Issue 166
May 17-21, 2010

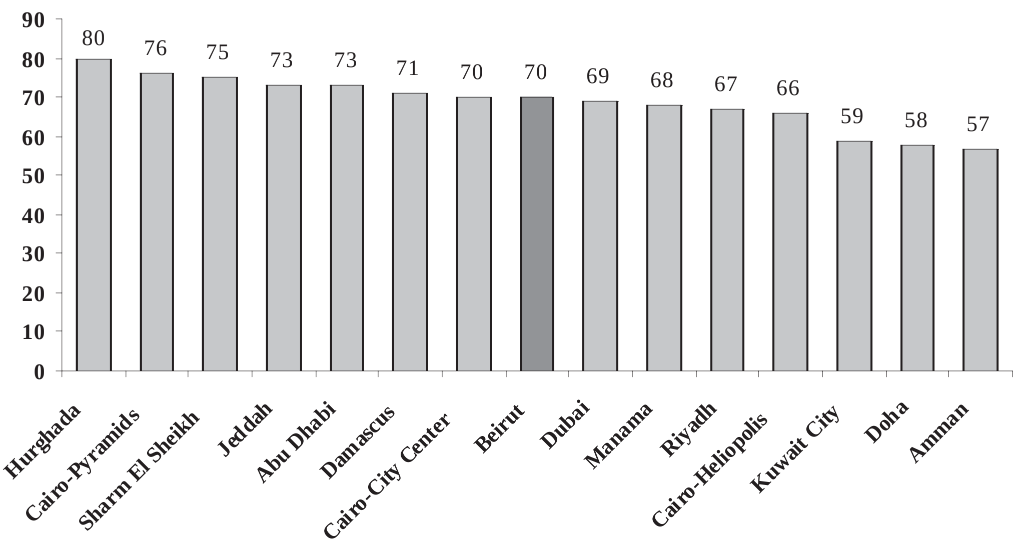
BYBLOS BANK SAL
Economic Research & Analysis Department

LEBANON THIS WEEK

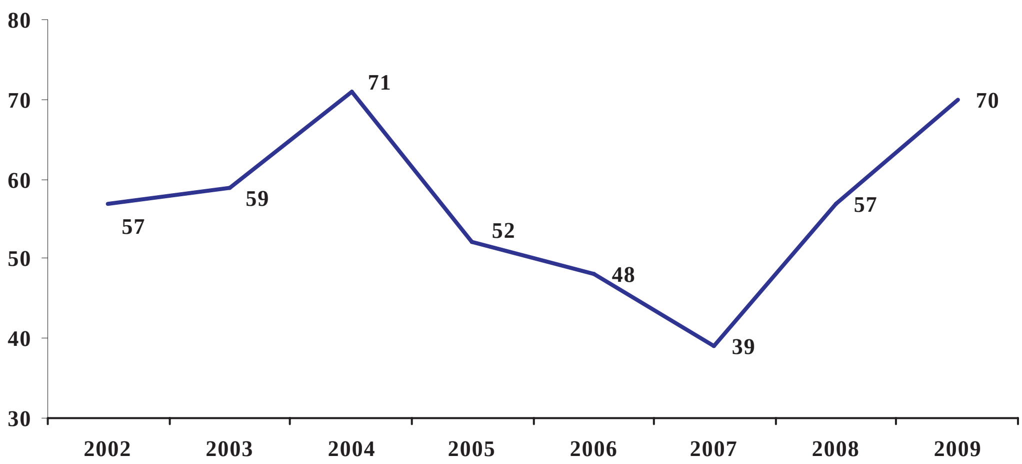
In This Issue

Charts of the Week

Hotel Occupancy Rates in Arab Cities in 2009 (%)



Hotel Occupancy Rates in Beirut (%)



Source: HVS Research

Quote to Note

"The developments in Greece should constitute an incentive for Lebanese authorities to speed the implementation of structural reforms."

The Association of Banks in Lebanon, on the lesson from the ongoing challenges facing Greece

Number of the Week

6%: Projected growth in Lebanon's real GDP per capita in 2010, according to Standard & Poor's

Economic Indicators

$m *(unless otherwise mentioned)*	2008	Feb 09	2009	Dec 09	Jan 10	Feb 10	% Change*
Exports	3,478	376	3,486	364	313	342	(9.04)
Imports	16,133	1,035	16,241	1,380	1,245	1,206	(0.87)
Trade Balance	(12,655)	(659)	(12,755)	(1,016)	(932)	(864)	31.11
Balance of Payments	3,462	300	7,899	1,610	(44)	759	153
Checks Cleared in LBP	9,350	815	11,122	1,061	1,088	966	18.53
Checks Cleared in FC	43,174	2,872	45,270	4,756	4,444	3,929	36.80
Total Checks Cleared	52,524	3,687	56,392	5,817	5,532	4,895	32.76
Budget Deficit/Surplus	(2,921)	(325)	(2,960)	(368)	(18)	(176)	45.85
Primary Balance	597	(826)	1,078	72	202	123	(114.89)
Airport Passengers	4,085,334	276,825	4,986,544	738,211	369,694	339,237	22.55

$bn *(unless otherwise mentioned)*	Dec 2008	Feb 09	Nov 09	Dec 09	Jan 10	Feb 10	% Change*
BdL FX Reserves	17.06	18.24	24.81	25.66	26.78	26.88	47.37
In months of Imports	*15.03*	*17.62*	*15.69*	*18.59*	*21.50*	*26.20*	*48.69*
Public Debt	47.02	47.21	50.46	51.09	51.65	51.98	10.10
Net Public Debt	41.49	41.89	44.01	44.11	43.92	44.20	5.51
Bank Assets	94.25	95.12	113.57	115.25	116.52	118.27	24.34
Bank Deposits (Private Sector)	77.78	78.88	94.06	95.77	95.99	97.07	23.06
Bank Loans to Private Sector	25.04	24.94	28.81	28.37	29.36	29.87	19.77
Money Supply M2	24.76	26.23	33.19	34.16	34.77	35.42	35.04
Money Supply M3	68.66	69.41	81.04	82.08	82.43	83.75	20.66
LBP Lending Rate (%)	9.95	10.03	9.13	9.04	8.91	8.83	(120b.p.)
LBP Deposit Rate (%)	7.22	7.13	6.81	6.75	6.61	6.42	(71b.p.)
USD Lending Rate (%)	7.47	7.28	7.25	7.28	7.26	7.26	(2b.p.)
USD Deposit Rate (%)	3.33	3.25	3.07	3.05	3.04	2.99	(26b.p.)
%* Change in CPI**	6.36	2.80	4.47	4.20	4.96	9.04	624b.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
Solidere "A"	23.40	2.32	236,271	18.21%
Solidere "B"	23.17	2.07	252,718	11.72%
Byblos Common	1.86	0.54	123,071	3.14%
Byblos Priority	1.88	0.00	21,000	3.01%
Byblos Pref. 08	100.10	0.10	3,480	1.56%
BLOM GDR	92.75	0.71	70	5.33%
BLOM Listed	93.50	(0.32)	10,065	15.65%
Audi GDR	86.50	(1.37)	1,750	6.85%
Audi Listed	82.00	0.00	750	21.97%
HOLCIM	12.51	(1.88)	2,621	1.90%

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

Sovereign Eurobonds	Coupon %	Mid Price $	Mid Yield %
Nov. 2010	6.875	102.50	1.45
May 2011	7.875	104.75	2.95
Mar. 2012	7.500	107.13	3.44
Sep. 2012	7.750	109.38	3.46
June 2013	8.625	113.25	3.99
Apr. 2015	10.000	120.50	5.22
Jan. 2016	8.500	115.50	5.29
May 2016	11.625	129.00	5.80
Mar. 2017	9.000	118.25	5.73
Apr. 2021	8.250	113.25	6.53

Source: Byblos Capital Markets

	May 17-21, 10	May 10-14, 10	% Change	April 2010	April 2009	% Change
Total Shares Traded	691,145	5,917,775	(88.32)	26,726,767	2,614,635	922.20
Total Value Traded	$14,791,396	$9,445,933	56.59	$84,719,621	$42,197,348	100.77
Market Capitalization	$12.80bn	$12.80bn	0.48	$13.01bn	$8.61bn	51.12

Source: Beirut Stock Exchange (BSE)

EIU forecasts average growth at 5.6% in 2010, rules out structural reforms in the short-term

The Economist Intelligence Unit projected economic growth in Lebanon at 5.6% in 2010 and 5.3% in 2011, and revised upwards its growth estimate to 6.9% in 2009 from an earlier forecast of 5.1%. It expected growth to be driven mainly by continued strong activity in the tourism sector, a key driver of growth in other services sectors, and to ongoing investment in the construction and real estate sector. It also indicated that economic growth in Lebanon is closely correlated to trends elsewhere in the Middle East, as services exports typically account for at least half of the economy's GDP. It added that its growth forecast remains relatively cautious given the shortage of timely economic indicators other than in the banking and tourism sectors. It considered that exports of goods and services are likely to remain the main drivers of growth in 2010-11, as Lebanon benefits from renewed economic expansion in the region.

The EIU considered that privatization is likely to remain a highly sensitive issue due to a combination of ideological reasons and vested interests, and to questions about the transparency of any sales of state assets. It said that efforts to address the fiscal deficit, which is driven mainly by the cost of servicing the large public debt, continue to encounter political obstacles. Also, the lack of progress on the fiscal reforms sought by donors is likely to lead to further delays in disbursement of conditional aid pledged at the Paris III donor conference in 2007. It considered that the privatization of state assets, especially the two mobile-phone licenses and the heavily subsidized state-owned electricity provider Electricité du Liban, could be delayed beyond 2011.

The EIU expected the fiscal deficit to remain large, adding to Lebanon's debt burden, as the Cabinet allocates funds to favored projects of particular politicians and factions, and as higher international energy prices add to the already heavy cost of electricity subsidies. It said the deficit will also widen due to an increase in capital expenditures that include the expansion of electricity generation capacity. It projected the deficit to widen further in 2011, as rising world interest rates and the increasing public debt add to debt-servicing costs.

The EIU expected Lebanon's gross external financing needs to increase to $11.8bn in 2010 from $11.2bn in 2009, with short-term trade-related debt accounting for more than half of this deficit, reflecting Lebanon's heavy import needs. It said the shortfall is likely to be financed by a combination of capital inflows and new borrowing. But it considered that there are some risks to capital inflows to Lebanon in 2010-11, as the secondary effects of the global recession and the impact of the crisis in some European countries on the GCC and on Europe may constrain inflows of investment and remittances. It noted that there is a chance that the large inflows of non-resident deposits that come mainly from Lebanese expatriates could be at least partly reversed when interest rates and investment opportunities strengthen elsewhere. It noted that capital inflows will remain highly vulnerable to changes in sentiment, and may suffer if there is a renewed political crisis.

Country Forecast Summary

	2009	2010f	2011f
Real GDP growth (%)	6.9	5.6	5.3
Consumer price inflation (end-of-period) (%)	3.4	2.9	3.0
Consumer prices (avge) (%)	1.2	4.0	3.7
Fiscal balance (% of GDP)	-9.0	-9.8	-10.0
Current-account balance ($bn)	-2.0	-3.1	-2.8
Current-account balance (% of GDP)	-6.1	-8.7	-7.1
External debt (% of GDP)	106.6	105.9	97.4
Public Debt (% of GDP)	154.8	151.2	140.2
Foreign Reserves ($bn)	29.1	31.2	34.5
Months of Import Cover	16.8	15.9	16.3
Exchange Rate LP:US$ (avge)	1,508	1,508	1,508
Exchange Rate LP:€ (avge)	2,100	2,048	2,099

Source: Economist Intelligence Unit, May 2010

Limited impact of European crisis on Lebanon

Central Bank Governor Riad Salameh considered that the impact of the European crisis on Lebanon is limted, as Lebanese banks do not have significant exposure to the sovereign or corporate securities of the affected economies, while deposits in euros account for only 10% of aggregate foreign currency deposits at commercial banks operating in Lebanon. He added that the impact is limited to the widening of spreads on credit default swaps (CDS) that increased to about 300 to 325 basis points, similar to the global trend of spread widening. He noted that the impact on the Lebanese economy's competitiveness is also limited, as the weakening of the euro reduces the import bill, while the streghtening of the US dollar renders Lebanese exports more expensive. The governor added that key indicators, with the exception of CDS spreads, such as capital inflows, the inter-bank market, and the foregn exchange market, remain stable.

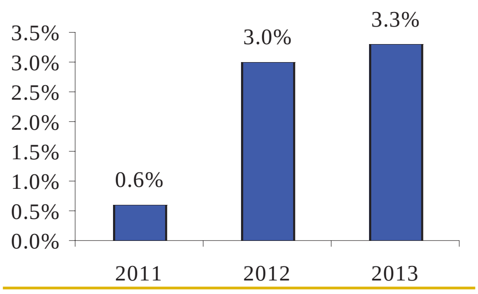
Finance Ministry targets fiscal deficit of 10% of GDP for 2011

The Ministry of Finance's preliminary projections for the 2011 budget draft estimated overall spending at 34.2% of GDP in 2011, which includes 10.4% of GDP in debt servicing and 23.8% of GDP for other items. It said the non-debt servicing component consists of wages & salaries at 9% of GDP, capital expenditures at 4.9% of GDP, transfers to Electricité du Liban at 3.5% of GDP, and other Treasury spending at 2.85% of GDP. It forecast spending to decline to 31.4% of GDP in 2012 and 29.% of GDP in 2013. It attributed the decline to an anticipated reduction of non-debt servicing expenditures to 21.3% of GDP in 2012 and 20.5% of GDP in 2013, as well to a decrease in debt servicing to 10% of GDP in 2012 and 8.9% of GDP in 2013. However, it anticipated transfers ot EdL to remain high at 3.1% of GDP in 2012 and 3.4% of GDP in 2013, while it foresaw a reduction in capital expenditures to 4.1% of GDP in 2012 and 3.5% of GDP in 2012.

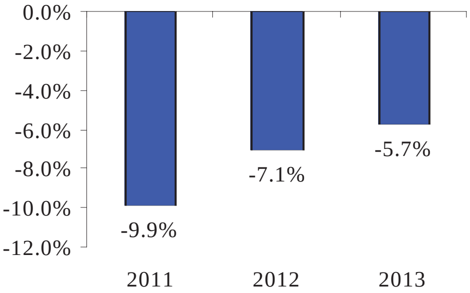
In parallel, the ministry estimated fiscal revenues at 24.4% of GDP in 2011 and to average 24% of GDP in 2012-13. It based its revenues forecast on its real GDP growth assumptions for the covered period, as well as on the implementation of the tax measures included in the 2010 budget draft.

As such, the ministry estimated the fiscal deficit at 9.9% of GDP and the primary surplus at 0.6% of GDP in 2011. It stated that it aims to reduce the fiscal deficit to 7.1% of GDP in 2012 and 5.7% of GDP in 2013, and to increase the primary surplus to 3% of GDP in 2012 and 3.3% of GDP in 2013. According to the ministry, it will try to meet these target figures through rationalizing expenditures and finalizing paying dues for the 2010-12 period such as the retroactive salary raises for the 1996-98 period. It added that increasing the primary surplus and containing the public debt during 2011-13 would contribute to reducing the fiscal deficit and related borrowing needs. In turn, this would put the debt-to-GDP ratio on a declining and sustainable path.

Primary Balance (% of GDP)



Fiscal Balance (% of GDP)



Source: Ministry of Finance

The ministry based its budget draft for 2011 on real GDP growth of 4% in 2011 and inflation of 3.2% at the end of the year. It also projected real GDP growth at 4.5% in 2012 and 4.5% in 2013, while it forecast inflation at 2% at the end of 2012 and 2.2% at end-2012. Further, it estimated nominal GDP at $40bn in 2011, $42.7bn in 2012 and $45.5bn in 2013.

Consumer Price Index up 4.7% annually in April 2010

The Central Administration of Statistics' Consumer Price Index indicates that inflation increased by 4.7% in April 2010 from April 2009. Prices of transportation increased by 15.3%, followed by prices of water, electricity, gas & other fuels (+13.9%), education (+9.6%), alcoholic beverages & tobacco (+7.9%), housing (+6.1%), restaurants & hotels (+3.4%), recreation & entertainment (+3.3%), health care (+1.6%), miscellaneous goods & services (+1.6%), food & non-alcoholic beverages (+1.6%) and furniture & household equipment (+0.9%). Prices of communication regressed by 13%, followed by clothing & footwear (-4.5%). Imported inflation accounts for about 70% of inflation in the country. Lebanon has an import-based economy and imports most of its energy needs, as the value of imports historically has been equivalent to about five times that of exports.

The Consumer Price Index increased by 0.6% in April 2010 from March 2010. Prices of clothing & footwear increased by 2.4%, followed by transportation (+2.2%), water, electricity, gas and other fuels (1.3%), food & non-alcoholic beverages (+0.5%), miscellaneous goods & services (+0.3%), restaurants & hotels (+0.3%) and alcoholic beverages & tobacco (+0.1%). Prices of health care regressed by 1.2% month-on-month and recreation & entertainment by 0.1%. Housing prices remained unchanged month-to-month as well as prices of furniture & household equipment, communication, and education.

Most tourists spending in Lebanon originated from Saudi Arabia and UAE in first four months of 2010

Figures issued by Global Refund, the VAT refund operator for international shoppers, show that visitors from Saudi Arabia spent the most in Lebanon in the first four months of 2010, accounting for 23% of total tourist spending, followed by visitors from the UAE (12%), Egypt (9%), Kuwait (9%) and Syria (8%). Spending by visitors from Syria rose by 65% in the first four months of the year, followed by visitors from Saudi Arabia with a 53% increase, Egypt (+43%), France (+29%), Jordan (+22%), Qatar (+18%), and the UAE (+14). Beirut attracted 82% of total spending over the covered period, followed by the Metn area with 14%, the Keserwan region with 2% and Baabda with 1%. Fashion & clothing accounted for 68% of total spending, followed by watches with 12%, home & garden products and perfumes & cosmetics with 5% each, department stores with 4%, souvenirs & gifts with 3%, and consumer electronics & household appliances and electronics & IT with 2% each. Spending on electronics & IT increased by 48% in the first four months of the year, followed by spending on watches with a 32% rise, fashion & clothing (+29%), perfume & cosmetics (+25%), consumer electronics & household appliances (+20%), department stores (+13%), home & garden products (+11%) and souvenirs & gifts (+10%).

Foreign investments of financial sector at $5.3bn at end-September 2009, commercial banks account for 73% of debt securities, financial institutions account for 48% of equity investments

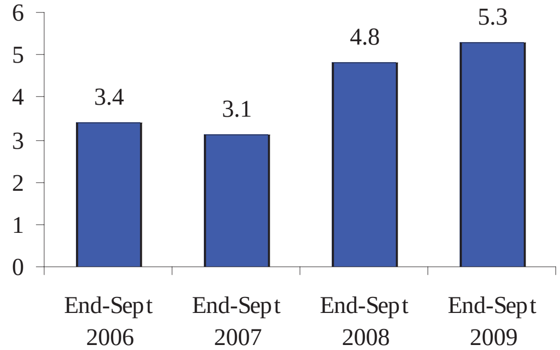
Figures issued by the Central Bank show that the net investment portfolio of Lebanese banks and financial institutions in foreign debt and equity securities totaled $5.33bn at the end of September 2009, constituting an increase of 20% from $4.44bn at end-2008 and an increase of 12% from $4.76bn at the end of September 2008. Such investments totaled $3.88bn at end-2007 and $2.39bn at end-2006. Investments in equities totaled $2.6bn at end-September 2009, accounting for 49.6% of the total, followed by investments in long-term debt securities with $2.5bn, or 46.9% of the total, while short-term debt securities accounted for $186.2m or 3.5% of the total. According to the Central Bank, the figures cover the net assets of resident financial institutions in tradable debt and equity instruments of non-resident issuers. They help provide a clearer picture about the flow of funds from Lebanon and, therefore, about balance of payments data.

The distribution of investments by institutions indicates that commercial banks' net portfolio in foreign long-term debt securities totaled $1.76bn, accounting for 70.6% of total investments in such securities at the end of September 2009. The figure includes banks' investment for their own account, for their clients and on a custodial basis. They were followed by medium and long-term banks with $434.1m (17.4%), financial institutions with $244.7m (9.8%), insurance firms with $53.5m (2.1%) and financial intermediaries with $3.3m (0.13%). Commercial banks also represented 98% of investments in short-term debt securities, followed distantly by financial institutions with 1.1%.

In parallel, financial institutions' net assets in equity securities totaled $1.26bn, accounting for 47.5% of total investments in such securities. They were followed by commercial banks with $1bn (38.4%), medium and long-term banks with $319.5m (12.1%), insurance firms with $36.9m (1.4%), and financial intermediaries with $16.7m (0.6%).

The distribution of investments by destination shows that the United States was the leading recipient of equity investments by financial institutions operating in Lebanon, reaching $1.3bn and accounting for 50.8% of the total at end-September 2009. It was followed by Egypt with $324m (12.2%), France with $274.3m (10.4%), Jordan with $117.8m (4.5%) and Saudi Arabia with $107.2m (4%), while other countries accounted for the remaining 18.1%. In parallel, the United States accounted $568.2m, or 22.7% of investments in long-term debt securities, followed by the United Kingdom with $556.6m (22.3%), Luxembourg with $180.3m (7.3%), the UAE with $177.8m (7.1%), and Switzerland with $173m (6.9%) while other countries accounted for the remaining 33.7%. Further, the United States accounted for 45.2% of investments in short-term debt securities, followed by the United Kingdom with 25.5% and Switzerland with 19.1%.

Foreign Investments of Financial Sector (US$bn)



Source: Central Bank, Byblos Research

Opened letters of credits at $4.2bn for imports and $3.3bn for exports in 2009

Figures issued by the Central Bank indicate that the value of letters of credits opened to finance imports totaled $4.23bn in 2009, constituting a decline of 15.5% from $5bn in 2008 and compared to $4.14bn in 2007. Utilized credits for imports totaled $4.1bn last year, down 14% from $4.76bn utilized credits in 2008 and compared to $3.86bn in 2007. Utilized import credits accounted for 96.7% of the total last year compared to 95% in 2008 and 93% in 2007. Also, outstanding import credits totaled $877m at the end of 2009 compared to $839m at end-2008 and $790m at end-2007. Further, the aggregate value of inward bills for collection totaled $1.9bn in 2009 compared to $1.85bn in 2008 and $1.48bn in 2007; with outstanding bills reaching $149m at end-2009 relative to $113m at end-2008 and $94m at end-2007.

In parallel, the value of documentary letters opened to finance exports totaled $3.3bn in 2009, constituting a decline of 16.8% from $3.9bn in 2008 and compared to $2.3bn in 2007. Utilized credits for exports totaled $3.38bn last year, down 4.8% from $3.23bn utilized credits in 2008 and compared to $1.86bn in 2007. Further, outstanding export credits totaled $1.2bn at the end of 2009 compared to $1.6bn at end-2008 and $1bn at end-2007. Further, the aggregate value of outward bills for collection totaled $4.75bn in 2009 compared to $5.15bn in 2008 and $3.8bn in 2007; with outstanding bills reaching $285m at end-2009 relative to $390m at end-2008 and $262.6m at end-2007.

Corporate Highlights

ATFP extends $29m to Byblos Bank to finance inter-Arab trade

The Arab Trade Finance Program (ATFP) extended a line of credit worth $25m to Byblos Bank sal to refinance trade transactions between Lebanon and other Arab countries. Lebanese traders can qualify for the loans upon showing proof that at least 40% of the products they plan to import or export were manufactured in Arab countries. The line would also refinance up to 100% of the credits for imports of capital goods from non-Arab countries. The ATFP also extended a line of credit of $3m to Byblos Bank Africa Ltd. and a credit line of $1m to Byblos Bank Syria S.A. to finance inter-Arab trade. In parallel, Byblos Bank sal signed a Memorandum of Understanding with the ATFP that provides Byblos Bank access to the ATFP's comprehensive database on inter-Arab trade, making Byblos Bank one of only three ATFP "Trade Points" in Lebanon. The ATFP was set up in 1990 by the Arab Monetary Fund to improve inter-Arab trade and has extended to 25 Lebanese banks and government institutions 128 lines of credit for an aggregate value of about $1.4bn. The ATFP program offers, through its financing scheme, a range of services to help strengthen and develop the volume of trade among Arab countries, to encourage exports, and to enhance the competitive capabilities of Arab producers and exporters.

Byblos Bank declared consolidated net profits of $31.4m in the first quarter of 2010, constituting an increase of 25.8% from the same period last year. Aggreagte assets reached $14.4bn and loans totaled $3.4bn at the end of March, constituting increases of 5.8% and 6.4%, respectively, from end-2009. Customers' deposits reached totaled $11bn, up 7.7% from end-2009. The Byblos Bank Group has a direct presence in Syria, Sudan, Iraq, the United Arab Emirates, Nigeria, the Demcratic Republic of Congo and Armenia, as well as in Belgium, France, the United Kingdom, and Cyprus.

RYMCO's profits up 27% to $1.2m in first quarter of 2010

Automobile dealer Rasamny Younis Motor Co. sal (RYMCO) declared net profits of $1.2m in the first quarter of 2010, up 26.8% from $0.9m in the same period in 2009. Sales revenues (net of discounts) totaled $42.2m, posting a 19.4% increase year-on-year; while net earnings from servicing and repairs, or 'garage income', increased by 39.7% to $1.25m. General and administrative expenses decreased by 1.4% to $0.94m, while advertising & selling expenses increased by 162.5% to $0.71m, and overall operating charges rose by 15.6% to $3.4m. RYMCO's total assets and total equity amounted to $113.1m and $53.8m at eh end of March 2010 respectively, compared to $150.1m and $52.8m a year earlier. RYMCO's inventory of cars and spare parts decreased 43% to $51.3m. RYMCO is the only car retailer listed on the Beirut bourse.

SGBL increases stake in Jordanian affiliate

Société Générale de Banque au Liban sal (SGBL) announced it has acquired a 30% stake in Société Générale de Banque-Jordanie (SGBJ), the Jordanian affiliate of the Société Générale Group. SGBL acquired the stake from the Kuwaiti finance firm Global Investment House. The transaction raises SGBL's stake in SGBJ to 85%, as it already held a 55% share in the bank. SGBL recently acquired a majority stake in Société Générale Bank - Cyprus (SGBCy) from Société Générale France. The acquisition is part of SGBL's regional expansion plan. SGBL had total assets of $4.8bn, total deposits of $3.6bn, and loans of $1.4bn at end-2009. It posted net profits of $70m in 2009, up by 60% from the previous year.

ATFP extends lines of credit to Fransabank and Banque Libano-Française

The Arab Trade Finance Program (ATFP) extended a line of credit worth $15m to Fransabank sal and a similar line o $15m to Banque Libano-Française sal in order to refinance trade transactions between Lebanon and other Arab countries.

Bank Audi's share split to take effect on May 24

Bank Audi sal announced that the 10-for-1 split of all the bank's shares approved at its Extraordinary General Assembly held on March 2, 2010, will become effective as of May 24, 2010. It said that its common shares, Series D Preferred Shares and GDRs representing the bank's common shares will trade on a post-split basis as to both price and volume starting May 25, 2010. Following the stock split, the bank will have a total of 356,689,410 outstanding shares that include 344,189,410 common shares and 12,500,000 Series D Preferred Shares. The new nominal price will be LBP 1,225 or $0.8 per share.

Ratio Highlights

(in % unless specified)	2007	2008	2009	Change*
Nominal GDP*(1)* ($bn)	25.0	29.3	32.7	
External Debt / GDP	84.9	72.2	65.0	(720)
Local Debt / GDP	83.2	88.3	91.2	290
Total Debt / GDP	168.1	160.5	156.2	(430)
Trade Balance / GDP	(36.0)	(43.2)	(39.0)	420
Exports / Imports	23.8	21.6	21.5	(10)
Budget Revenues / GDP	23.2	24.0	25.8	180
Budget Expenditures / GDP	33.4	33.9	34.8	90
Budget Balance / GDP	(10.2)	(10.0)	(9.0)	100
Primary Balance / GDP	2.9	2.0	3.3	130
BdL FX Reserves / M2	59.4	68.9	75.1	620
M3 / GDP	239.3	234.3	251.0	1,670
Bank Assets / GDP	329.0	321.7	352.4	3,070
Bank Deposits / GDP	269.1	265.5	292.9	2,740
Private Sector Loans / GDP	81.7	85.5	86.8	130
Dollarization of Deposits	77.3	69.6	64.5	(510)
Dollarization of Loans	86.4	86.6	84.0	(260)

** Change in basis points 08/09*
(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	Feb 2009	Jan 2010	Feb 2010	Change*	Risk Level
Political Risk Rating	57.0	57.0	57.5	↑	High
Financial Risk Rating	28.0	28.0	28.0	↔	High
Economic Risk Rating	30.0	35.5	35.5	↑	Low
Composite Risk Rating	57.5	60.2	60.5	↑	Moderate

Regional Average	Feb 2009	Jan 2010	Feb 2010	Change*	Risk Level
Political Risk Rating	65.7	64.8	64.7	↓	Moderate
Financial Risk Rating	41.1	42.0	42.1	↑	Very Low
Economic Risk Rating	38.9	35.3	35.7	↓	Low
Composite Risk Rating	72.8	71.0	71.2	↓	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	B1	NP	Stable	B2		Stable
Fitch	B	B	Stable	B		Stable
S&P	B	B	Positive	B	B	Positive
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

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

BYBLOS BANK GROUP

LEBANON

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

SYRIA

Byblos Bank Syria S.A
Abu Roummaneh Head Office
Al Chaalan - Amine Loutfi Hafez Str.
P.O.Box: 5424 Damascus - Syria
Phone: (+ 963) 11 9292 - 3348240 / 1 / 2 / 3 / 4
Fax: (+ 963) 11 3348207
E-mail: byblosbanksyria@byblosbank.com

SUDAN

Byblos Bank Africa Ltd.
Khartoum - Sudan
El Amarat -Street 21
P.O.Box: 8121 El Amarat - Khartoum - Sudan
Phone: (+249) 183 566 444
Fax: (+249) 183 566 454
E-mail: byblosbankafrica@byblosbank.com

IRAQ

Erbil Branch, Kurdistan, Iraq
Street 60,
Near Sports Stadium
P.O.Box: 34 - 0383 Erbil - Iraq
Phone: (+ 964) 66 2233457 / 9
Fax: (+ 964) 66 2233458
E-mail: iraqbranch@byblosbank.com.lb

ARMENIA

Byblos Bank Armenia CJSC
18/3 Amiryan Street
Yerevan, 37500 - Republic of Armenia
Phone: (+374) 10 530 362
Fax: (+374) 10 535 296

NIGERIA

Byblos Bank Nigeria Representative Office
10-14 Bourdillon Road
Ikoyi, Lagos - Nigeria
Phone: (+ 234) 1 6653633
(+ 234) 1 8990799
E-mail: nigeriarepresentativeoffice@byblosbank.com.lb

BELGIUM

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

ENGLAND

London Branch
Berkeley Square House - Suite 5
Berkeley Sq.
GB - London W1J 6BS - United Kingdom
Phone: (+44) 207 493 35 37
Fax: (+44) 207 493 12 33
E-mail: byblos.europe@byblosbankeur.com

FRANCE

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

CYPRUS

Limassol Branch
1, Arch. Kyprianou / St. Andrew Street
P.O.Box 50218
3602 Limassol - Cyprus
Phone: (+357) 25 341433 / 4 / 5
Fax: (+357) 25 367139
E-mail: bybloscyprus@byblosbank.com

UNITED ARAB EMIRATES

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