

## LEBANON THIS WEEK

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Byblos Bank's net profits up 3% to \$34m in first quarter of 2016

Stock market activity up 30% to \$339m in first four months of 2016

Aggregate net profits of listed banks up 11% in first quarter of 2016

Banque Libano-Française pays dividends for 2015

SGBL distributes dividends for 2015

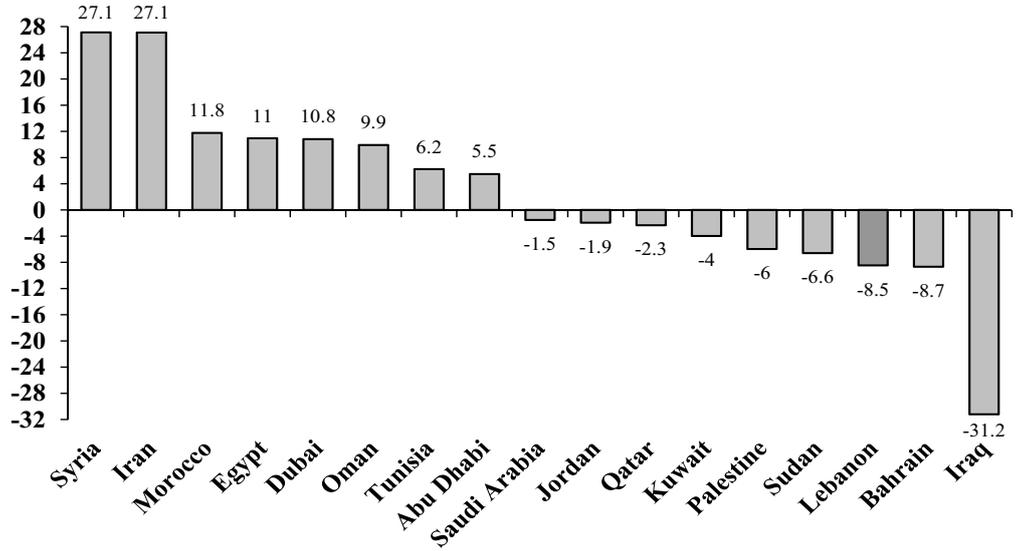
Insurance premiums up 3% to \$1.52bn in 2015, claims and benefits up 9% to \$823m

Bank of Beirut's dividend payout ratio at 37.7% for 2015

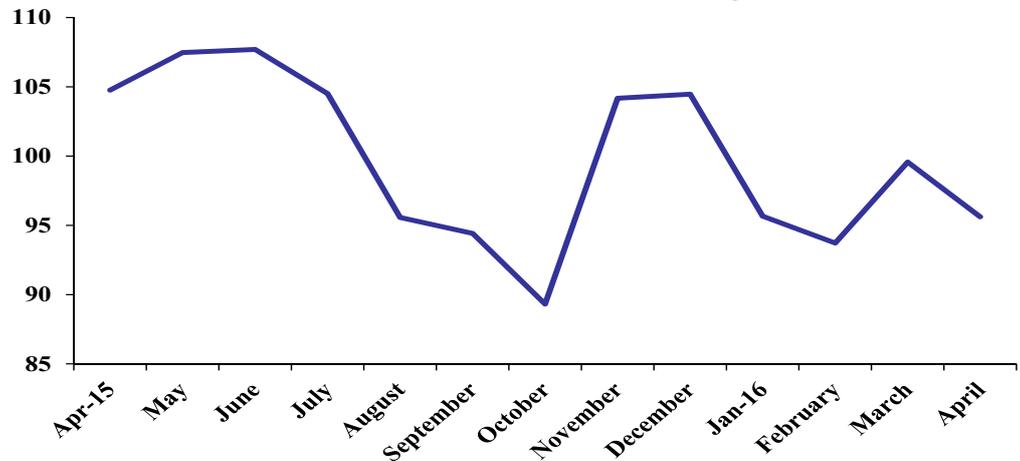
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### Charts of the Week

Performance of MENA Stock Markets in the First Four Months of 2016 (% change)



Performance of the Beirut Stock Exchange\*



\* Capital Markets Authority Value Weighted Index end of month values

Source: Local Stock Markets, Dow Jones Indices, Capital Markets Authority, Byblos Bank

### Quote to Note

"More reliable and lower-cost telecommunication and Internet services would positively affect citizens and the private sector alike."

*The World Bank, on the impact of liberalizing the telecommunications sector in Lebanon*

### Number of the Week

**\$3.4bn:** The United Nations' aggregate humanitarian and development aid in Lebanon, which is related to the Syrian conflict, since 2012

## Lebanon in the News

\$m (unless otherwise mentioned)	2014	Dec 2014	Sep 2015	Oct 2015	Nov 2015	Dec 2015	% Change*
Exports	3,313	268	243	261	222	236	(11.94)
Imports	20,494	1,649	1,434	1,467	1,539	1,841	11.64
Trade Balance	(17,181)	(1,381)	(1,191)	(1,206)	(1,317)	(1,605)	16.22
Balance of Payments	(1,408)	(116)	(122)	(396)	(816)	(372)	220.7
Checks Cleared in LBP	18,143	1,599	1,587	1,700	1,507	1,709	6.89
Checks Cleared in FC	56,348	4,692	4,151	4,552	3,987	4,265	(9.10)
Total Checks Cleared	74,491	6,291	5,738	6,252	5,494	5,974	(5.04)
Budget Deficit/Surplus	(3,073)	(48.82)	(619.44)	10.56	(643.40)	(711.58)	1357.7
Primary Balance	1,307	281.94	(121.58)	486.02	(95.30)	(338.61)	-
Airport Passengers***	6,567,647	573,229	750,290	575,660	501,204	616,249	7.50

\$bn (unless otherwise mentioned)	2014	Dec 2014	Sep 2015	Oct 2015	Nov 2015	Dec 2015	% Change*
BdL FX Reserves	32.40	32.40	32.02	33.25	31.77	30.64	(5.45)
<i>In months of Imports</i>	<i>18.97</i>	<i>19.65</i>	<i>22.33</i>	<i>22.67</i>	<i>20.64</i>	<i>16.64</i>	<i>(15.31)</i>
Public Debt	66.57	66.57	68.72	69.05	70.44	70.31	5.62
Bank Assets	175.70	175.70	181.34	182.27	183.18	185.99	5.86
Bank Deposits (Private Sector)	144.43	144.43	149.11	149.36	149.81	151.59	4.96
Bank Loans to Private Sector	50.90	50.90	52.61	52.99	53.22	54.22	6.53
Money Supply M2	48.69	48.69	51.54	51.64	51.75	52.15	7.11
Money Supply M3	117.68	117.68	122.08	122.05	122.45	123.62	5.05
LBP Lending Rate (%)	7.49	7.49	7.08	7.13	6.93	7.45	(4bps)
LBP Deposit Rate (%)	5.56	5.56	5.57	5.67	5.56	5.56	-
USD Lending Rate (%)	6.97	6.97	7.19	7.05	7.15	7.06	9bps
USD Deposit Rate (%)	3.07	3.07	3.14	3.20	3.17	3.17	10bps
Consumer Price Index**	0.59	(1.66)	(0.64)	0.41	(0.17)	1.40	-

\* Year-on-Year \*\* Year-on-Year percentage change

\*\*\*includes arrivals, departures, transit

Note: bps i.e. basis points

Source: Association of Banks in Lebanon, Banque du Liban, Ministry of Finance, Byblos Research

## Capital Markets

Most Traded Stocks on BSE	Last Price (\$)	% Change*	Total Volume	Weight in Market Capitalization
Audi Listed	5.86	0.17	236,868	21.24%
Byblos Common	1.64	(4.65)	173,728	5.35%
Audi GDR	5.80	(0.51)	127,736	6.05%
BLOM GDR	10.39	0.87	103,129	6.96%
Solidere "A"	9.85	(1.60)	43,027	8.93%
Solidere "B"	9.89	(1.49)	20,373	5.83%
Byblos Pref. 09	100.20	(2.81)	1,948	1.82%
HOLCIM	14.30	0.35	1,570	2.53%
BLOM Listed	10.05	0.50	500	19.59%
Byblos Pref. 08	100.00	(2.91)	414	1.81%

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

Sovereign Eurobonds	Coupon %	Mid Price \$	Mid Yield %
Mar 2017	9.00	103.49	4.81
Nov 2018	5.15	100.13	5.10
May 2019	6.00	101.13	5.59
Mar 2020	6.38	101.75	5.86
Apr 2021	8.25	109.50	5.99
Oct 2022	6.10	99.50	6.20
Jun 2025	6.25	97.75	6.58
Nov 2026	6.60	99.50	6.67
Feb 2030	6.65	98.38	6.83
Nov 2035	7.05	100.50	7.00

Source: Byblos Bank Capital Markets

	May 2-6	April 25-28	% Change	April 2016	April 2015	% Change
<b>Total Shares Traded</b>	730,298	1,396,504	(47.71)	3,131,933	1,018,275	207.57
<b>Total Value Traded</b>	\$4,851,588	\$18,773,654	(74.16)	\$34,700,460	\$10,508,586	230.21
<b>Market Capitalization</b>	\$11.03bn	\$11.05bn	(0.16)	\$11.05bn	\$11.56bn	(4.406)

Source: Beirut Stock Exchange (BSE)



### **U.S. maintains Lebanon on Watch List of intellectual property rights violations**

In its annual 'Special 301' review of the state of intellectual property rights (IPR) protection and enforcement in U.S. trading partners around the world, the Office of the United States Trade Representative (USTR) maintained Lebanon on the Watch List for the ineffective and inadequate protection of intellectual property rights and for severe copyright problems, along with 22 other countries and jurisdictions. The USTR placed Lebanon on the Watch List in 1999 and then downgraded it to the more critical Priority Watch List in 2001, where it remained until 2007. It then upgraded Lebanon to the Watch List in 2008, where it has remained since then. The USTR included 11 countries this year on its Priority Watch List, with Egypt, Lebanon and Turkey being the only countries from the Middle East & Africa on the list, while Algeria and Kuwait are on the Priority Watch List.

The USTR said that the proliferation of counterfeit pharmaceuticals that are manufactured, sold and distributed in Lebanon remains a concern. It encouraged Lebanese authorities to make progress on pending IPR legislative reforms, including amendments to the patent and copyright laws and the ratification of draft laws about trademark and industrial designs. It called on the Lebanese authorities to ratify and implement several IPR treaties, including the Paris Convention for the Protection of Industrial Property, the Berne Convention for the Protection of Literary and Artistic Works, as well as the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks. Also, it encouraged authorities to implement and ratify the Singapore Treaty on the Law of Trademarks, and to join the Patent Cooperation Treaty and the Madrid Protocol. In parallel, it called on authorities to provide the country's Cyber Crime & Intellectual Property Rights Bureau with *ex officio* enforcement authority, as well as to extend to all of its enforcement authorities adequate resources to carry out their functions. The USTR welcomed the continued efforts of law enforcement agencies and the Intellectual Property Protection Office at the Ministry of Economy & Trade to strengthen Lebanon's administrative and enforcement capacity for IPR protection. It urged authorities to commit additional resources to support the Intellectual Property Protection Office.

### **Sovereign ratings affirmed, outlook 'negative'**

Capital Intelligence affirmed at 'B' Lebanon's long- and short-term foreign and local currency sovereign ratings, and kept the 'negative' outlook on the long-term ratings. It said that Lebanon's ratings and 'negative' outlook reflect the prevailing political and geopolitical risks, which are weighing on economic activity and are increasing the country's vulnerabilities. Also, it indicated that the highly polarized domestic political class has prevented the election of a President since May 2014, as well as the ratification of key legislation and the implementation of fiscal reforms.

Further, the agency estimated Lebanon's real GDP to have stagnated in 2015. It did not expect a strong rebound in the economy's traditional growth drivers, such as tourism, real estate and construction, given the current circumstances. It considered that the economy's short- to medium-term outlook continues to be unfavorable and to depend on the geopolitical situation in the region.

In parallel, Capital Intelligence estimated the government's gross financing requirements at about 29% of GDP in 2015 and projected them to exceed 33% of GDP by 2017. It considered that Lebanon's refinancing risks are elevated and said that the government's reliance on the domestic banking system to finance most of its needs in local and foreign currency makes the economy vulnerable to a shock that would adversely affect the risk appetite of local banks or the confidence of depositors. However, it considered that the government's gross financing needs are manageable in the short-term in the absence of such a shock, given the soundness of the banking system and the continued growth of bank deposits. It added that the government could borrow from the Central Bank and draw from its deposits in case of a funding gap over the short term, but it considered that these sources of finance are not sustainable over the long run.

The agency indicated that the ratings are supported by the country's adequate international liquidity, especially its foreign currency reserves, which constitute a buffer against external economic shocks. It noted that foreign currency reserves and other liquid foreign assets stood at \$38.4bn at the end of 2015, equivalent to about 80% of GDP, and have fully covered the country's external financing needs. It added that the high level of external financing needs reflects the wide current account deficit that reached about 19% of GDP in 2015 and the elevated external debt that is equivalent to 252% of current account receipts. It said that deposits from the Lebanese Diaspora, which are equivalent to about 120% of GDP, are the main source to cover the current account deficit and indirectly allow the government to finance its fiscal deficit. It noted that non-resident deposit inflows have remained stable during previous periods of political instability and have continued to grow in 2015 despite regional turmoil.

Further, the agency said that the government benefits from a supportive domestic banking sector and continues to roll over maturing external debt on favorable terms and for longer maturities. It noted, however, that the heavy reliance on the banking sector to cover the external and government financing needs is a vulnerability for the Lebanese economy, and is one of the main constraints on the ratings. It considered that the Central Bank's foreign currency reserves are adequate to face mild shocks, but could prove insufficient in case of large-scale currency conversions and deposit withdrawals.



### Majority of Lebanese think corruption level worsened in the past 12 months

Transparency International's 2016 Global Corruption Barometer, a survey about the general public's views and experiences on corruption, indicates that 92% of respondents in Lebanon considered that the level of corruption in the country increased during the past 12 months. In comparison, 61% of Arab respondents said that the level of corruption in their country increased during the past 12 months, 19% believed that the level of corruption in their country was unchanged, while 15% thought that graft decreased over the past 12 months. The share of respondents in Lebanon who think that the level of corruption in the country increased during the past 12 months is the highest among nine Arab countries included in the survey.

In parallel, 67% of participants in Lebanon considered that most or all public-sector employees and government officials are corrupt, the second highest percentage in the Arab region, behind Yemen (68% of participants). Also, 22% of respondents thought that some public-sector employees and government officials are corrupt, while only 5% of surveyed participants believed that public-sector institutions are completely free from graft. Further, the survey indicates that corruption is the least widespread in Lebanon's police system, religious bodies and the judiciary system. It also shows that corruption is most prevalent among tax officials, followed by members of Parliament and government officials, the President or Prime Minister, and local councilors.

In addition, 28% of respondents in Lebanon indicated that they had to pay a bribe in the past 12 months in order to receive government services, the fifth highest such share in the Arab region, behind Yemen (77% of respondents), Egypt (50% of participants) and Sudan and Morocco (48% of respondents each).

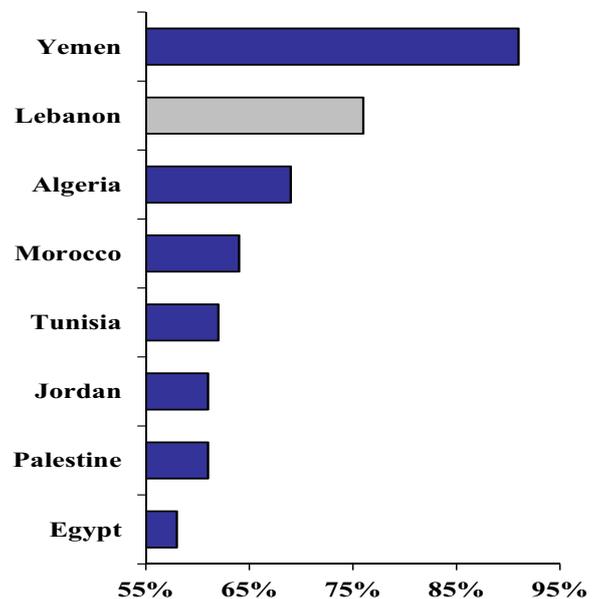
In parallel, 76% of respondents in Lebanon considered that the government's efforts to fight corruption are 'ineffective', while 22% believed that the government's measures to tackle graft are 'effective'. The share of participants in Lebanon who think that the government is ineffective in addressing corruption practices is the second highest in the region, behind Yemen (91% of respondents). Further, 42% of Lebanese believed that there is nothing that ordinary people can do to help fight corruption, the highest such share among Arab countries. The survey was conducted in nine Arab countries through face-to-face interviews between September 2014 and November 2015. It covered a sample of 10,797 respondents in Algeria, Egypt, Jordan, Lebanon, Morocco, Palestine, Sudan, Tunisia and Yemen.

### Gross public debt at \$71bn at end-March 2016

Lebanon's gross public debt reached \$71bn at the end of March 2016, constituting an increase of 1% from \$70.3bn at the end of 2015 and a rise of 2.3% from \$69.4bn at end-March 2015. In nominal terms, the gross public debt grew by \$717.1m in the first quarter of 2016 relative to an increase of \$2.87bn in the same quarter of 2015. Domestic debt totaled \$43.8bn at end-March 2016, growing by 1.3% from end-2015 and by 4.4% from end-March 2015; while debt in foreign currency stood at \$27.25bn, constituting an increase of 0.7% from end-2015 and a decline of 0.8% from a year earlier. Local currency debt accounted for 61.6% of gross public debt at the end of March 2016 compared to 60.4% a year earlier, while foreign currency-denominated debt represented the balance of 38.4% relative to 39.6% at end-March 2015. The weighted interest rate on outstanding Treasury bills was 6.95% and the rate on Eurobonds was 6.41% in March 2016. Further, the weighted life on Eurobonds was 6.07 years, while that on Treasury bills was 1,250 days.

Commercial banks held 44% of the Lebanese pound-denominated public debt at the end of March 2016 compared to 49.2% a year earlier. They were followed by the Central Bank with 39.7%, up from 34.2% at end-March 2015; while public agencies, financial institutions and the public accounted for 16.3% of local debt, down from 16.7% a year earlier. In parallel, Eurobond holders and special T-bills in foreign currencies accounted for 92.2% of foreign-currency denominated debt at the end of March 2016, followed by foreign governments with 3.9%, multilateral institutions with 3.7% and Paris II loans with 0.2%. In parallel, the gross market debt accounted for about 65% of total public debt. Gross market debt is the total public debt less the portfolios of the Central Bank, the National Social Security Fund, bilateral and multilateral loans, as well as Paris II and Paris III related debt.

### Most Ineffective Governments in Fighting Corruption (% of respondents)



Source: Transparency International, Byblos Research

### Average annual hotel occupancy rate in Beirut at 56% during past 20 years

The annual survey of the Middle East hotel sector by global hotel consulting firm HVS indicated that the average occupancy rate at Beirut hotels was 56.2% during the 1996-2015 period, constituting the second lowest rate among 14 cities in the Middle East for which complete data is available over the covered period. The survey added that the average rate per room at Beirut hotels grew at a compound annual growth rate (CAGR) of 0.3% during the 1996-2015 period, constituting the second lowest increase in the region, while revenues per available room (RevPAR) increased by a CAGR of 1.5% during the covered period, constituting the third lowest growth rate in the Middle East.

In parallel, HVS said that the average occupancy rate at Beirut hotels was 57% in 2015 and constituted the 17th lowest rate among 36 Arab cities covered by the survey. However, the occupancy rate at Beirut hotels increased by 16% in 2015 from the previous year, the highest increase in the region, compared to an average decrease of 3% across Arab countries. The survey pointed out that Beirut was among 12 Arab cities that posted an increase in occupancy rates. Further, the occupancy rate at Beirut hotels in 2015 was the eighth highest rate in Lebanon since 1996, and was similar to the average occupancy rate in 2000, 2002 and 2008. In comparison, the occupancy rate at Beirut hotels was 61% in each of 1997 and 1998, 59% in each of 2003 and 2011, 71% in 2004, 70% in 2009, and 66% in 2010.

In addition, HVS indicated that RevPAR at Beirut hotels were \$100 in 2015, up by 16.3% year-on-year and compared to the regional average of \$79 that fell by 3% year-on-year. The rise in RevPAR in Beirut was the fifth highest in the region, behind Damascus (+30%), Cairo and Istanbul (+23% each) and Sharm el Sheikh (+20%). RevPAR at Beirut hotels were the 12th highest in the region last year. Further, RevPAR at Beirut hotels in 2014 were the seventh highest in Lebanon during the previous 20 years.

HVS said that the average rate per room at Beirut hotels reached \$175 in 2015, unchanged from 2014 and compared to an average of \$138 for the region that fell by about 3% year-on-year. The average room rate at Beirut hotels in 2015 was the 11th highest in the region. Further, the average room rate at Beirut hotels in 2015, along with 2014, was the fifth highest in Lebanon during the past 20 years. In comparison, the average rate per room at Beirut hotels was \$281 in 2009, \$263 in 2010, \$220 in 2011, and \$241 in 2012.

### Central Bank details mechanism of compliance with U.S. Act

The Central Bank of Lebanon issued Basic Circular 137 on May 3, 2016, which details the mechanism that Lebanese banks and financial institutions need to adopt in order to comply with the Hizballah International Financing Prevention Act of 2015. The U.S. Act was signed into law by U.S. President Barack Obama on December 18, 2015 to prevent Hizballah and its associated entities from gaining access to international financial and other institutions.

Circular 137 stipulates that Lebanese banks and financial institutions should conduct their operations in compliance with the U.S. Act. It added that banks and financial institutions should immediately inform the Special Investigation Commission (SIC) against money laundering and terrorism financing of all the measures that they intend to take in order to comply with the U.S. Act, especially when freezing or closing a bank account that is considered suspicious under the U.S. Act, or when declining to conduct business with specific clients or open an account for them. The circular stipulates that banks should provide the SIC with a detailed explanation for their actions.

The Central Bank indicated that it issued Basic Circular 137 in order to prevent measures that could adversely affect depositors and clients, especially when closing the accounts of suspicious clients, or when refusing to open new bank accounts for suspicious persons, or when declining to conduct business with them without a proper justification or to avoid de-risking when dealing with correspondent banks.

The U.S. Act stipulates that the United States would impose sanctions on foreign banks and financial institutions that provide direct or indirect support for Hizballah, such as banning them from having correspondent relationships with banks in the United States.

### Hotel Performance in the Middle East during 1996-2015

	Avg Annual Occupancy Rate (%)	Room Rate CAGR (%)	RevPar CAGR (%)
Dubai	76	3	4
Abu Dhabi	71	1	3
Hurghada	71	-	-
Doha	68	6	5
Sharm El Sheikh	68	2	1
Cairo	66	3	2
Jeddah	66	4	5
Muscat	63	4	4
Damascus	63	1	-
Riyadh	62	4	4
Manama	61	5	4
Amman	61	4	3
<b>Beirut</b>	<b>56</b>	<b>0.3</b>	<b>1.5</b>
Kuwait City	56	1	2

Source: HVS, Byblos Research



### **Number of new construction permits up by 25%, surface area up by 19% in first quarter of 2016**

The Orders of Engineers & Architects of Beirut and of Tripoli issued 4,171 new construction permits in the first quarter of 2016, constituting an increase of 24.9% from 3,340 permits in the same quarter of 2015 and relative to a drop of 23.2% in the first quarter of 2015. Mount Lebanon accounted for 38.1% of newly-issued construction permits in the first quarter of 2016, followed by the South with 20.2%, Nabatieh with 14.7%, the Bekaa and the North with 10.2% each, and Beirut with 4%. The remaining 2.5% represent permits issued by the Order of Engineers & Architects of Tripoli for regions located outside northern Lebanon. The number of new construction permits issued for the South rose by 48.4% year-on-year in the first quarter of 2016, followed by permits for the Bekaa (+40.5%), Nabatieh (+31.2%), the North (+27.2%) and Mount Lebanon (+13.6%). In contrast, the number of new construction permits issued for Beirut dropped by 19.7% year-on-year in the first quarter of 2016, while permits issued for regions located outside northern Lebanon grew by 81% year-on-year.

Further, the surface area of granted construction permits reached 3,255,028 square meters (sqm) in the first quarter of 2016, representing a rise of 18.6% from the same quarter last year. In comparison, the surface area of granted construction permits dropped by 19.7% year-on-year in the first quarter of 2015. Mount Lebanon accounted for 1,455,809 sqm, or 44.7% of the total in the first quarter of 2016. The South followed with 499,789 sqm (15.4%), then the North with 410,097 sqm (12.6%), the Bekaa with 319,019 sqm (9.8%), Nabatieh with 305,729 sqm (9.4%) and Beirut with 82,104 sqm (2.5%). The remaining 182,481 sqm, or 5.6% of the total, represent the surface area of permits that were issued by the Order of Engineers & Architects of Tripoli for regions located outside northern Lebanon. The surface area of construction permits issued for the South region grew by 59% year-on-year in the covered quarter, followed by the Bekaa (+44%), the North (+25%), Nabatieh (+18%) and Mount Lebanon (+5.1%). In contrast, the surface area of construction permits issued for Beirut decreased by 28.6% annually, while the surface area of granted construction permits for regions located outside northern Lebanon grew by 49.6% year-on-year. In parallel, cement deliveries totaled 644,000 tons in the first two months of 2016, constituting an increase of 29.3% from 498,000 tons in the same period of 2015 and relative to a drop of 37.2% in the first two months of 2015.

### **Value of real estate transactions up 31% to \$2bn in first quarter of 2016**

Figures released by the Ministry of Finance indicate that there were 14,985 real estate transactions in the first quarter of 2016, constituting an increase of 15.7% from 12,948 deals in the same quarter of 2015. In comparison, the number of real estate transactions regressed by 18.2% in the first quarter of 2015. In parallel, there were 3,167 real estate transactions in the Baabda area during the first quarter of 2016 and represented 22.6% of the total. The North followed with 2,068 transactions (14.8%), then the Zahlé region with 1,747 (12.5%), the Kesrwan area with 1,662 (11.9%), the Metn district with 1,552 (11.1%), the South with 1,527 (10.9%), Nabatieh with 1,385 (9.9%) and Beirut with 894 (6.4%). Also, the aggregate value of real estate transactions reached \$2.13bn in the first quarter of 2016 and increased by 31.1% from \$1.62bn in the same quarter of 2015. In comparison, the value of real estate deals totaled \$2.05bn in the first quarter of 2014. The value of real estate transactions in Beirut reached \$570.3m and accounted for 28.5% of the total, followed by Baabda with \$483.8m (24.2%), the Metn region with \$326.7m (16.3%), the Kesrwan area with \$207.3m (10.4%), the South with \$165.3m (8.3%), the North with \$124.9m (6.2%), Zahlé with \$70.9m (3.5%) and Nabatieh with \$51.7m (2.6%).

In parallel, the average value per real estate transaction was \$142,002 in the first quarter of 2016, up by 13.3% from an average value of \$125,363 in the same quarter of 2015 and relative to \$129,763 in the first quarter of 2014. Further, there were 240 real estate transactions executed by foreigners in the first quarter of 2016, which constitutes a decrease of 21.8% from 307 deals in the same quarter of 2015, and compared to an annual increase of 30.6% in the first quarter of 2015 and a growth of 7.3% in the same quarter of 2014. The number of real estate transactions by foreigners accounted for 1.6% of total real estate deals in the first quarter of 2016 compared to 2.4% of deals in the same quarter of 2015 and to 1.5% of deals in the first quarter of 2014. In parallel, 33.2% of real estate transactions conducted by foreigners were in the Baabda district during the first quarter of 2016, followed by Beirut (19.7%), the Keserwan area and the Metn region (13.1% each), the South (9.2%), Nabatieh and Zahlé (4.8% each), and the North (2.2%).

### **Coincident Indicator up 8% year-on-year in first two months of 2016**

The Central Bank's Coincident Indicator, an index of economic activity in Lebanon, reached 294.6 points in February 2016 compared to 279.4 in January 2016 and 263.3 in February 2015. The Coincident Indicator, an average of 8 weighted economic indicators, increased by 5.4% month-on-month and by 11.9% year-on-year in February 2016. The indicator averaged 287 in the first two months of 2016, up 7.7% from 266.6 in the same period of 2015. Also, the indicator averaged 282 in the 12 months ending February 2016, compared to 279.4 in the 12 months ending January 2016 and 271.6 in the 12 months ending February 2015. As a result, the average coincident indicator increased by 0.9% month-on-month and improved by 3.9% year-on-year. In parallel, the indicator improved 11 times and regressed 13 times on a monthly basis in the month of February since 1993. It averaged 249.5 in 2010, 255.7 in 2011, 256.6 points in 2012, 264.7 points in 2013, 273.2 points in 2014 and 278.6 in 2015.



### Lebanon ranks 119th globally, third in Arab world in press freedom

In its 2016 report on press freedoms in 199 countries, independent think tank Freedom House ranked Lebanon in 119th place globally and in third place among 20 Arab countries. Lebanon also came in 30th place among 52 upper middle-income countries (UMICs) included in the 2016 survey. Lebanon's global rank regressed by one spot from the 2015 survey, while its regional rank was unchanged year-on-year.

The survey assesses the degree of print, broadcast, and Internet freedoms across the world. The 2016 ratings are based on an assessment of the legal environment where the media operates, political influences on reporting and access to information, and economic pressures on content and on the dissemination of news in 2015. It provides a numerical rating from zero to 100 for each country, with a rating of zero assigned to the most free press systems. It also categorizes each country's level of press freedom as 'Free,' 'Partly Free,' or 'Not Free' based on its numerical rating. A country's numerical rating is the sum of the Legal Environment and Economic Environment categories that range between zero and 30, and the Political Environment category that varies between zero and 40. Lebanon, Mauritania, Tunisia and Kuwait were the only Arab countries where the media was considered to be 'Partly Free', while the media in the remaining 16 countries came in the 'Not Free' category.

Globally, Lebanon's level of press freedom was similar to that in Colombia, while it came higher than in Uganda, Guatemala and Kenya, and lower than in Nepal, Nicaragua and Tanzania among economies with a GDP of \$10bn or more. Lebanon received a rating of 56 points relative to a rating of 55 points in the 2015 survey and of 53 points in the 2014 and 2013 surveys, which reflects a deterioration in the country's level of press freedom. Also, Lebanon's rating was worse than the global average of 48.9 points and the UMICs' average rating of 51.1 points, but it was better than the Arab average rating of 72.1 points. Also, Lebanon's rating was better than the Gulf Cooperation Council (GCC) countries' average rating of 75 points and the non-GCC Arab countries' average of 69.9 points.

Lebanon tied with Armenia, Angola, Kuwait and Kyrgyzstan, while it ranked ahead of Qatar, the Central African Republic and Algeria, and came behind Mexico, Pakistan and Sri Lanka on the Legal Environment category. This category evaluates the laws and regulations that influence media content, as well as the government's use of these laws and legal institutions to restrict the media's ability to operate.

Also, Lebanon tied with six other countries that include Brazil, Cameroon and Nigeria, while it ranked ahead of Bosnia & Herzegovina, Nicaragua and Nepal, and came behind the Dominican Republic, India and Serbia on the Political Environment category. This category measures political pressures and control on media content, including access to information sources, news diversity, harassment or violence against journalists or media facilities, and censorship.

Finally, Lebanon tied with five other countries that include Senegal, Botswana and Mexico, while it ranked ahead of Croatia, Indonesia and Mozambique, and came behind Greece, the Dominican Republic and Bolivia on the Economic Environment category. This category assesses economic influences over media content, such as the structure of media ownership, the transparency and concentration of ownership, the cost of establishing a media outlet, corruption and bribery, and the extent that the economic situation in a country impacts the development and sustainability of the media.

#### Press Freedom Rankings & Ratings

	Rating	Arab Rank	Global Rank
Mauritania	51	1	106
Tunisia	52	2	110
<b>Lebanon</b>	<b>56</b>	<b>3</b>	<b>119</b>
Kuwait	59	4	130
Algeria	62	5	136
Jordan	66	6	145
Morocco	66	6	145
Qatar	69	8	154
Oman	71	9	156
Iraq	71	9	156
Libya	75	11	164
Djibouti	75	11	164
Egypt	77	13	167
UAE	78	14	169
Yemen	83	15	176
West Bank & Gaza	83	15	176
Sudan	85	17	183
Saudi Arabia	86	18	185
Bahrain	87	19	186
Syria	90	20	190

Source: Freedom House, Byblos Research

#### Categories of the 2016 Press Freedom Index for Lebanon

	Global Rank	Arab Rank	UMIC Rank	Lebanon Score	Global Avg Score	Arab Avg Score	UMIC Avg Score
Legal Environment	142	3	35	20	14.6	23.5	15.5
Political Environment	116	3	28	22	19.7	28.9	20.9
Economic Environment	91	1	26	14	14.6	19.8	14.8

Source: Freedom House, Byblos Research

### Trade deficit widens by 16% to \$4bn in first quarter of 2016

The total value of imports reached \$4.6bn in the first quarter of 2016, constituting an increase of 10.9% from the same quarter of 2015; while the aggregate value of exports declined by 14.7% to \$634.3m. As such, the trade deficit widened by 16.4% year-on-year to \$4bn in the first quarter of 2016 due to an increase of \$452.6m in imports and to a drop of \$109.4m in exports. The coverage ratio was 13.7% in the first quarter of 2016 compared to 17.8% in the same quarter of 2015, while it reached 12.6% in March 2016 relative to 17.1% in the same month of 2015. The increase in imports reflects a rise of \$461.1m, or 62.6%, in the value of imported oil & mineral fuels to \$1.2bn in the first quarter of 2016. The value of oil & mineral fuels accounted for 26% of total imports in the covered quarter compared to a share of 17.7% in the first quarter of 2015.

In volume terms, imports reached 4.6 million tons in the first quarter of 2016 compared to 3.5 million tons in the same quarter of 2015, while exports regressed by 21.3% annually to 351,031 tons in the covered quarter. In parallel, imports of oil & mineral fuels increased by 50% year-on-year to 2.4 million tons, while non-hydrocarbon imports grew by 15.1% annually to 2.1 million tons. Imported oil & mineral fuels accounted for 53.3% of total imports in the covered quarter relative to a 46.7% share in the first quarter of 2015.

China was the main source of imports with \$522.4m, or 11.3% of the total, in the first quarter of 2016, followed by the United States with \$379.7m (8.2%), the Netherlands with 345.2m and Italy with \$345m (7.5% each), Germany with \$242m (5.2%) and Russia with \$230.5m (5%). Imports from the Netherlands rose by six times annually in the first quarter of 2016, those from the United States increased by 76.6%, imports from Italy grew by 23.7% and those from China rose by 1.9%, while imports from Russia declined by 12.2% and those from Germany decreased by 9.4% year-on-year. In parallel, the Port of Beirut was the entry point for 75.2% of Lebanon's imports in the first quarter of 2016, followed by the Hariri International Airport (17.6%), the Port of Tripoli (4.7%), the Port of Saida (1.4%), the Arida crossing point (0.5%), the Masnaa crossing point (0.4%), and the Abboudieh and Tyre crossing points (0.1% each).

Further, South Africa was the main export destination of Lebanese merchandise with \$74.3m or 11.7% of total exports, followed by Saudi Arabia with \$73.4m (11.6%), the UAE with \$60m (9.4%), Syria with \$43.2m (6.8%), Iraq with \$37.7m (5.9%) and Jordan with \$26.1m (4.1%). Exports to South Africa grew by 43.7% and those to Jordan rose by 6.8%, while exports to Iraq dropped by 39.4%, those to Saudi Arabia regressed by 25.1%, exports to the UAE contracted by 23.2%, and those to Syria decreased by 19.4%.

Lebanon's main exports were jewelry with \$109.3m, or 17.2% of the total, followed by prepared foodstuff with \$108.8m (17.2%), machinery & mechanical appliances with \$91.6m (14.4%), chemical products with \$72.5m (11.4%), base metals with \$63.7m (10%), vegetable products with \$37m (5.8%) and paper & paperboard products with \$32.6m (5.1%). In parallel, the Port of Beirut accounted for 54.4% of Lebanon's total exports in the first quarter of the year, followed by the Hariri International Airport (30.6%), the Port of Tripoli (7.9%), the Masnaa crossing point (3.6%), the Arida crossing point (2.2%), the Abboudieh crossing point (0.9%) and the Port of Saida (0.4%). In parallel, re-exports totaled \$107.9m in the first quarter of 2016 compared to \$94m in the same quarter of 2015.

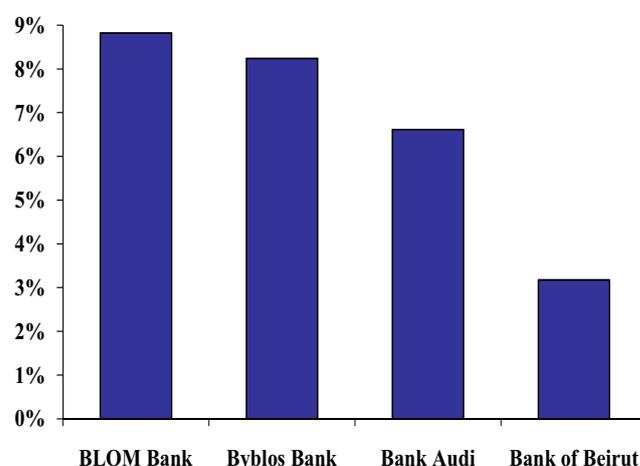
## Corporate Highlights

### Byblos Bank approves \$107m in dividends for 2015, payout ratio at 66.3%

The Ordinary General Assembly of Byblos Bank sal that was held on April 26, 2016 approved the Bank's proposed distribution of \$107m in dividends for common and preferred shares for 2015, representing a payout ratio of 66.3%. The Bank allocated LBP200 (\$0.13) per share to holders of common shares and \$8 per share for the holders of Preferred Shares Class 2008 and Preferred Shares Class 2009. The Bank started to pay dividends on May 5, 2016 net of a 5% withholding tax. Also, Byblos Bank will pay LBP200 per share in US dollars for GDR holders starting on May 10, 2016 through the Bank of New York Mellon after deducting the withholding tax and other expenses. Byblos Bank's share capital consists of 565,515,040 common shares and GDRs, 2,000,000 Preferred Shares Class 2008, and 2,000,000 Preferred Shares Class 2009.

Byblos Bank declared audited consolidated net profits of \$161.5m in 2015. Total assets reached \$19.9bn at the end of 2015 and grew by 4.4% from end-2014; while net loans & advances to customers rose by 4.3% year-on-year to \$4.9bn at the end of 2015. Customers' deposits totaled \$16.64bn and increased by 5.9% from end-2014.

### Gross Dividend Yield on Common Shares\*



\* for closing stock prices at end-2015

Source: Beirut Stock Exchange, Banks' releases, Byblos Research

### Byblos Bank's net profits up 3% to \$34m in first quarter of 2016

Byblos Bank sal, one of the top banking and financial services groups in Lebanon, declared unaudited net profits of \$33.8m in the first quarter 2016, constituting an increase of 3.1% from \$32.8m in the first quarter of 2015. Further, the Bank's pre-tax profits grew by 14.3% year-on-year to \$45.9m in the covered quarter. Net interest income reached \$62.7m in the first quarter of this year compared to \$63m in the same quarter of 2015; while net fees & commissions income stood at \$20.1m relative to \$20.7m in the first quarter of last year. Also, net gains from financial instruments at fair value grew by 36.6% year-on-year to \$18.5m in the first quarter of 2016, while net gains on financial assets at amortized cost rose by 2.8 times to \$33.7m. Net operating income totaled \$130.7m in the first quarter of 2016, up by 24.5% from \$105m in the same quarter of 2015. Also, total operating expenses reached \$84.9m in the first quarter, of which personnel expenses accounted for 39.2% of the total.

In parallel, the Bank's aggregate assets reached \$20.1bn at the end of March 2016 and grew by 1% from end-2015. Net loans & advances to customers totaled \$4.86bn at the end of March and regressed by 1% from end-2015, while net loans & advances to related parties stood at \$22.9m. The Bank's customer deposits totaled \$16.45bn at the end of March 2016 and grew by 0.6% from the end of 2015. Also, deposits from related parties rose by 1.1% from end-2015 to \$282.7m. Total shareholders' equity was \$1.74bn at end-March 2016, up by 1.5% from end-2015.

Byblos Bank's net non-performing loans, or NPLs net of specific provisions and reserved interest, were equivalent to 1.3% of net loans at the end of March 2016. Also, the NPL coverage ratio, including collective provisions, was 113.3% at the end of March. Byblos Bank maintained strong financial buffers to mitigate unexpected risks and to counter economic volatility. The Bank's capital adequacy ratio stood at 17.7% at the end of 2015 according to Basel III criteria, and is significantly above the minimum regulatory requirement of 12% for 2016 and one of the highest such ratios in the Lebanese banking sector. Also, the Bank's immediate liquidity with commercial banks and central banks, including certificates of deposits, stood at \$10.5bn at the end of March 2016, representing about 52% of the Bank's aggregate assets. The Byblos Bank Group has a direct presence in Iraq, Syria, Sudan, the United Arab Emirates, Nigeria, Armenia and the Democratic Republic of Congo, as well as in Belgium, France, the United Kingdom and Cyprus.

### Stock market activity up 30% to \$339m in first four months of 2016

Figures released by the Beirut Stock Exchange (BSE) indicate that the trading volume reached 37 million shares in the first four months of 2016, constituting an increase of 3.2% from 35.84 million shares traded in the same period of 2015; while aggregate turnover amounted to \$338.5m, up by 30% from a turnover of \$260.3m in the first four months of 2015. Market capitalization regressed by 4.5% from the end of April 2015 to \$11.05bn, with banking stocks accounting for 81.8% of the total, followed by real estate shares (15.1%), industrial firms (2.8%) and trading stocks (0.3%). The market liquidity ratio was 3.1% in the covered period compared to 2.3% in the first four months of 2015. Banking stocks accounted for 91.5% of aggregate trading volume in the first four months of the year, followed by real estate equities with 8.4% and industrial shares with 0.1%. Also, banking stocks represented 90.7% of the aggregate value of shares traded, followed by real estate equities with 9.1% and industrial stocks with 0.2%. The average daily traded volume for the period was 468,220 shares for an average daily value of \$4.3m. The figures reflect an increase of 3.2% in volume and a rise of 30% in value year-on-year. In parallel, the Capital Markets Authority's Market Value-Weighted Index for stocks traded on the BSE decreased by 8.5% in the first four months of 2016, while the Capital Markets Authority's Banks Market Value-Weighted Index improved by a marginal 0.3%.

### Aggregate net profits of listed banks up 11% in first quarter of 2016

Financial results issued by the six banks listed on the Beirut Stock Exchange show that their aggregate net profits reached \$308.9m in the first quarter of 2016, constituting an increase of 10.6% from net earnings of \$279.2m in the same quarter last year. Further, the banks' aggregate pre-tax profits grew by 7.2% year-on-year to \$338m in the covered quarter. The aggregate net interest income of the six banks totaled \$559.4m in the first quarter of 2016, up 6.6% from \$525m in the same quarter of 2015; while their receipts from total net fees & commission increased by 8.1% year-on-year to \$148.5m. The total operating income of the listed banks reached \$880.9m in the first quarter of 2016 and grew by 10.9% from \$794.4m in the same quarter last year. The banks' collective cost-to-income ratio was nearly unchanged at 56.2% in the first quarter of 2016.

In parallel, the aggregate assets of the publicly-listed banks regressed by 1% from end-2015 to \$113.6bn at the end of March 2016; while their total loans, including those to related parties, grew by 0.6% to \$37.1bn. Also, total deposits, including those from related parties, regressed by 1.3% from end-2015 to \$94.16bn at end-March 2016. Also, the banks' aggregate shareholders' equity stood at \$10.6bn at the end of March 2016.

The six banks' aggregate loans-to-deposits ratio stood at 39.4% at the end of March 2016, up from 38.7% at end-2015. BLOM Bank had the lowest loans-to-deposits ratio at 28.9% compared to 28.7% at end-2015; followed by Byblos Bank with a ratio of 29.2% at end-March 2016 relative to 29.6%, Bank of Beirut with 35.8%, up from 35% at the end of 2015; BLC Bank with 41% at end-March compared to 41.6%; Banque BEMO with 51% compared to 50% at end-2015; and Bank Audi with 52.8% at end-March 2016, up from 50.3% at the end of 2015.

Results of Listed Banks in First Quarter of 2016						
	Audi	BLOM	Byblos	BoB	BEMO	BLC
Net Profits (\$m)	110.2	108.2	33.8	43.8	3.7	9.2
% Change*	10.1%	18.7%	3%	7.9%	17.9%	-20%
Total Assets (\$bn)	41.02	29.3	20.05	16.0	1.63	5.55
% Change**	-3%	0.7%	0.9%	-1%	0.7%	-3.3%
Loans (\$bn)	18.08	7.28	4.88	4.33	0.68	1.87
% Change**	0.9%	1.2%	-1%	1.6%	1%	-1.9%
Deposits (\$bn)	34.22	25.21	16.73	12.09	1.34	4.56
% Change**	-3.9%	0.5%	0.6%	-0.6%	-1%	-0.5%

\*Year-on-year

\*\*Change from end-2015

Source: Banks' financial statements, Byblos Research

### Banque Libano-Française pays dividendes for 2015

Banque Libano-Française sal announced that its Ordinary General Assembly held on April 27, 2016 approved the distribution of dividends for 2015. The bank paid gross dividends of \$7 (LBP10,553) per share for shareholders carrying Preferred Shares Series 3 and for those carrying Preferred Shares Series 4. The dividends were paid net of a 5% withholding tax, as the bank reimburses the holders of preferred shares for the difference between the 10% withholding rate and the rate for which the shares would have been taxed if they were listed on the Beirut Stock Exchange. The Bank started to disburse the dividends on April 30, 2016.

BLF posted unaudited consolidated net profits of \$103.9m in 2015, up by 1.6% from 2014. Its assets reached \$11.6bn at end-2015; while loans & advances to customers, excluding loans & advances to related parties, rose by 4.1% from end-2014 to \$4.15bn at the end of 2015. Also, customer deposits, excluding deposits from related parties, totaled \$9.6bn at end-2015, up by 2.3% year-on-year.

### SGBL distributes dividendes for 2015

Société Générale de Banque au Liban sal (SGBL) announced that its Ordinary General Assembly held on April 25, 2016 approved the distribution of dividendes for 2015. The bank paid gross dividendes of \$700 per share to holders of Preferred Shares Series 2012 and Preferred Shares Series 2013. Also, SGBL allocated a gross dividend of about \$350 per share to the holders of Preferred Shares Series 2015, after it was adjusted on a pro-rata basis to reflect the period between the shares' issuance in early July 2015 until the end of 2015. SGBL indicated that the dividendes will be paid net of a 10% withholding tax by May 7, 2016 at the latest. SGBL's share capital consists of 56,535 common shares, 12,500 preferred shares Series 2012, 15,000 preferred shares Series 2013 and 10,000 preferred shares Series 2015.

The bank posted unaudited consolidated net profits of \$170.1m in 2015. Total assets reached \$16.5bn at end-2015; while loans & advances to customers, excluding loans & advances to related parties, stood at \$4.1bn at the end of 2015. Customer deposits, excluding deposits from related parties, reached \$12.5bn at end-2015.

### Insurance premiums up 3% to \$1.52bn in 2015, claims and benefits up 9% to \$823m

Figures released by the Association of Insurance Companies in Lebanon (ACAL) indicated that insurance premiums generated in Lebanon totaled \$1.52bn in 2015, constituting an increase of 3.1% from \$1.48bn in 2014. Premiums reached \$416.7m in the first quarter, \$382.6m in the second quarter, \$349.6m in the third quarter and \$374.1m in the fourth quarter of 2015.

Life insurance premiums totaled \$462.8m in 2015 and accounted for 30.4% of the sector's aggregate premiums. They were followed by medical premiums with \$441.3m (29%), motor premiums with \$351m (23%), fire premiums with \$109.5m (7.2%), workmen compensation with \$51.9m (3.4%), cargo premiums with \$35.4m (2.3%), public liability premiums with \$18.3m (1.2%) and engineering premiums with \$9.9m (0.7%), while premiums from other categories amounted to \$43m and accounted for 2.8% of the total. Engineering premiums grew by 31% in 2015, life insurance premiums increased by 7%, motor premiums rose by 5%, and medical and fire premiums grew by 3% each. In contrast, cargo premiums declined by 22%, compensation from other categories contracted by 12% and workmen compensation decreased by 2%, while public liability premiums were unchanged in 2015.

In parallel, ACAL indicated that total benefits and claims paid by insurance companies stood at \$823.4m in 2015, constituting a rise of 9.1% from \$754.6m in 2014. Benefits and claims paid for non-life categories totaled \$576.3m last year, constituting an increase of 1% from \$570.4m in 2014, while claims disbursed for the life insurance category amounted to \$247.2m and grew by 34.2% from 2014. Medical claims accounted for 37.7% of total payments in 2015, followed by life insurance claims (30%), motor claims (22%), workmen's claims (3.7%), fire claims (3.3%), cargo claims (1.2%), public liability claims (0.7%) and engineering claims (0.4%); while claims from other categories accounted for 1% of the total. Engineering claims surged by 75% in 2015, life insurance claims rose by 34%, fire claims increased by 9% and medical claims grew by 3%. In contrast, public liability claims dropped by 27% last year, cargo claims regressed by 18% and workmen claims declined by 10%, while motor claims were unchanged year-on-year and claims from other categories decreased by 13%.

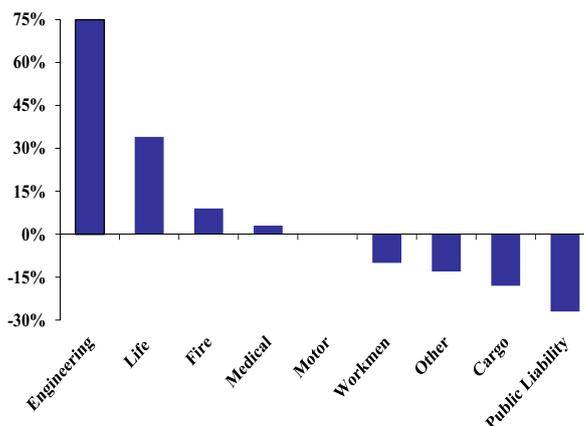
Further, unit-linked policies accounted for 61.2% of total life insurance premiums and for 17.3% of the number of life insurance contracts in 2015, while life protection plans represented 38.8% of total life insurance premiums and 82.7% of the total number of life contracts last year. ACAL noted that medical insurance premiums covering Lebanese citizens rose by 2% to \$427.7m in 2015, while medical insurance premiums covering expatriates grew by 9% annually to \$13.6m. Finally, it indicated that non-compulsory motor insurance premiums increased by 5% to \$290.4m last year, while compulsory motor insurance premiums improved by 6% to \$60.5m in 2015.

### Bank of Beirut's dividend payout ratio at 37.7% for 2015

Bank of Beirut announced that its Ordinary General Assembly held on May 5, 2016 approved the distribution of dividends for 2015. The bank will allocate a gross dividend payment of LBP110bn, or \$73m, to the holders of common and preferred shares, which is equivalent to a 37.7% payout ratio. The bank will distribute \$2 per share to the holders of Series "E" Preferred Shares, \$2.3625 per share to the holders of Series "G" Preferred Shares, \$1.75 per share to the holders of Series "H" Preferred Shares, and \$1.6875 per share to the holders of Series "I" Preferred Shares and \$1.625 per share to the holders of Series "J" Preferred Shares. The bearers of common shares, including Priority Shares holders, will receive a total of LBP49.7bn, or \$33m, equivalent to LBP900 or \$0.6 per share. In addition, the bank will pay \$0.84 per share to the holders of Priority Shares Series 2014. The dividends will be paid from May 11 until May 20, 2016 net of a 5% withholding tax for publicly-listed shares and net of a 10% tax for shares that are not publicly listed.

Bank of Beirut posted unaudited net profits of \$193.4m in 2015. Total assets reached \$16.16bn; while loans & advances to customers, excluding loans & advances to related parties, totaled \$4.2bn at end-2015. Customer deposits, excluding deposits from related parties, reached \$11.9bn at end-2015. The bank's share capital currently consists of 72,199,400 shares that include 50,467,400 common shares; 4,762,000 Priority Shares Series 2014; 3,570,000 Series "G" Preferred Shares; 5,400,000 Series "H" Preferred Shares, 5,000,000 Series "I" Preferred Shares and 3,000,000 Series "J" Preferred Shares.

Change in Paid Claims in 2015



Source: ACAL, Byblos Research

## Ratio Highlights

(in % unless specified)	2013	2014	2015	Change*
Nominal GDP (\$bn)	47.2	49.4	50.9	
Public Debt in Foreign Currency / GDP	55.3	51.9	53.2	134
Public Debt in Local Currency / GDP	79.1	83.0	85.0	203
Gross Public Debt / GDP	134.4	134.8	138.2	337
Total Gross External Debt / GDP**	163.8	165.1	162.4	(270)
Trade Balance / GDP	(36.6)	(34.8)	(29.7)	512
Exports / Imports	18.5	16.2	16.6	41
Fiscal Revenues / GDP	19.9	22.0	18.8	(322)
Fiscal Expenditures / GDP	28.9	28.3	26.6	(167)
Fiscal Balance / GDP	(8.9)	(6.2)	(7.8)	(154)
Primary Balance / GDP	(0.5)	2.6	1.4	(122)
Gross Foreign Currency Reserves / M2	69.5	66.5	58.7	(780)
M3 / GDP	235.4	238.4	243.0	462
Commercial Banks Assets / GDP	349.0	355.9	365.6	968
Private Sector Deposits / GDP	288.4	292.6	298.0	540
Private Sector Loans / GDP	100.3	103.1	106.6	348
Private Sector Deposits Dollarization Rate	66.1	65.7	64.9	(83)
Private Sector Lending Dollarization Rate	76.5	75.6	74.8	(73)

\* Change in basis points 14/15

\*\*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	May 2014	Apr 2015	May 2015	Change**	Risk Level
Political Risk Rating	52.0	55.0	55.0	▼	High
Financial Risk Rating	38.0	39.0	39.0	▼	Low
Economic Risk Rating	27.0	33.0	33.0	▼	Moderate
Composite Risk Rating	58.5	63.5	63.5	▼	Moderate

MENA Average*	May 2014	Apr 2015	May 2015	Change**	Risk Level
Political Risk Rating	58.0	57.2	57.3	▲	High
Financial Risk Rating	40.2	39.6	39.6	▲	Low
Economic Risk Rating	35.7	33.9	33.1	▲	Moderate
Composite Risk Rating	67.0	65.3	65.0	▲	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	Negative	B		Negative
Standard & Poor's	B-	B	Negative	B-	B	Negative
Capital Intelligence	B	B	Negative	B	B	Negative

Source: Rating agencies

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



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

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# BYBLOS BANK GROUP

## LEBANON

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

## SYRIA

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Byblos Bank Syria S.A.  
Damascus Head Office  
Al Chaalan - Amine Loutfi Hafez Street  
P.O.Box: 5424 Damascus - Syria  
Phone: (+ 963) 11 9292 - 3348240/1/2/3/4  
Fax: (+ 963) 11 3348205  
E-mail: byblosbanksyria@byblosbank.com

## IRAQ

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

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

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

## UNITED ARAB EMIRATES

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Byblos Bank Abu Dhabi Representative Office  
Intersection of Muroor and Electra Streets  
P.O.Box: 73893 Abu Dhabi - UAE  
Phone: (+ 971) 2 6336050 - 2 6336400  
Fax: (+ 971) 2 6338400  
E-mail: abudhabirepoffice@byblosbank.com.lb

## ARMENIA

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

## CYPRUS

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Limassol Branch  
1, Archbishop Kyprianou Street, Loucaides Building  
P.O.Box 50218  
3602 Limassol - Cyprus  
Phone: (+ 357) 25 341433/4/5  
Fax: (+ 357) 25 367139  
E-mail: byblosbankcyprus@byblosbank.com.lb

## BELGIUM

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Byblos Bank Europe S.A.  
Brussels Head Office  
Rue Montoyer 10  
Bte. 3, 1000 Brussels - Belgium  
Phone: (+ 32) 2 551 00 20  
Fax: (+ 32) 2 513 05 26  
E-mail: byblos.europe@byblosbankeur.com

## UNITED KINGDOM

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

## FRANCE

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

## SUDAN

---

Byblos Bank Africa  
Khartoum Head Office  
Intersection of Mac Nimer and Baladiyya Streets  
P.O.Box: 8121 - Khartoum - Sudan  
Phone: (+ 249) 1 56 552 222  
Fax: (+ 249) 1 56 552 220  
E-mail: byblosbankafrica@byblosbank.com

## NIGERIA

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

## DEMOCRATIC REPUBLIC OF CONGO

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Byblos Bank RDC S.A.R.L  
Avenue du Marché No. 4  
Kinshasa-Gombe, Democratic Republic of Congo  
Phone: (+ 243) 81 7070701  
(+ 243) 99 1009001  
E-mail: byblosbankrdc@byblosbank.com

## ADIR INSURANCE

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