



LEBANON THIS WEEK

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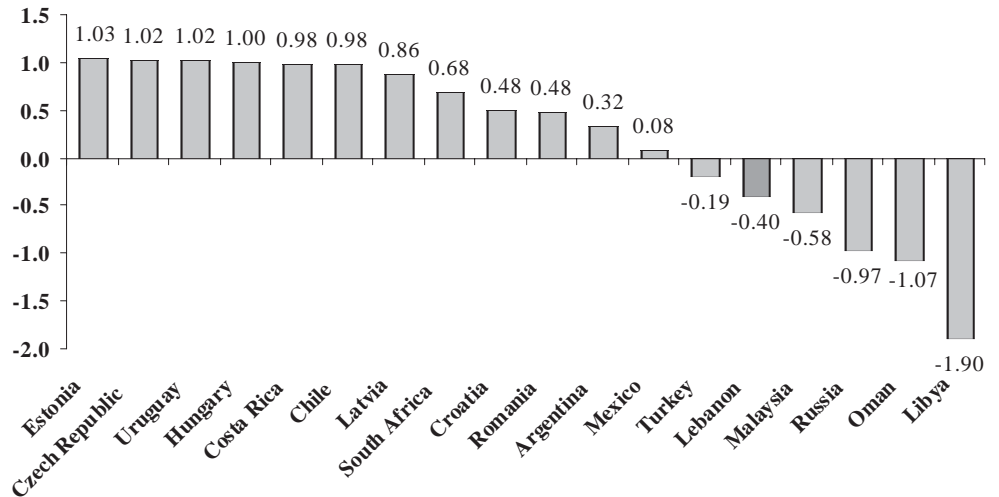
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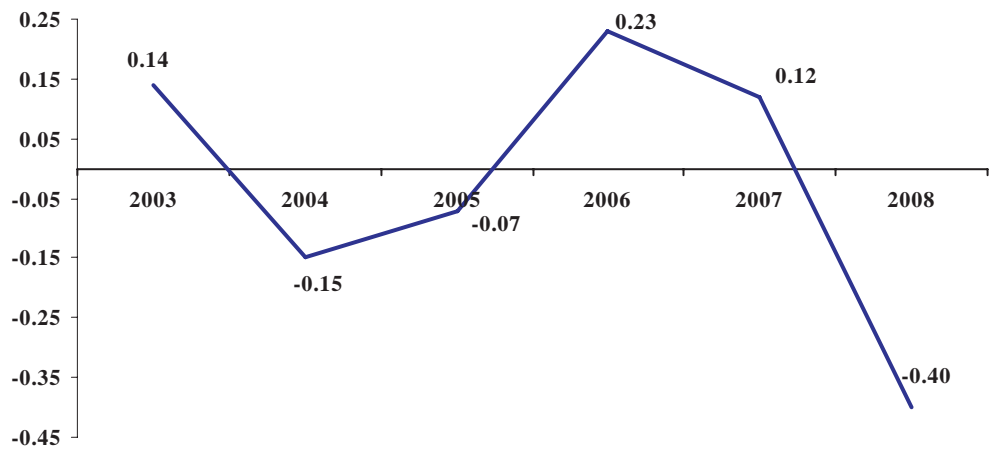
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Charts of the Week

Voice and Accountability of Upper Middle-Income Countries in 2008



Voice and Accountability Indicator for Lebanon



Source: World Bank Governance Indicators, 2009

Quote to Note

“Prime Minister Saad Hariri and his new Cabinet will have a lot on their plate on the economic front”

Standard Chartered Bank, on the challenges awaiting the upcoming Cabinet in terms of growth, reforms and fiscal discipline

Number of the Week

\$31.2bn: Commercial Banks’ deposits at the Central Bank of Lebanon at end-May 2009, according to the Association of Banks in Lebanon

Economic Indicators

\$m (unless otherwise mentioned)	2007	May 08	2008	Mar. 2009	Apr. 2009	May 09	% Change*
Exports	2,816	267	3,478	270	231	292	9.36
Imports	11,815	1,305	16,133	1,138	1,797	1,242	(4.83)
Trade Balance	(8,999)	(1,038)	(12,655)	(868)	(1,566)	(950)	(8.48)
Balance of Payments	2,036	(416)	3,462	(367)	839	521	225.2
Checks Cleared in LBP	8,409	749	9,350	899	804	928	23.89
Checks Cleared in FC	29,893	3,470	43,174	3,294	3,222	3,497	0.78
Total Checks Cleared	38,302	4,219	52,524	4,148	4,026	4,425	4.88
Budget Deficit/Surplus	(2,546)	(370)	(2,921)	(508)	(76)	(198)	(46.49)
Primary Balance	731	(78)	597	(110)	363	64	182.05
Airport Passengers	3,408,834	199,789	4,085,334	302,709	392,556	345,278	72.82

\$bn (unless otherwise mentioned)	Dec. 2007	May 2008	Feb. 2009	Mar. 09	Apr. 09	May 09	% Change*
BdL FX Reserves	9.78	11.92	18.23	18.66	19.33	20.22	69.63
<i>In months of Imports</i>	<i>9.19</i>	<i>9.13</i>	<i>17.62</i>	<i>16.40</i>	<i>10.75</i>	<i>16.28</i>	<i>78.31</i>
Public Debt	42.03	43.56	47.20	47.85	47.77	47.73	9.57
Net Public Debt	39.03	40.12	41.88	42.34	42.69	42.77	6.61
Bank Assets	82.26	86.20	95.11	97.94	99.63	101.65	17.92
Bank Deposits (Private Sector)	67.29	70.55	78.88	80.50	82.62	84.35	19.56
Bank Loans to Private Sector	20.42	23.20	24.94	25.45	25.76	26.07	12.37
Money Supply M2	16.47	18.44	26.23	26.86	27.77	28.15	52.66
Money Supply M3	59.83	62.66	69.41	70.52	72.28	73.58	17.43
LBP Lending Rate (%)	10.10	9.72	10.03	10.10	9.83	9.79	7b.p.
LBP Deposit Rate (%)	7.40	7.27	7.13	7.10	7.08	7.06	(21b.p.)
USD Lending Rate (%)	8.02	7.43	7.28	7.32	7.21	7.28	(15b.p.)
USD Deposit Rate (%)	4.69	3.61	3.25	3.26	3.24	3.22	(39b.p.)
%* Change in CPI**	5.92	12.99	2.80	3.51	2.00	2.15	(1,084b.p.)

* Year-on-Year; ** Consumer Price Index

Note: b.p. i.e. basis point

Sources: ABL, BdL

Capital Markets

Most Traded Stocks on BSE	Last Price (\$)	% Change*	Total Volume	Weight in Market Capitalization	Sovereign Eurobonds	Coupon %	Mid Price \$	Mid Yield %
Solidere "A"	25.09	10.82	600,466	22.25%	Mar. 2010	7.125	101.75	4.25
Solidere "B"	25.12	9.69	458,043	14.48%	May 2011	7.875	104.25	5.40
Byblos Common	1.85	0.00	4,017	3.56%	Mar. 2012	7.500	104.50	5.65
Byblos Priority	1.80	(3.23)	3,650	3.29%	Sep. 2012	7.750	105.25	5.89
Byblos Pref. 08	97.90	0.00	350	1.74%	June 2013	8.625	107.00	6.57
BLOM GDR	77.40	0.39	3,215	5.07%	Apr. 2015	10.000	111.25	7.55
BLOM Listed	72.65	0.00	3,500	13.85%	Jan. 2016	8.500	104.88	7.54
Audi GDR	65.00	(0.91)	5,575	5.67%	May 2016	11.625	119.88	7.80
Audi Listed	60.40	0.67	1,358	18.32%	Mar. 2017	9.000	108.88	7.46
HOLCIM	13.05	(1.44)	2,909	2.26%	Apr. 2021	8.250	102.50	7.92

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

Source: Byblos Capital Markets

	This Week	Last Week	% Change	June 2009	June 2008	% Change
Total Shares Traded	1,084,980	1,104,889	(1.80%)	8,778,166	5,263,747	66.77
Total Value Traded	\$26,694,290	\$27,026,678	(1.23%)	\$174,823,842	\$167,096,917	4.62
Market Capitalization	\$11.27bn	\$10.89bn	3.52%	\$11.31bn	\$16.23bn	(30.30)

Source: Beirut Stock Exchange (BSE)



Lebanon is fourth most desirable country in the region for executives' relocation

A survey conducted by executive search firm Heidrick & Struggles International indicated that Lebanon is the fourth most desirable country in the Middle East to relocate to among 8 countries included in the survey. Lebanon ranked ahead of Egypt, Kuwait, Saudi Arabia and Jordan, and came behind Qatar, Bahrain and the UAE on the firm's Desirability Index. The index is based on the proportion of respondents' awareness about a country as well as their ratings of six parameters that are the market value of work experience, quality of education, social environment, work environment, potential for saving money, and personal and family safety. Lebanon ranked second after the UAE among the region's resident and non-resident Arab executives, but came last among expatriates residing in the region and non-resident expatriates in terms of favorite relocation destination.

Lebanon ranked in 6th place on the value of work experience gained, coming ahead of Egypt and Jordan, as 43% of non-resident Arabs, 42% of resident Arabs, and 19% of resident and non-resident expatriates each considered that the value of work experience gained in Lebanon is better than in the other 7 Arab countries. As a result, Lebanon ranked in 5th place among resident Arabs, in 4th place among non-resident Arabs, in 6th place among resident expats, and in 7th place among non-resident expatriates on this category.

Also, Lebanon ranked in 4th place on the quality of its work environment, coming ahead of Kuwait, Jordan, Saudi Arabia and Egypt, but behind Qatar, Bahrain and the UAE. About 52% of resident Arabs, 44% of non-resident Arabs, 18% of resident expats and 17% of non-resident expatriates concurred that Lebanon had the best work environment in the region. Lebanon ranked third among resident and non-resident Arabs, 5th among resident expats and last among non-resident expatriates on this category.

Further, Lebanon ranked in second place on the quality of education category, coming ahead of all other Arab markets with the exception of the UAE. A total of 73% of resident Arabs, 68% of non-resident Arabs, 21% of non-resident expats and 19% of resident expatriates considered that Lebanon had the highest quality of education. Lebanon ranked first among resident Arabs, second among non-resident Arabs, and 5th among resident and non-resident expats on this category. Additionally, Lebanon ranked in second place on the social environment category, as 85% of resident Arabs, 81% of non-resident Arabs, 40% of non-resident expats and 33% of resident expatriates considered that Lebanon had the best social environment in the Arab world. Lebanon ranked first among resident and non-resident Arabs, 4th among resident expatriates and third among non-resident expatriates.

In parallel, Lebanon ranked last among the 8 countries covered in terms of the potential for saving money, as 36% of non-resident Arabs, 31% of resident Arabs, 20% of non-resident expats and 18% of resident expatriates considered that Lebanon had the highest potential to save money. Lebanon ranked 6th among resident Arabs, 7th among non-resident Arabs, and in last place among resident and non-resident expatriates on this category. Finally, Lebanon ranked in last place on the personal and family safety category, with 20% of resident Arabs, 17% of non-resident Arabs, 5% of resident expats and 4% of non-resident expatriates considered that Lebanon is a safe destination.

Lebanon meets several EPCA targets for first quarter 2009

The International Monetary Fund's update on the Emergency Post Conflict Assistance program indicated that authorities met several end-March 2009 indicative targets by substantial margins, while other targets were missed. It said the primary balance and the targets on foreign reserves were met, while the program ceiling on the Central Bank's net financing of the government was not met. Also, the Global Income Tax Law has not been submitted to parliament and the planned privatization of the mobile phone licenses has yet to be implemented. It added that foreign reserves exceeded the end-March target by a wide margin, as the Central Bank continued to accumulate reserves at a rapid pace due to strong deposit inflows and ongoing conversion of US dollar deposits into Lebanese pounds. Also, the primary balance target was met due to high tax revenues and lower expenditures, leading to a balance just above the program floor. However, the government's net borrowing from the Central Bank remained higher than the program ceiling, as the target was missed by nearly 10%. The Fund noted that the delay in the approval of the budget proposal means that the fiscal measures under the EPCA-supported program will not be implemented before the new Cabinet is in place, resulting in a fiscal loss of about 0.5% of GDP.

Rankings of Lebanon by Category



Source: Heidrick & Struggle, Byblos Research

Occupancy at Beirut hotels at 70%, room yields up 178% in the first 5 months of 2009

Ernst & Young's benchmark survey of the Middle East hotel sector indicated that occupancy rate at hotels in Beirut was 70% in the first five months of 2009, up 34% from 36% in the same period last year. The occupancy rate in Beirut was the 13th highest among 22 markets in the region, compared to being the lowest in the same period last year. Beirut posted the highest growth in occupancy rates in the region, but this was largely due to the fact that occupancy rates in Beirut hotels were very low in the first 5 months of 2008. The survey said the average rate per room at Beirut hotels was \$189 in the first 5 months of 2009, ranking the capital's hotels as the 12th most expensive in the region ahead of Al Ain in the UAE, Madina in Saudi Arabia, Amman in Jordan and all markets in Egypt. The average rate per room at Beirut hotels increased by 46% to \$189 year-on-year and posted the highest increase among all markets in the region. The average rate per room in Beirut came below the regional average of \$195, which declined by 2.5% from \$200 in the same period of 2008. However, the average room rate in Beirut decreased by 5.6% in May 2009 from April and increased by 23.1% from May 2008.

Occupancy rates at Beirut hotels were 57% in January, 68% in February 2009, 74% in March, 81% in April, and 70% in May 2009, compared to 43% in January, 32% in February, 34% in March, 44% in April and 29% in May 2008. Beirut hotels had an occupancy rate of 57% for all of 2008.

Further, revenues per available room (RevPAR) were \$133 in Beirut in the first 5 months of 2009, up from \$48 in the same period last year, ranking it in 11th place in the region, ahead of Al Ain in the UAE, Madina in Saudi Arabia, Amman in Jordan and ahead of all the markets in Egypt. Beirut's RevPAR was up 178.3% year-on-year, posting the highest rise in the region, and compared to an average decline of 2.3% across the region. Beirut posted RevPARs of \$108 in January, \$136 in February, \$135 in March, \$159 in April and \$129 in May 2009 compared to \$59 in January, \$40 in February, \$38 March, \$59 in April and \$44 in May 2008.

Hotel Performance in first 5 months of 2009			
	Occupancy Rate (%)	RevPAR (US\$)	RevPAR % change
Dubai - Beach	84	298	(34.8)
Abu Dhabi	79	284	1.5
Dubai - Appartments	77	127	(30.8)
Sharm El Sheikh	77	43	(15.6)
Doha	76	239	(6.3)
Dubai-Overall	75	199	(36.6)
Hurghada	72	37	(14.4)
Cairo - Pyramids	72	69	(17.3)
Dubai- City	71	166	(38.1)
Cairo - Overall	71	79	(14.1)
Cairo - City	71	81	(13.5)
Jeddah	71	142	19.4
Beirut	70	133	178.3
Alexandria	70	46	(12.7)
Muscat	70	194	(6.9)
Al Ain	69	113	2.9
Makkah	68	130	14.3
Manama	67	227	(9.3)
Riyadh	67	152	(9.2)
Madina	62	83	6.5
Kuwait	61	172	(1.2)
Amman	51	80	(11.6)

Source: Ernst & Young, Byblos Research

IMF calls for strict control of expenditures, encourages change in monetary policy instruments

The International Monetary Fund projected economic growth in Lebanon at 4% this year, up from a previous estimate of 3%, with a significant upside potential if domestic political and security conditions remain favorable. It expected FDI to drop by 26% year-on-year, remittances to decline by 12% and exports to regress by 1%. But it noted that the current account deficit will shrink to 8.3% of GDP from 11.2% of GDP last year, helped by a drop in oil import prices and strong tourism inflows. The Fund said fiscal spending in the run-up to the elections has made the goal of achieving the authorities' target of a zero primary balance in 2009 more difficult. It warned that further fiscal spending would run the risk of eroding market confidence and lead to heightened financing risks, adding that it would also complicate the much-needed fiscal consolidation efforts of the upcoming new Cabinet. It expected the fiscal deficit to widen to 12% of GDP this year from 9.7% of GDP in 2008.

The Fund indicated that the global recession and the still volatile international financial market conditions continue to pose downside risks to government financing. It said the need for the Central Bank to temporarily absorb government paper from the secondary market in the first quarter shows that Lebanon's financing conditions have not been completely decoupled from the global financial market environment. It added that a significant slowdown in commercial bank deposit growth could tighten financing conditions in the period ahead, particularly if fiscal discipline were relaxed further. The IMF called for strict expenditure control to minimize these risks, adding that contingency plans in case of financing shortfalls should include further fiscal adjustment, mobilizing additional donor support, temporarily lowering foreign reserves accumulation, and higher interest rates.

The IMF encouraged the Central Bank to change its monetary policy instruments. It said the current policy of absorbing excess liquidity by issuing five-year Certificates of Deposits at a substantially higher yield than that of three-year government Treasury bills shifts part of the cost of government financing to the Central Bank and conceals the true interest cost inherent in the government's fiscal position. It said the Central Bank should sell parts of its large T-bills portfolio and phase out the use of long-term CDs, consistent with banks' concentration limits on exposure to government.



Merrill Lynch maintains its recommendation on Lebanese Eurobonds to 'Market Weight', Eurobonds performance up in June

Merrill Lynch maintained its recommendation on Lebanon's external debt to 'Market Weight' in its model portfolio of emerging markets debt and increased Lebanon's market weight by 0.1 percentage points to 5.9% in July, after reducing it by 0.2 percentage points in June and by 1.4 percentage points in May, and raising it by 0.4 percentage point in March and by 2.2 percentage points last November due to the performance of Lebanese Eurobonds, specifically since the spread of financial turmoil to emerging markets in September.

Lebanon's external debt rating of 'Market Weight' placed Lebanon in the same category as Peru, Russia, Turkey and Argentina. Lebanon's Market Weight compares well with the Under Weight recommendation on the Europe, the Middle East & Africa (EMEA) region and to the Under Weight recommendation for similarly-rated countries. Merrill Lynch increased Lebanon's weight in the portfolio to 5.9% in July compared to 5.8% in June, 6% in May, 7.4% in April, 7.3% in March, but still up from 5.5% in September. Lebanon had just a 1.5% weight in March 2008, a higher allocation of only Iraq. Lebanon is represented in the portfolio by the Republic March 2013 Eurobond. Lebanon accounted for 20.4% of the allocations in the EMEA region in June, down from 24.8% in May, 25.6% in April, 25% in March, 21.8% in February and 24% in November, but up from 19% in September and from 14.6% in May 2008. The reason for the reduction in Lebanon's allocation in June is the addition of Bahrain and Qatar to the portfolio. Lebanon's allocation was the 8th highest among countries in the portfolio, down from 7th in June, unchanged from May and down from 6th highest in April and 5th highest in March but up from 9th highest last September.

In parallel, Lebanon's external debt posted the 12th highest return at 14.46% among 20 markets in the EMEA region in the first half of 2009, as well as the 24th best return among the 40 emerging markets included in Merrill Lynch's Sovereign Plus Debt Index. Lebanon underperformed the EMEA returns of 15.74% but slightly outperformed the overall emerging market returns of 14% in the covered period. Also, Lebanon's external debt underperformed the 19.48% returns posted by similarly-rated sovereigns during the first half of the year, while it posted the 8th best performance at 14.55% in the EMEA region and the 21st best performance in emerging markets in US dollar terms. Further, Lebanon's external debt posted the 7th highest returns among 8 countries in the Middle East & Africa region during the covered period, as it came ahead of Egypt with 7.14% but behind Iraq with 57.26%, Ghana with 47.12%, Gabon with 38.25%, Morocco with 19.9%, Tunisia with 18.16%, and South Africa with 16.54%. Also, it posted returns of 2.26% in June, ahead of South Africa (2.18%), Iraq (1.54%), Morocco (0.95%), Egypt (0.42%), Gabon (0.2%) and Ghana (-0.36%), and behind Tunisia (2.27%).

In parallel, Lebanon's external debt posted the 4th highest return in the EMEA region and the 11th highest return in emerging markets during June 2009. It outperformed the EMEA returns of 0.6%, the emerging markets returns of 1.13% and the 2.03% returns of similarly-rated sovereigns for the same month. Merrill Lynch said the spread on Lebanese Eurobonds ended June 2009 at 547 basis points, 12th narrowest in the EMEA region and 21st narrowest among emerging markets compared to 11th lowest in the EMEA region and 21st lowest among emerging markets at the end of March 2009. It was wider than the EMEA spread of 426 basis points and the emerging markets overall spread of 418 basis points as at end-June 2009.

Number of tourists up 60.7% in first 6 months of 2009

The number of incoming tourists to Lebanon totaled 761,265 in the first half of 2009, constituting an increase of 60.7% from 473,574 tourists in the same period last year. Arab tourists accounted for 38.1% of total visitors and were followed by visitors from Europe with 24.4% and Asia with 16.2%. The number of tourists reached 191,691 in June 2009, constituting an increase of 40.1% from 136,853 in June 2008. Arabs accounted for 30.8% of total visitors in June 2009, followed by Europeans with 25.1% of total and American continent visitors with 22.7%.

Most tourists spending in Lebanon originates from Saudi Arabia in first half of 2009

Figures issued by Global Refund, the cash refund operator for international shoppers, tourists from Saudi Arabia spent the most in Lebanon over the first half of 2009, equivalent to 20% of total tourist spending, followed by tourists from Kuwait (12%), the UAE (12%), Egypt (8%) and Jordan (7%). Beirut attracted 82% of total spending over the covered period, followed by the Metn area with 13% and the Keserwan region with 2%. Fashion & clothing accounted for 67% of total spending, followed by watches with 11%, perfume & cosmetics with 5%, home & garden with 5% and department stores with 4%.

Emerging Markets External Debt Portfolio		
Country	Bonds	Weight (%)
Brazil	Brazil '17s	10.4
Turkey	Turkey '18s	10.2
Russia	Russia '18s	9.6
Venezuela	Venezuela '18Ns	9.2
Mexico	Mexico '31	7.8
Philippines	Philippines '16Ns	7.7
Lebanon	Lebanon '13s	5.8
Peru	Peru '37s	5.3
Colombia	Colombia '17s	4.3
Panama	Panama '36s	2.9
Uruguay	Uruguay '22s	1.6
Argentina	Pars	1.6
South Africa	South Africa '14s	1.3
Bahrain	CCB Susuk'14s	1.0
Qatar	Qatar'14	1.0
Jamaica	Jamaica '17s	0.8
El Salvador	El Salvador '23s	0.6
Ivory Coast	FLIRB's	0.6
Iraq	Iraq '28s	0.6
Cash		7.6
Total		100

Source: Merrill Lynch, July 2009

Solidere distributes dividends

Solidere, the Lebanese Company for the Development and Reconstruction of the Beirut Central District and Lebanon's largest firm by market capitalization, announced that the Ordinary General Assembly held on July 13, 2009 approved the distribution of dividends for 2008. The company will distribute a total of \$176.5m to shareholders, equivalent to \$1.15 per share. The general assembly also elected its Board of Directors for the three coming years and appointed the auditors for the financial year 2009. It also granted clearance to the Chairman and Board members for their administrative duties during 2008. Solidere posted net profits of \$182.7m, down 18.5% from \$224m in 2007. It had total assets of \$2.45bn down from \$2.57bn in 2007, and total equity of \$1.86bn in 2008 up from \$1.83bn in 2007.

Kafalat loan guarantees at \$65m in first half of 2009

Figures released by the Kafalat Corporation show that loans extended to small- and medium-size companies under the guarantee of Kafalat reached \$64.7m in the first half of 2009, down 3.7% from \$67.2m in the same period last year. The number of loan guarantees totaled 499 in the first half of 2009 compared to 484 in the same period last year. The average loan size reached \$129,562 compared to \$138,822 in the first half of 2008. Mount Lebanon accounted for 45.9% of guarantees, followed by the Bekaa with 18%, the South & Nabatieh with 17.8%, the North with 13% and Beirut with 5.2%. The agriculture sector accounted for 47.5% of total guarantees, followed by industries with 36.3%, tourism with 10.8%, and handicraft with 3%. Kafalat is a state-sponsored organization that provides financial guarantees for loans up to \$400,000 earmarked for the set up 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.

Car sales up 3.3% in first half of 2009

Figures released by the Association of Automobile Importers in Lebanon indicate that a total of 14,691 new passenger cars were sold in the first half of 2009, constituting an increase of 3.3% from the 14,227 cars sold in the same period of 2008. Japanese cars accounted for 48.2% of total sales, followed by European automobiles with a 26% market share, Korean cars with 18.3%, American vehicles with 7.1%, and Chinese vehicles with 0.4%. Chinese cars posted the biggest growth in sales with a 180% jump year-on-year, followed by European cars with a 7.5% increase, Japanese cars with a 6.5% rise. Korean cars posted a 0.26% decrease in sales and American cars posted a 19.4% decrease in sales. Nissan is the leading brand in the Lebanese market with 3,465 cars sold in the first 6 months of 2009, followed by Toyota with 2,160 cars sold, Kia with 1,711, Hyundai with 974, Peugeot with 795, and Renault with 621 cars.

RYMCO announces General Assembly

The Board of Directors of Rasamny Younis Motor Co. sal (RYMCO) invited its shareholders to its General Assembly to be held on August 18, 2009. The agenda of the meeting includes hearing the Board of Directors and the auditors' reports for 2008, approving the financial statements of 2008, granting clearance to the Chairman and Board members for their administrative duties during 2008, deciding upon the identity a new Board of Directors for the financial year 2009, giving the Board of Directors the authority to provide bank financing, and appointing auditors for the financial year 2009. RYMCO declared net profits of \$10.4m in 2008, up 135% from \$4.43m in 2007. Its total assets and total equity amounted to \$138.4m and \$51.9m at the end of 2008 respectively, compared to \$87.3m and \$42.5m at the end of 2007. RYMCO is the only car retailer listed on the Beirut bourse. It had a 23% market share in new cars registered in 2008, the highest among car dealerships in the country.

Ratio Highlights

(in % unless specified)	2006	2007	2008	Change*
Nominal GDP ⁽¹⁾ (\$bn)	22.7	24.6	28.8	
External Debt / GDP	89.9	86.4	73.4	(1,300)
Local Debt / GDP	88.1	84.6	89.8	520
Total Debt / GDP	178.4	171.0	163.2	(780)
Trade Balance / GDP	(31.3)	(36.6)	(43.9)	(730)
Exports / Imports	24.3	23.8	21.6	(220)
Budget Revenues / GDP	19.4	23.6	24.4	80
Budget Expenditures / GDP	30.8	33.9	34.5	60
Budget Balance / GDP	(11.5)	(10.3)	(10.1)	20
Primary Balance / GDP	0.4	2.9	2.1	(80)
BdL FX Reserves / M2	65.6	59.6	68.9	930
M3 / GDP	234.4	243.2	238.4	(480)
Bank Assets / GDP	327.2	334.4	327.3	(710)
Bank Deposits / GDP	267.4	273.5	270.1	(340)
Private Sector Loans / GDP	67.4	72.2	86.9	1,470
Dollarization of Deposits	76.2	77.3	69.6	(770)
Dollarization of Loans	84.0	84.3	86.6	230

* Change in basis points 06/07

(1) Based on Ministry of Finance Estimations and the International Monetary Fund

Source: Association of Banks in Lebanon, Byblos Research Calculations

Note: M2 includes money in circulation and deposits in LBP, M3 includes M2 plus Deposits in FC and bonds

Risk Outlook

Lebanon	Apr 2008	Mar 2009	Apr 2009	Change*	Risk Level
Political Risk Rating	55.5	57.5	57.5	▲	High
Financial Risk Rating	31.5	28.0	28.0	▼	High
Economic Risk Rating	28.5	30.0	30.0	▲	Moderate
Composite Risk Rating	57.7	57.7	57.7	↔	High

Regional Average	Apr 2008	Mar 2009	Apr 2009	Change*	Risk Level
Political Risk Rating	65.5	65.7	65.4	▼	Moderate
Financial Risk Rating	40.9	41.2	41.4	▲	Very Low
Economic Risk Rating	40.3	37.3	37.0	▼	Low
Composite Risk Rating	73.3	72.1	71.9	▼	Low

*year-on-year

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	Stable			
Fitch	B-	B	Stable	B-		
S&P	B-	C	Stable	B-	C	Stable
Capital Intelligence	B	B	Stable	B	B	Stable

Source: Rating agencies

Banking Ratings	Banks' Financial Strength	Banking Sector Risk	Outlook
Moody's	D-		Stable
EIU		B	Stable

Source: Rating agencies



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