxes on wages & salaries with 18.1%, and the capital gains tax with 9.2%. Receipts from the tax on interest deposits rose by 6.3% and revenues from the taxes on wages & salaries improved by 1.5%, while those from capital gains decreased by 8.1%. In addition, income generated from taxing profits was nearly unchanged year-on-year in the first half of 2015.

Also, the distribution of property taxes shows that revenues from real estate registration fees dropped by 16.9% to $235.3m in the first half of 2015; while receipts from built property taxes increased by 18.1% to $116.1m and revenues from the inheritance tax improved by 13.2% to $55.1m. In parallel, non-tax budgetary receipts fell by 5.6% to $1bn, with revenues from government properties decreasing by 14.5% to $710.4m and administrative fees & charges growing by 27.3% to $262.9m. Receipts from telecom services reached $550m and accounted for 77.4% of income from government properties and for 53.1% of non-tax revenues.

In parallel, debt servicing totaled $2.3bn in the first half of 2015, up by 4.8% year-on-year. It accounted for 33.3% of total expenditures and for 38.1% of budgetary spending, and it absorbed 45.1% of overall revenues and 47.2% of budgetary receipts. Interest payments on domestic debt rose by 9.9% from the first half of 2014 to $1.4bn in the first half of this year, while interest disbursements on foreign debt fell by 6.9% to $753.4m. Also, the repayment of principal on foreign debt rose by 40.6% to $113.4m. Excluding debt servicing, the primary budget balance posted a surplus of $1.1bn in the first half of 2015, or 18.7% of budget expenditures, and narrowed by 16.1% from a surplus of $1.3bn, or 23.1% of budget spending in the same half of 2014. The overall primary balance posted a surplus of $475.2m or 7% of spending in the first half of the year, and narrowed by 18% from a surplus of $579.6m or 8.5% of total expenditures in the same period last year.

Fiscal Results in First Half of 2015

	2014 (US$m)	2015 (US$m)	Change (%)
Budget revenues	4,901	4,786	(2.3)
Tax revenues	3,805	3,751	(1.4)
Non-tax revenues	1,096	1,035	(5.6)
of which Telecom revenues	*624*	*550*	*(11.9)*
Budget expenditures	5,735	5,936	(3.5)
Budget Surplus/Deficit	**(834)**	**(1,150)**	**37.9**
In % of budget expenditures	*(14.5%)*	*(19.4%)*	
Budget Primary Surplus	**1,323**	**1,110**	**(16.1)**
In % of budget expenditures	*23.1%*	*18.7%*	
Treasury Receipts	337	220	(34.8)
Treasury Expenditures	1,080	855	(20.9)
Total Revenues	5,238	5,006	(4.4)
Total Expenditures	6,815	6,790	(0.4)
Total Deficit	**(1,577)**	**(1,784)**	**13.2**
In % of total expenditures	*(23.1%)*	*(26.3%)*	
Total Primary Surplus/Deficit	**580**	**(475)**	**(18.0)**
In % of total expenditures	*8.5%*	*7.0%*	

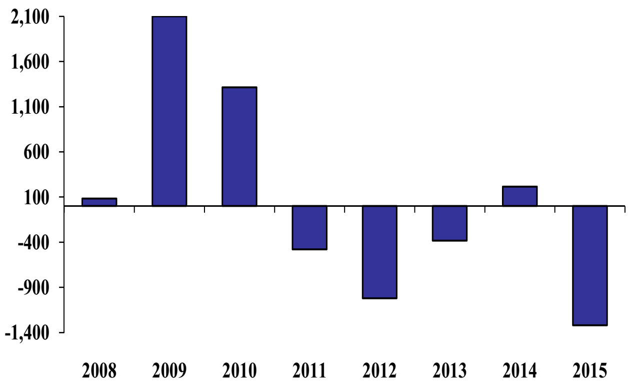
Source: Ministry of Finance, Byblos Research

Balance of payments posts deficit of $1.3bn in first half of 2015

Central Bank figures show that Lebanon's balance of payments posted a deficit of $1.3bn in the first half of 2015 compared to a surplus of $215.7m in the same period last year. The balance of payments posted a deficit of $794.3m in June 2015 compared to a surplus of $189.2m in May 2015 and a deficit $560.7m in June 2014. The June 2015 deficit was caused by deficits of $442.8m in the net foreign assets of banks and financial institutions and of $351.5m in those of the Central Bank.

The cumulative deficit over the first half of 2015 was caused by a deficit of $3.15bn in the net foreign assets of banks and financial institutions, and was partly offset by a surplus of $1.83bn in those of the Central Bank. The balance of payments posted surpluses of $7.9bn in 2009 and $3.3bn in 2010, and deficits of $2bn in 2011, $1.5bn in 2012, $1.1bn in 2013 and $1.4bn in 2014.

Balance of Payments* (US$m)



**in the first half of each year*
Source: Central Bank of Lebanon

Consumer Price Index down 3.9% year-on-year in July 2015

The Central Administration of Statistics' Consumer Price Index declined by 3.5% in the first seven months of 2015 from the same period last year. Also, the CPI decreased by 3.9% in July 2015 from July 2014. Prices of alcoholic beverages & tobacco increased by 5% year-on-year in July, followed by the cost of education (+4.5%), clothing & footwear (+4.2%), prices at restaurants & hotels (+2.3%), imputed rents (+1.5%), miscellaneous goods & services and actual rent (+1.3% each) and the cost of furnishings & household equipment (+1.2%). The distribution of actual rent shows that new rents increased by 1.6% year-on-year in July 2015, while old rents rose by 0.9% annually during the covered month. In contrast, the prices of water, electricity, gas & other fuels fell by 19.1% in July 2015, followed by transportation costs (-9.9%), healthcare costs (-7.8%), prices of food & non-alcoholic beverages (-1.9%) and the cost of recreation & entertainment (-0.5%). The cost of communication was nearly unchanged year-on-year.

Further, the CPI decreased by 0.3% in July 2015 from the preceding month, relative to a month-on-month decline of 0.8% in June 2015. The prices of furnishings & household equipment grew by 0.3% each month-on-month, followed by transportation and healthcare costs (+0.2% each), and imputed rent and actual rent (+0.1 each). In contrast, the prices of clothing & footwear decreased by 4.3% month-on-month, followed by prices of water, electricity, gas & other fuels (-1.7%), and communication costs (-0.1%). The cost of food & non-alcoholic beverages, restaurants & hotels, alcoholic beverages & tobacco, recreation & entertainment, and miscellaneous goods & services were nearly unchanged month-on-month. Also, the cost of education was unchanged month-on-month. Further, the Fuel Price Index decreased by 1.7% month-on-month in July 2015, while the Education Price Index was unchanged from June 2015.

In parallel, the CPI regressed by 0.6% month-on-month in Beirut and in the Bekaa region, by 0.3% in Mount Lebanon, by 0.2% in the North, and by 0.1% in the South and Nabatieh. In addition, prices of clothing & footwear decreased by 15.7% in Beirut, followed by Mount Lebanon (-3.3%), the South (-1.8%), the North (-0.7%) and the Bekaa (-0.6%); while they increased by 0.2% in Nabatieh. Prices of food & non-alcoholic beverages regressed by 0.7% in the Bekaa region and by 0.4% in Mount Lebanon, while they increased by 1.3% in Nabatieh, by 1.2% in the South, by 0.5% in Beirut, and by 0.2% in the North. The cost of housing, water, electricity, gas & other fuels dropped by 1.4% in Nabatieh, by 1.3% both in the Bekaa region, by 1.1% in the South, by 0.7% in the North and by 0.3% in Mount Lebanon, while it grew by 0.1% in Beirut. In contrast, healthcare costs grew by 0.9% in the Bekaa region and by 0.5% in Mount Lebanon, while they fell in the rest of the regions. Transportation costs increased across all regions, while communication costs dropped in all regions except in Mount Lebanon where they rose by a marginal 0.1% in July 2015.

Revenues through Port of Beirut up 12% to $118m in first half of 2015

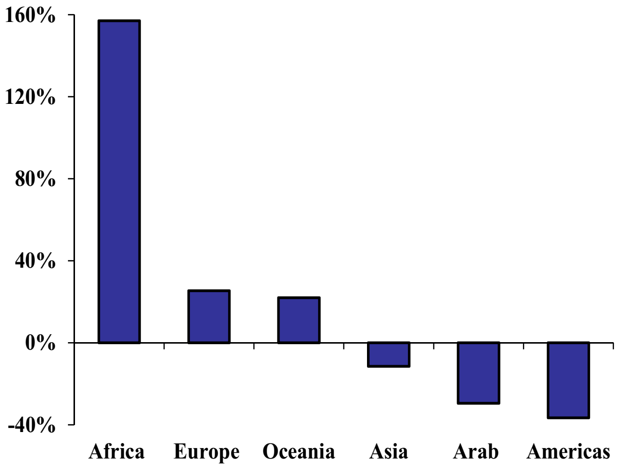
Figures released by the Port of Beirut show that the port's overall revenues were $117.6m in the first half of 2015, up by 11.7% from $105.3m in the same period of 2014. The Port of Beirut handled an aggregate freight of 3.9 million tons in the covered period, down by 7.7% from 4.2 million tons in the first half of 2014. Imported freight amounted to 3.4 million tons in the first half of the year and accounted for 88% of the total, while the remaining 0.47 million tons, or 12%, consisted of export cargo. A total of 852 ships docked at the port in the first half of 2015 compared to 1,001 vessels in the same period of 2014.

In parallel, revenues generated through the Port of Tripoli reached $6.6m in the first half of 2015, constituting a rise of 10.6% from $6m in the same period last year. Further, the Port of Tripoli handled an aggregate weight of 755,668 tons of freight in the covered period, constituting an increase of 20.1% from 629,410 tons in the first half of 2014. Imported freight amounted to 637,016 tons and accounted for 84.3% of the total, while the remaining 118,652 tons, or 15.7%, were export cargo. A total of 310 vessels docked at the port in the first half of 2015, constituting a rise of 17.9% from 263 ships in the same period of 2014.

Tourist arrivals up 18% in the first seven months of 2015

The number of incoming tourists to Lebanon totaled 880,079 in the first seven months of 2015, constituting an increase of 17.9% from 746,456 tourists in the same period of 2014 and a drop of 33.6% from 1.3 million tourists in the same period of 2010. Visitors from Europe accounted for 33.6% of total visitors in the first seven months of 2015, followed by visitors from Arab countries with 30.8%, the Americas with 18.3%, Asia with 8.4%, Africa with 5.2% and Oceania with 3.7%. Also, tourists from Iraq accounted for 11.5% of total visitors in the first seven months of 2015, followed by visitors from United States with 9.4%, France with 8.9%, Canada with 6.4%, Jordan with 5.1%, and Egypt and Germany with 4.9% each. In parallel, the number of visitors from African countries increased by 45.8% in the first half of 2015, followed by visitors from the Americas (+21%), Oceania (+20.8%), and Europe, Asia and the Arab region (+15.5% each). The number of tourists from Turkey surged by 40.6% year-on-year in the first seven months of 2015, followed by visitors from the UAE with a 35.7% rise, Saudi Arabia (+22.2%), the United States and Canada (+21.2% each), Brazil (+21%), Kuwait (+20.4%), England (+16.6%), Egypt (+16.4%), Germany (+16.1%), Iraq (+14.2%), France (+13.3%), Sweden (+11.5%), Jordan (+10.2%), Italy (+6.7%) and Venezuela (+6.4%).

Change in the Number of Tourist Arrivals in First Seven Months of 2015*



** from the same period of 2010*
Source: Ministry of Tourism, Byblos Research

Trade deficit narrows by 16% to $7.2bn in first half of 2015

The total value of imports reached $8.8bn in the first half of 2015, constituting a decrease of 14.5% from the same period of 2014; while the value of aggregate exports dropped by 6.3% to $1.6bn, leading to a trade deficit of $7.2bn, down by 16.1% year-on-year. The narrowing of the deficit was due to a decrease of $1.5bn in imports year-on-year, given that exports fell by $105.3m. The coverage ratio reached 17.7% in the first half of 2015 compared to 16.1% in the same period last year, while it reached 16.6% in June 2015 relative to 17.7% in June 2014.

The value of imported oil & mineral fuels declined by $913.4m, or 38.2%, year-on-year, to $1.5bn; while non-hydrocarbon imports regressed by 7.3% to $7.3bn. The imports of base metals fell by $229.4m, or 28.6%, to $571.8m in the first half of 2015, and those of machinery & mechanical appliances dropped by $124.8m, or 11%, to $1bn in the covered period. The value of oil & mineral fuels accounted for 16.8% of total imports in the first half of 2015 compared to a share of 23.3% in the same period of 2014.

In volume terms, imports reached 7.45 million tons in the first half of 2015, constituting a decrease of 1.1% from 7.53 million tons in the same period last year; while exports rose by 1.4% to 968,653 tons. Imports of oil & mineral fuels dropped by 3.2% year-on-year to 3.3 million tons, while non-hydrocarbon imports grew by 0.7% annually to 4.1 million tons. Imported oil & mineral fuels accounted for 44.5% of total imports in the covered period relative to a 45.5% share in the first half of 2014.

China was the main source of imports with $1bn or 11.6 % of the total in the first half of 2015, followed by Italy with $629.8m (7.2%), France with $600.4m (6.8%), Germany with $577m (6.6%), the United States with $502.8m (5.7%), Russia with $470.7m (5.4%) and Greece with $362.3m (4.1%). Imports from Russia surged by 28.4% year-on-year in the first half of 2015 and those from Greece grew by 4.9%; while imports from Italy dropped by 32.4%, those from the United States fell by 29.3%, imports from China regressed by 19.4%, those from France declined by 12.9% and imports from Germany decreased by 7.7%.

Further, Saudi Arabia was the main export destination of Lebanese merchandise with $198.5m or 12.8% of total exports, followed by the UAE with $159.8m (10.3%), Iraq with $114m (7.3%), South Africa with $107.2m (6.9%), Syria with $102.6m (6.6%), Jordan with $53.8m (3.5%) and Turkey with $46.9m (3%). Exports to Saudi Arabia surged by 7.2% year-on-year in the first half of 2015 and those to the UAE increased by 4.8%; while exports to South Africa dropped by 42.7% year-on-year, those to Turkey declined by 37.2%, exports to Jordan regressed by 17.2%, those to Syria decreased by 13.7% and exports to Iraq declined by 10%.

Lebanon's main export product in the first half of 2015 was prepared foodstuff with $253.6m, or 16.3% of the total, followed by jewelry with $237.5m (15.3%), machinery & mechanical appliances with $228.8m (14.7%), chemical products with $217.3m (14%), base metals with $168.2m (10.8%), and paper & paperboard products and vegetable products with $78.1m each (5% each). In parallel, re-exports totaled $210.3m in the first half of 2015 compared to $194.4m in the same period last year.

Government approves maritime transport subsidies for exported products

The Cabinet ratified a decree that allocates LBP21bn, or $13.9m, to the Investment Development Authority of Lebanon (IDAL) to support the additional cost of maritime exports of Lebanese agricultural and industrial products to Arab countries. The decree follows the closure of the Nassib border crossing on the Syrian-Jordanian border, which was the only remaining open land route for the transport of goods from Lebanon and Syria to Jordan and Gulf Cooperation Council (GCC) countries. The subsidies would be disbursed directly to selected shipping companies through IDAL's Maritime Lebanese Exports Bridge (M.LEB) program.

The M.LEB covers part of the additional costs that Lebanese exporters would incur when shipping their products through sea, rather than via traditional land routes. It will allocate between LBP2m ($1,327) and LBP3.25m ($2,155) per truck filled with Lebanese-made goods, depending on the nature of the vessel and the maritime route it adopts. It intends to facilitate the daily transport of about 35 trucks from Lebanese ports to Saudi Arabia's Duba Port and Jordan's Port of Aqaba. The program aims to ensure the flow of Lebanese products to Arab markets, mainly GCC countries and Jordan, as well as to preserve the market share of Lebanese products in these markets. The program will extend over a seven-month period starting from the departure of the first vessel after the Finance Ministry disburses the funds. IDAL, in coordination with the Ministry of Agriculture, drafted the mechanism to disburse the subsidies.

Lebanese exports to GCC countries accounted for 29.5% of total exports of Lebanese products in the first half of 2015 and for 27.8% of the total in full year 2014. Exports to Iraq represented 7.3% of total Lebanese exports relative to a 7.7% share in 2014; while exports to Jordan accounted for 3.5% of the total in the first half of the year, down from 3.9% last year.

Average asking price for first floor apartments in Beirut at $900,000

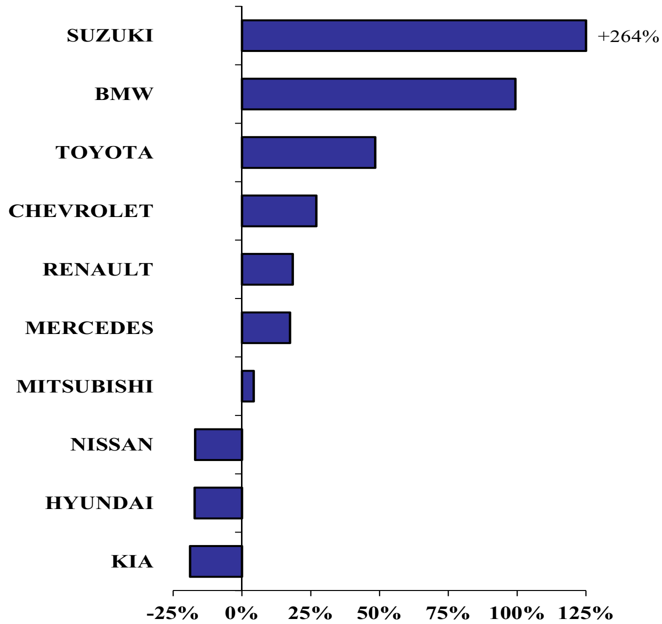
A study conducted by real estate advisory firm RAMCO shows that the average asking price is $3,720 per square meter (sqm) for first floor apartments in buildings under construction in the Municipal Beirut area. The survey indicated that the average size is 238 sqm for a first floor apartment under construction in Municipal Beirut, which results in an average asking price of $885,360 per unit. It indicated that the average price of such apartments in the Beirut Central District (BCD) is $6,679 per sqm, followed by Ashrafieh ($3,607 per sqm) and Ras Beirut ($3,574 per sqm). The firm noted that prices for first floor apartments outside the BCD area vary widely. It pointed out that prices in high-end neighborhoods, such as Ain el Tineh or Sursok, range between $4,900 and $5,250 per sqm; while prices for a first floor apartment in the mid-market neighborhoods of Achrafieh, such as Beddawi and Hay el Sirian, start at about $2,600 per sqm.

The survey noted that the average size of apartments is 331 sqm in the BCD area for an average price is $2.2m per unit, while the average size of first floor apartments is 229 sqm in Achrafieh and Ras Beirut for an average price of $826,003 and $818,446, respectively. Further, the study reveals that prices for a first floor apartment in the Municipal Beirut area regressed by 4% in 2015 from 2014, given the drop in the developers' asking prices and the decrease in the size of new apartments. The study was conducted in the spring of 2015 and covered 345 residential buildings under construction across the Municipal Beirut area.

New car sales up 1% in first seven months of 2015

Figures released by the Association of Automobile Importers in Lebanon (AIA) indicate that dealers sold 22,288 new passenger cars in the first seven months of 2015, constituting a rise of 1.3% from 22,004 cars sold in the same period of 2014. Consumers purchased 2,436 new cars in January, 2,141 automobiles in February, 2,966 cars in March, 3,198 vehicles in April, 3,481 cars in May, 3,825 automobiles in June and 4,241 cars in July 2015. Japanese cars accounted for 38.5% of total sales in the first seven months of 2015, followed by Korean cars with a 34.9% share, European automobiles (20.4%), American vehicles (5.4%) and Chinese cars (0.7%). The number of American vehicles sold rose by 20.6% year-on-year, sales of Japanese cars grew by 18.2% and European cars sold increased by 16.2%; while the number of new Chinese vehicles sold declined by 50.5% year-on-year and sales of Korean cars dropped by 18%. Kia is the leading brand in the Lebanese market with 4,201 cars sold in the first seven months of 2015, followed by Toyota with 3,793 in new car sales, Hyundai (3,570), Nissan (2,417), Renault (911) and Suzuki (725). In parallel, 1,301 new commercial vehicles were sold in the first seven months of 2015, down by 5.8% from 1,381 vehicles in the same period last year.

Sales of Top 10 Car Brands in First 7 Months of 2015 (% change*)



** from the first seven months of 2014*
Source: AIA, Byblos Research

The AIA attributed the modest increase in the sale of new passenger cars to the Central Bank's decision to impose a minimum down payment of 25% of the retail price on auto loans, as well as to the challenging domestic economic, political and security conditions in the country. The AIA reiterated that the majority of new cars sold are small-engine automobiles with a low selling price. The number of new vehicles sold by the country's top five distributors reached 16,758 in the first seven months of 2015 and accounted for 71% of new car sales. NATCO sal sold 4,201 vehicles, equivalent to 17.8% of the total, followed by Boustany United Machineries sal with 4,005 vehicles (17%), Century Motor Co. sal with 3,644 (15.4%), Rasamny Younis Motor Co. sal with 2,740 (11.6%) and Bassoul Heneiné sal with 2,168 (9.2%).

Kafalat loan guarantees down 23% to $50m in first seven months of 2015

Figures released by the Kafalat Corporation show that loans extended to small- and medium-size companies under the guarantee of Kafalat reached $49.9m in the first seven months of 2015, constituting a decline of 23.2% from $65m in the same period of 2014. Kafalat provided 358 loan guarantees year-to-July 2015, down by 29.2% from 506 in the first seven months of 2014. The average loan size reached $139,518 during the covered period compared to $128,534 in the first seven months of last year. Mount Lebanon accounted for 40.5% of the total number of guarantees, followed by the Bekaa with 21.2%, the North with 13.7%, the South with 12%, Nabatieh with 6.4% and Beirut with 6.2%.

The agricultural sector accounted for 47.5% of the total number of guarantees, followed by the industrial sector with 34.4%, tourism with 10.6%, handicraft with 4.2% and specialized technologies with 3.4%. Kafalat is a state-sponsored organization that provides financial guarantees for loans of up to $400,000 earmarked for the setup and expansion of small- and medium-size companies in productive sectors. It guarantees up to 75% of the loan amount and a similar percentage of the interest that accrues during the grace period. It also guarantees up to 90% of the loan amount for innovative start-ups and a similar percentage of the interest that accrues during the grace period.

Balance sheet of financial institutions down 10% in first half of 2015

Figures released by the Central Bank show that the consolidated balance sheet of financial institutions in Lebanon reached LBP2,267bn, or $1.5bn, at the end of June 2015, constituting decreases of 10.2% from end-2014 and of 14.5% from end-June 2014. Liabilities to the private sector totaled $248.5m and decreased by 4.3% from the end of 2014 and by 22.2% from a year earlier. Further, commitments to the financial sector reached $693.1m at the end of June 2015, representing a decrease of 24.2% from a year earlier.

On the assets side, financial institutions' operations with commercial banks totaled $619.1m at the end of June 2015 and increased by 7% from end-2014 and by 3.2% from end-June 2014. Claims on the private sector reached $759m, increasing by 2.3% from end-2014 and declining by 5.9% from a year earlier. Also, investments in government securities totaled $141m as at end-June 2015, down by 61.7% from end-2014 and by 60.6% from end-June 2014. Further, the aggregate capital account of financial institutions reached $458.5m at the end of June 2015, reflecting an increase of 5.7% from the end of 2014 and a rise of 9.7% from a year earlier. There were 55 financial institutions in Lebanon with a total of 73 branches as at March 2015.

Net profits of Syrian affiliates of Lebanese banks up 6.4 times in first quarter of 2015 due to unrealized foreign exchange gains on structural positions

Financial results issued by the affiliates of seven Lebanese banks operating in Syria show that their aggregate net profits reached SYP9.2bn in the first quarter of 2015, constituting a rise of 6.4 times from SYP1.4bn in the same quarter last year. In US dollar terms, the net profits of the seven banks improved by 4.6 times from $10.1m in the first quarter of 2014 to $46.4m in the same quarter of 2015. The US dollar figures reflect the prevailing official exchange rates during the covered period. The profits of Bank Audi Syria improved by SYP1.34bn, followed by an increase of SYP1.3bn in those of Byblos Bank Syria, a rise of SYP1.26bn in those of Fransabank Syria, a growth of SYP1.2bn in the profits of Bank of Syria & Overseas, an improvement of SYP965.3m in those of Banque BEMO Saudi Fransi and an increase of SYP672.8m in the profits of Bank Al-Sharq, the affiliate of Banque Libano-Française. In parallel, the net income of Syria Gulf Bank, the affiliate of First National Bank, shifted from a loss of SYP717.3m to a gain of SYP322.1m year-on-year. The aggregate net profits of the seven banks would drop to SYP187.3m, or $0.9m, in the first quarter of 2015 when excluding foreign exchange gains on structural positions.

The net interest income of the seven banks totaled SYP1.5bn in the first quarter of 2015, up 34.6% from SYP1.1bn in the same quarter last year; while their total net fees & commission income increased by 35.6% to SYP1bn. In US dollar terms, banks' net interest income totaled $7.6m in the first quarter of the year, down 2.5% from $7.8m in the first quarter of 2014; while their net fees & commission income stood at $4.8m, reflecting a decline of 1.7% from $4.9m in the same quarter last year. The seven banks' total operating income reached SYP12bn in the first quarter of 2015, a rise of 2.8 times year-on-year; while total operating expenses reached SYP2.5bn in the first quarter of the year, down 13.7% from the same quarter last year. In US dollar terms, banks' operating income totaled $60.4m in the first quarter of the year and increased by two times from $30m in the same quarter last year; while their operating expenses stood at $12.6m, down 37.5% from $20.2m in the first quarter of 2014.

In parallel, the banks' aggregate assets reached SYP495.6bn at the end of March 2015 and increased by 3.1% from end-2014. In US dollar terms, the assets of the seven banks dropped from $2.7bn at the end of 2014 to $2.3bn at the end of March 2015, reflecting a decrease of 12.6%. The assets of Bank of Syria & Overseas increased by SYP11.1bn, followed by those of Banque BEMO Saudi Fransi (+SYP10.6bn), Fransabank Syria (+SYP7.4bn) and Syria Gulf Bank (+SYP803.1m). Also, the banks' total loans reached SYP97.2bn or $459.2m at end-March 2015, reflecting a rise of 6.3% from SYP91.5bn the end of 2014. The loans' increase was mainly caused by an improvement of SYP2.5bn in the lending of Bank Al-Sharq, followed by an increase in the loans of Banque BEMO Saudi Fransi (+SYP2.1bn), Byblos Bank Syria (+SYP1.3bn), Bank Audi Syria (+SYP432.7m) and Syria Gulf Bank (+SYP354.4m). Also, the banks' customer deposits totaled SYP342.9bn at the end of March 2015, decreasing by 2.4% from the end of 2014. In US dollar terms, customer deposits at the seven banks regressed from $2bn at the end of 2014 to $1.6bn at the end of March 2015, constituting a drop of 17.3%. The decrease was mainly prompted by a decline of SYP10.3bn in the deposits of Byblos Bank Syria, followed by those of Bank Audi Syria (-SYP6.9bn) and of Bank Al-Sharq (-SYP2.8bn). The ratio of the banks' loans-to-customer deposits stood at 28.3% at the end of March 2015 compared to 26% at end-2014. Also, the aggregate shareholders' equity of the banks reached SYP59.3bn, or $279.9m, at the end of March 2015, constituting an increase of 18.5% from SYP50bn at end-2014.

Results of Affiliates of Lebanese Banks in Syria in the First Quarter of 2015 (in US$)

	Banque BEMO Saudi Fransi	Bank of Syria & Overseas	Bank Audi Syria	Fransabank Syria	Byblos Bank Syria	Syria Gulf Bank	Bank Al-Sharq
Net Profits	$8.7m	$6.3m	$9.3m	$9.8m	$6.6m	$1.6m	$4.2m
Total Assets	$0.71bn	$0.55bn	$0.27bn	$0.29bn	$0.22bn	$0.18bn	$0.12bn
% Change*	7.6%	10.5%	-10%	13.9%	-13.7%	2.1%	-4.4%
Loans	$139.6m	$29.9m	$86.2m	$52.6m	$64.6m	$50.5m	$35.8m
% Change*	7.7%	-8.8%	2.4%	-3.1%	10.6%	3.4%	49.5%
Customer Deposits	$0.59bn	$0.35bn	$0.20bn	$0.11bn	$0.15bn	$0.15bn	$0.08bn
% Change*	6.5%	4.4%	-14.1%	2.2%	-25%	0.9%	-14.6%

**Change from end-March 2014*
Source: Banks' financial statements

Top five freight forwarders' import activity down 4% in first half of 2015

Figures released by the Port of Beirut Authority show that overall import shipping operations by the top five freight forwarders through the port reached 168,145 20-foot equivalent units (TEUs) in the first half of 2015, constituting a decline of 4.4% from 175,827 TEUs in the same period last year. They accounted for 60.3% of the total import freight forwarding market and for 90% of imports to the Lebanese market during the covered period.

Mediterranean Shipping Company (MSC) handled 59,065 TEUs in imports in the first half of 2015, equivalent to a 21.2% share of the total freight forwarding import market. It was followed by Sealine Group with 38,771 TEUs (13.9%), Merit Shipping with 28,405 TEUs (10.2%), Metz Group with 27,838 TEUs (10%) and Gezairy Transport with 14,066 TEUs (5%). Further, Metz Group registered the highest growth in import shipping among the top five freight forwarders at 17.8% year-on-year, while Gezairy Transport posted the steepest decline at 25.6%.

In parallel, export shipping operations by the top five freight forwarders through the Port of Beirut reached 37,548 TEUs in the first half of 2015, constituting an increase of 20.6% from 31,127 TEUs in the same period last year. They accounted for 13.9% of the total export freight forwarding market and for 98% of exported Lebanese cargo during the first half of 2015. Merit Shipping handled 12,792 TEUs of freight in the first half of this year, equivalent to 33.4% of the Lebanese cargo export market. It was followed by Sealine Group with 10,559 TEUs (27.6%), Metz Group with 9,010 TEUs (23.5%), MSC with 2,958 TEUs (7.7%) and Gezairy Transport with 2,229 TEUs (5.8%). Further, Metz Group registered the highest growth in export shipping among the top five freight forwarders at 82.1% year-on-year, while Sealine Group posted the only decline at 6.7%.

Bankers Assurance's net profits down 24% to $8m in 2014

Bankers Assurance sal announced audited net profits of $8m in 2014, constituting a decrease of 24% from $10.5m in 2013. The firm's audited balance sheet shows total assets of $184.5m at the end of 2014, up by 18.1% from $156.2m at the end of 2013. On the assets side, general company investments reached $88.2m at the end of 2014 and increased by 16.2% year-on-year. They included $57.5m in cash & cash equivalent that rose by 51.8% year-on-year, $7.6m in land and real estate investments that were unchanged from a year earlier, and $5m in fixed income investments that dropped by 43.2% from year-end 2013. Also, $11.8m consisted of blocked bank deposits and deposits with maturity of more than three months, of which $1.3m were blocked in favor of the Economy Ministry as guarantees. Unit-linked contracts investments totaled $20.9m at end-2014, constituting an increase of 24.7% from $16.8m a year earlier. They included $10m in mutual funds and $8.2m in cash & similar investments. Unit-linked investment in mutual funds rose by 18.3%, while cash & similar investments decreased by 1.3% year-on-year. Reinsurance share in technical reserves for the non-life category rose by 6.2% from end-2013 to $8.5m, while that of the life category increased by 3.4% to $3.9m at end-2014.

On the liabilities side, unit-linked technical reserves reached $20.9m at the end of 2014 and rose by 24.7% from $16.8m a year earlier. Technical reserves for the non-life segment increased by 32% year-on-year to $77.5m, while technical reserves for the life category reached $8.4m at end-2014 and rose by 14.8% from a year earlier. Non-life technical reserves included unearned premium reserves of $44.2m that rose by 14.6%, outstanding claims reserves of $29.2m that increased by 65.1%, $1.4m in premium deficiency reserves that grew by 48.3%, and $1.2m in reserves incurred but not reported that rose by 46% year-on-year. Also, provisions for risks and charges reached $1.5m and rose by 19.6% from the previous year. The firm's shareholders' equity totaled $59.3m at end-2014 and increased by 4.4% from a year earlier.

Al-Bayan magazine's annual survey of the insurance sector in Lebanon ranked Bankers in second and eighth place in 2014 in terms of non-life and life premiums, respectively. The firm's non-life premiums totaled $106.6m and its life premiums amounted to $16.3m in 2014, constituting increases of 23.6% and 53.8%, respectively. It had a 10.3% share of the local non-life market and a 3.7% share of the life market in 2014.

Emirates Lebanon Bank's net profits down 32% to $6.9m in 2014

Emirates Lebanon Bank sal posted audited consolidated net profits of $6.9m in 2014, constituting a decrease of 31.9% from $10.1m in 2013. Net operating income dropped by 3.2% year-on-year to $38.8m, with net interest income regressing by 3.4% to $29.6m and net fees & commission income decreasing by 2.2% year-on-year to $7.7m. Operating expenditures declined by 0.8% year-on-year to $22.9m in 2014, with staff expenses falling by 2.7% to $14.6m. The cost-to-income ratio was 59% in 2014, up from 57.6% a year earlier.

In parallel, aggregate assets reached $1.5bn at the end of 2014, constituting a 3.7% rise from a year earlier; while loans & advances to customers, excluding loans to related parties, decreased by 1.1% year-on-year to $585.1m. Also, customer deposits totaled $1.1bn at end-2014, constituting an increase of 4.8% from a year earlier. The bank's total shareholders' equity grew by 0.8% year-on-year to $271.5m at end-2014. The shareholders of Emirates Lebanon Bank sal are Bank of Sharjah PSC that has an 80% stake and EL Capital FZC that holds a 20% share of the capital.

Ratio Highlights

(in % unless specified)	2012	2013	2014	Change*
Nominal GDP ($bn)	41.0	44.2	48.4	
Public Debt in Foreign Currency / GDP	59.4	59.1	52.9	(620)
Public Debt in Local Currency / GDP	81.2	84.6	84.7	13
Gross Public Debt / GDP	140.6	143.7	137.7	(607)
Total Gross External Debt / GDP**	163.9	163.8	165.4	160
Trade Balance / GDP	(40.9)	(38.9)	(35.6)	333
Exports / Imports	21.1	19.1	16.1	(295)
Fiscal Revenues / GDP	22.9	21.3	22.5	116
Fiscal Expenditures / GDP	32.5	30.9	28.9	(204)
Fiscal Balance / GDP	(9.6)	(9.6)	(6.4)	320
Primary Balance / GDP	(0.3)	(0.5)	2.7	325
Gross Foreign Currency Reserves / M2	69.4	69.5	66.5	(299)
M3 / GDP	253.5	251.7	243.4	(838)
Commercial Banks Assets / GDP	370.2	373.3	363.4	(992)
Private Sector Deposits / GDP	304.7	308.5	298.7	(979)
Private Sector Loans / GDP	105.9	107.3	105.3	(204)
Private Sector Deposits Dollarization Rate	64.8	66.1	65.7	(43)
Private Sector Lending Dollarization Rate	77.6	76.5	75.6	(98)

** Change in basis points 13/14*
***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, International Monetary Fund, 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

Risk Metrics

Lebanon	July 2013	June 2014	July 2014	Change*	Risk Level
Political Risk Rating	53.0	52.0	52.0	▲	High
Financial Risk Rating	33.5	38.0	38.0	▼	Low
Economic Risk Rating	28.5	27.0	27.0	▲	High
Composite Risk Rating	57.5	58.5	58.5	▼	High

Regional Average	July 2013	June 2014	July 2014	Change*	Risk Level
Political Risk Rating	58.3	58.0	57.9	▲	High
Financial Risk Rating	41.3	40.6	41.0	▲	Very Low
Economic Risk Rating	36.6	36.1	36.2	▲	Low
Composite Risk Rating	68.1	67.4	67.5	▲	Moderate

**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	Negative	B		Negative
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
EIU		CCC	

Source: Rating agencies

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