*Issue 379*

November 17-22, 2014

BYBLOS BANK SAL

Economic Research & Analysis Department

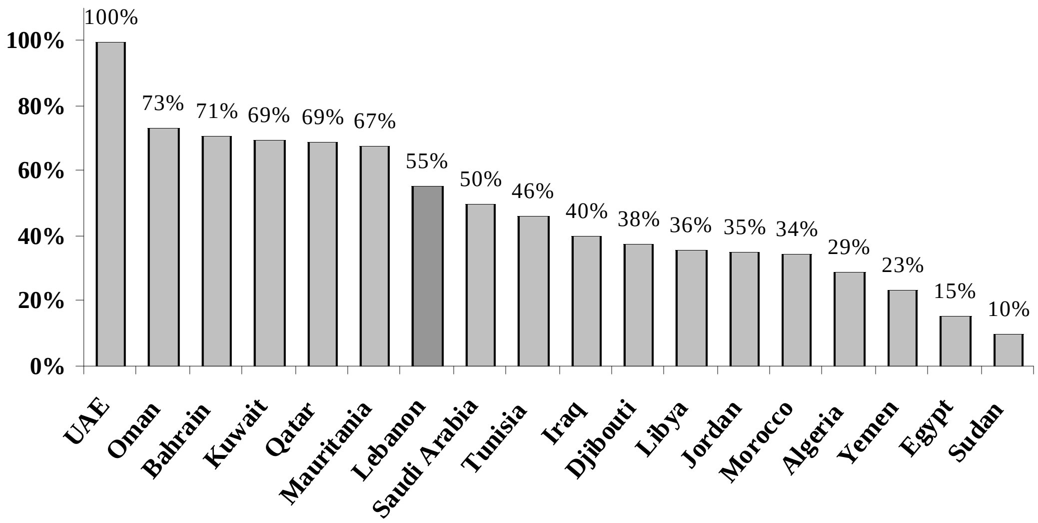
# LEBANON THIS WEEK

## In This Issue

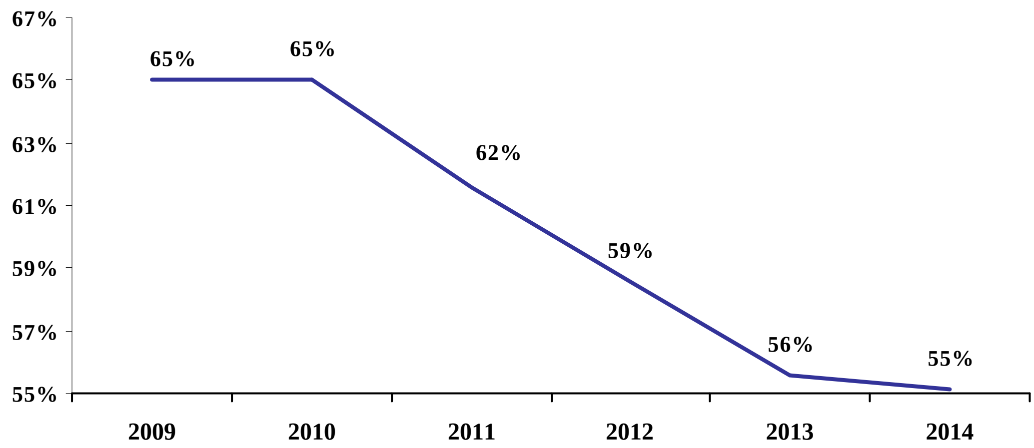


## Charts of the Week

**Exports of Goods & Services from Arab countries in 2014 (% of GDP)**




**Exports of Goods & Services from Lebanon (% of GDP)**




*Source: International Monetary Fund, Byblos Bank*

## Quote to Note

"Moral Support to Lebanon"

*The World Bank, on what Lebanon received at the International Support Group for Lebanon's special meeting, held on October 28, to help the country cope with the burden of more than 1.2 million Syrian refugees*

## Number of the Week

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

## Economic Indicators

| **$m** *(unless otherwise mentioned)* | **2013** | **June 13** | **Mar 14** | **April 14** | **May 14** | **June 14** | **% Change*** |
|---|---|---|---|---|---|---|---|
| Exports | 3,936 | 348 | 275 | 300 | 308 | 278 | (20.11) |
| Imports | 21,228 | 1,634 | 1,791 | 1,641 | 1,676 | 1,567 | (4.10) |
| Trade Balance | (17,292) | (1,286) | (1,516) | (1,341) | (1,368) | (1,289) | 0.23 |
| Balance of Payments | (1,128) | (233) | 139 | (45) | 520 | (561) | 140.77 |
| Checks Cleared in LBP | 17,047 | 1,444 | 1,520 | 1,447 | 1,619 | 1,518 | 5.12 |
| Checks Cleared in FC | 55,321 | 4,523 | 4,671 | 4,545 | 5,058 | 4,807 | 6.28 |
| Total Checks Cleared | 72,368 | 5,967 | 6,191 | 5,992 | 6,677 | 6,325 | 6.00 |
| Budget Deficit/Surplus | (4,220) | (275.89) | (595.29) | (379.21) | (170.31) | (187.36) | (32.09) |
| Primary Balance | (239.68) | (23.19) | (128.1) | 91.02 | 316.5 | 133.93 | - |
| Airport Passengers | 6,265,470 | 571,831 | 430,979 | 542,544 | 511,556 | 610,170 | 6.70 |

| **$bn** *(unless otherwise mentioned)* | **2013** | **June 13** | **Mar 14** | **April 14** | **May 14** | **June 14** | **% Change*** |
|---|---|---|---|---|---|---|---|
| BdL FX Reserves | 31.71 | 31.72 | 33.63 | 33.71 | 33.26 | 33.85 | 6.72 |
| *In months of Imports* | *17.65* | *19.41* | *18.78* | *20.54* | *19.84* | *21.60* | *11.28* |
| Public Debt | 63.46 | 60.02 | 65.15 | 64.86 | 65.08 | 65.71 | 9.48 |
| Net Public Debt | 53.18 | 50.90 | 54.37 | 54.67 | 54.92 | 55.17 | 8.39 |
| Bank Assets | 164.82 | 157.95 | 166.50 | 168.05 | 168.85 | 169.57 | 7.36 |
| Bank Deposits (Private Sector) | 136.21 | 131.30 | 136.55 | 138.20 | 138.85 | 140.35 | 6.89 |
| Bank Loans to Private Sector | 47.38 | 44.84 | 48.14 | 48.42 | 48.62 | 49.18 | 9.68 |
| Money Supply M2 | 45.60 | 44.20 | 46.34 | 46.56 | 46.81 | 46.89 | 6.09 |
| Money Supply M3 | 111.16 | 107.31 | 112.29 | 113.43 | 114.19 | 114.97 | 7.14 |
| LBP Lending Rate (%) | 7.29 | 7.87 | 7.26 | 7.18 | 7.48 | 7.45 | (42bps) |
| LBP Deposit Rate (%) | 5.44 | 5.39 | 5.48 | 5.47 | 5.50 | 5.49 | 10bps |
| USD Lending Rate (%) | 6.88 | 6.97 | 6.87 | 6.92 | 7.04 | 6.97 | - |
| USD Deposit Rate (%) | 2.95 | 2.86 | 2.96 | 3.00 | 3.01 | 2.98 | 12bps |
| %* Change in CPI** | 3.89 | 3.72 | (0.23) | (0.03) | 0.63 | 1.19 | (253bps) |

** 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" | 11.35 | 0.18 | 115,382 | 10.12% |
| Solidere "B" | 11.33 | (0.18) | 11,505 | 6.57% |
| Byblos Common | 1.60 | (1.23) | 366,856 | 5.13% |
| Byblos Pref. 08 | 101.00 | 0.10 | 630 | 1.80% |
| Byblos Pref. 09 | 101.10 | (0.39) | 2,893 | 1.80% |
| BLOM GDR | 9.55 | 0.53 | 10,132 | 6.29% |
| BLOM Listed | 8.80 | 0.00 | 50,500 | 16.87% |
| Audi GDR | 6.50 | 0.00 | 0 | 5.94% |
| Audi Listed | 6.30 | 1.61 | 223,355 | 22.45% |
| HOLCIM | 15.00 | 0.00 | 0 | 2.61% |

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

| Sovereign Eurobonds | Coupon % | Mid Price $ | Mid Yield % |
|---|---|---|---|
| Jan 2015 | 5.875 | 100.35 | 3.33 |
| Apr 2015 | 10.000 | 103.11 | 2.48 |
| Jan 2016 | 8.500 | 105.83 | 3.29 |
| Mar 2017 | 9.000 | 111.13 | 3.94 |
| Nov 2018 | 5.150 | 101.75 | 4.66 |
| May 2019 | 6.000 | 104.13 | 4.96 |
| Mar 2020 | 6.375 | 105.90 | 5.09 |
| Apr 2021 | 8.250 | 115.25 | 5.39 |
| Oct 2022 | 6.100 | 103.00 | 5.62 |
| Nov 2026 | 6.600 | 103.13 | 6.23 |

*Source: Byblos Bank Capital Markets*

| | Nov 17-21 | Nov 10-14 | % Change | Oct 2014 | Oct 2013 | % Change |
|---|---|---|---|---|---|---|
| **Total Shares Traded** | 791,485 | 1,894,224 | (58.22) | 6,765,726 | 2,166,463 | 212.29 |
| **Total Value Traded** | $5,224,549 | $12,465,296 | (58.09) | $49,594,656 | $23,954,302 | 107.04 |
| **Market Capitalization** | $11.22bn | $11.18bn | 0.32 | $11.27bn | $10.53bn | 7.00 |

*Source: Beirut Stock Exchange (BSE)*

## Lebanon ranks 40th worldwide, seventh among Arab economies in ease of paying taxes

The PricewaterhouseCoopers/World Bank Index of Paying Taxes for 2015 ranked Lebanon in 40th place among 189 countries and jurisdictions worldwide and in seventh place among 20 Arab economies included in the survey. Lebanon came in 39th place globally and in eighth place in the Arab region in the 2014 survey. Lebanon also ranked in seventh place among the 51 Upper Middle Income countries (UMICs) included in the current survey. The index measures a medium-size firm's mandatory taxes and contributions that have a direct impact on its income, and reflects the overall government mandated tax burden that a standard business incurs. The composite index is based on three sub-indicators that cover the number of tax payments incurred by a business, the total time to comply, and the total tax rate as a percentage of commercial profits. Taxes include corporate, labor and other sub-categories.

The ease of paying taxes rankings in the 2015 survey are based on the distance to the frontier (DTF) score, instead of a simple percentile distribution that was used in the previous surveys. The DTF measures how far economies have progressed towards the best performer around the world on each sub-indicator, rather than simply looking at how they compare to other economies. The DTF scores range from zero to 100, with a score of 100 representing the "frontier", or the best performer. Lebanon's DTF score reached 82.44 in the 2015 survey.

Globally, it is easier for companies in Lebanon to pay taxes than firms in Armenia, Slovenia and Lithuania, but it is more difficult than firms in Australia, Georgia and Taiwan. Also, it is easier for Lebanese companies to pay their taxes than firms in Macedonia, Mauritius, Kazakhstan, South Africa, Malaysia and Azerbaijan among UMICs.

**Ease of Paying Taxes Rankings for 2015**

| Country | DTF Score | Arab Rank | Global Rank |
|---|---|---|---|
| Qatar | 99.44 | 1 | 1 |
| UAE | 99.44 | 1 | 1 |
| Saudi Arabia | 99.23 | 3 | 3 |
| Bahrain | 93.88 | 4 | 8 |
| Oman | 92.91 | 5 | 10 |
| Kuwait | 92.48 | 6 | 11 |
| **Lebanon** | **82.44** | **7** | **40** |
| Jordan | 81.19 | 8 | 45 |
| West Bank/Gaza | 80.29 | 9 | 51 |
| Iraq | 80.09 | 10 | 52 |
| Morocco | 77.69 | 11 | 66 |
| Djibouti | 75.26 | 12 | 75 |
| Tunisia | 74.11 | 13 | 82 |
| Syria | 68.54 | 14 | 117 |
| Yemen | 63.62 | 15 | 135 |
| Sudan | 62.34 | 16 | 139 |
| Egypt | 58.84 | 17 | 149 |
| Libya | 55.25 | 18 | 157 |
| Algeria | 41.63 | 19 | 176 |
| Mauritania | 17.71 | 20 | 187 |

*Source: PricewaterhouseCoopers, World Bank, Byblos Research*

Lebanon tied with Croatia, Libya, Switzerland and Syria, ranked better than Iran and Afghanistan, and came behind Poland and Rwanda on the Number of Tax Payments Sub-Index. This category measures the total number of taxes and mandatory contributions that a firm pays, the method of payment, and the frequency of payment and filing. The survey shows that a medium-size Lebanese firm pays its corporate income taxes once a year, performs 12 labor tax payments per year, and pays all of its other mandatory taxes six times a year. In comparison, businesses in non-GCC Arab countries pay corporate taxes 1.7 times, labor taxes 12.4 times and other mandatory taxes 11.8 times per year, relative to global averages of 3.1 times, 10.2 times and 12.6 times per year, respectively.

Further, Lebanon tied with Belarus and Madagascar, ranked better than South Korea and Greece, and came behind Tanzania and Sudan on the Time to Comply Sub-Index, which measures the number of hours a firm needs to prepare, file and pay its taxes. A standard Lebanese firm needs 100 hours per year to process its labor taxes; 40 hours per year to prepare, file and pay its corporate income tax; and 43 hours to process its consumption taxes. In comparison, it takes a medium-size firm in non-GCC Arab countries 121.6 hours to prepare, file and pay its corporate income taxes; 105.6 hours for its labor taxes and 93.9 hours for its consumption taxes, relative to worldwide averages of 70.8 hours, 94 hours and 99.5 hours, respectively.

Finally, Lebanon ranked ahead of Israel and Albania, and came behind Iceland and Nepal on the Total Tax Rate Sub-Index, which measures the amount of taxes and mandatory contributions borne by a business, expressed as a percentage of commercial profits. The corporate income tax rate for a medium-size Lebanese business represents 6.1% of its commercial profits, the labor tax rate is equivalent to 23.8% of its profits, and the non-corporate and non-labor tax rates represent zero percent of corporate profits. In comparison, the tax rate as a percentage of commercial profits in a standard firm in non-GCC Arab countries is 14.7% for corporate tax, 18.2% for labor tax and 9.4% for other taxes, relative to global averages of 16.3%, 16.2% and 8.5%, respectively.

**Components of the 2015 Ease of Paying Taxes Index for Lebanon**

| | Global Rank | Arab Rank | UMICs Rank | Lebanon | Global Average | Arab Average | UMICs Average |
|---|---|---|---|---|---|---|---|
| Number of Tax Payments | 72 | 10 | 23 | 19 | 25.9 | 20.7 | 22.5 |
| Time to Comply* | 70 | 12 | 17 | 183 | 264.3 | 242 | 322.7 |
| Total Tax Rate** | 47 | 10 | 14 | 29.9 | 40.9 | 34.1 | 42.1 |

**Measured in hours **As a percentage of commercial profits*
*Source: PricewaterhouseCoopers, World Bank, Byblos Research*

## Lebanon in the News

### Beirut has 37th most expensive retail rent in the world, rents drop in most locations

Property consultants Cushman & Wakefield's 2014 survey of the world's most expensive retail rental locations ranked Beirut as the 37th most expensive city among 65 cities worldwide, the third most expensive city among eight cities in the Middle East & Africa region, and the second most expensive among five Arab cities. Each city is represented by its most expensive retail location. Beirut's global and regional ranks remained unchanged year-on-year. The study evaluated retail rental prices between September 2013 and September 2014 in 330 locations in 65 countries around the world.

On a global basis, the rent of retail space in Beirut was more expensive than in Luxembourg, Almaty in Kazakhstan and Budapest in Hungary, and less costly than in Stockholm, Brussels and Ho Chi Minh City in Vietnam. The most expensive retail rental location in Beirut is the ABC Center in Achrafieh at €1,583 per square meter per year, or around $2,000 per sqm, which is 61% higher than the Middle East & Africa average of €984 per sqm.

In parallel, when including all the 24 surveyed locations in the Middle East & Africa region, the ABC Center in Achrafieh ranks as the fourth most expensive location in the region in terms of retail rent prices, followed by the Beirut Central District in 14th place at €792 per sqm ($1,000 per sqm), Verdun Street in 19th place at €633 per sqm ($800 per sqm) and Kaslik Street and Hamra Street in 20th place at €554 per sqm each ($700 per sqm each). Rents at the ABC Center in Achrafieh remained unchanged in the 12 months ending September 2014, while rent in Kaslik Street regressed by 30% annually during the covered period, that in Rue Verdun fell by 20% year-on-year, rent in Hamra Street decreased by 17.6% and that in the Beirut Central District dropped by 16.7%. Retail rents fell by an average of 7.1% in the Middle East & Africa year-on-year, as rents declined in 12 locations, increased in three other locations and were unchanged in eight locations, while Manama does not have historical data. Also, retail rents grew by an average of 2.4% globally, as rents rose in 139 of the 330 locations surveyed, declined in 50 others and remained stable in 138 locations, while three locations lack historical data. New York's Upper 5th Avenue replaced Hong Kong as the world's most expensive retail location at €29,822 per sqm a year.

**Top Rental Locations in the Arab World**

| City | Location | Rent (€/sqm/yr) |
|---|---|---|
| Dubai | Shopping Center | 2,204 |
| Beirut | ABC Center Achrafieh | 1,583 |
| Doha | Shopping Center | 965 |
| Abu Dhabi | City Center Mall | 948 |
| Beirut | Beirut Central District | 792 |
| Manama | Shopping Center | 756 |
| Beirut | Rue Verdun | 633 |
| Beirut | Rue Hamra | 554 |
| Kaslik | Kaslik Street | 554 |
| Muscat | Shopping Center | 543 |
| Amman | Shopping Center | 317 |

*Source: Cushman & Wakefield 2014, Byblos Research*

### Consumer Price Index up 1.5% year-on-year in October 2014

The Central Administration of Statistics' Consumer Price Index increased by 1.5% between October 2013 and October 2014. Prices of clothing & footwear increased by 20.6%, followed by alcoholic beverages & tobacco (+10.8%), the cost of education (+4.6%), housing costs (3.8%), restaurants & hotels (+3%), healthcare costs (+2.6%), recreation & entertainment and food & non-alcoholic beverages (+2.4% each), miscellaneous goods & services (+2%) and furnishings & household equipment (+1.7%). In parallel, communication costs fell by 23.8%, transportation costs regressed by 1.7% and water, electricity, gas & other fuels dropped by 0.9% year-on-year.

Further, the CPI rose by 0.2% in October 2014 from the previous month, relative to a decrease of 0.2% in September 2014. The prices of clothing & footwear increased by 5.2% month-on-month in October 2014, followed by costs of education (+4.5%), food & non-alcoholic beverages (+0.7%), recreation & entertainment (+0.3%), furnishings & household equipment, restaurants & hotels and miscellaneous goods & services (+0.1% each); while transportation costs fell by 0.9% month-on-month, followed by housing, water, electricity, gas & other fuels (-0.6%), and communication costs (-0.1%). Further, the price of alcoholic beverages & tobacco and healthcare costs remained nearly unchanged month-on-month. Also, imputed, new and old rents were unchanged from the preceding month.

The CPI increased in each of the South and Beirut by 0.4% month-on-month and by 0.3% in Mount Lebanon. It also decreased by 0.6% in Nabatieh and by 0.3% in the Bekaa region, and remained unchanged from the preceding month in the North. Prices of food & non-alcoholic beverages rose by 1.8% in the South, by 1.2% in Mount Lebanon, by 0.7% in Beirut, and by 0.3% in each of the Bekaa and Nabatieh regions; while they fell by 0.5% month-on-month in the North. The price of housing, water, electricity, gas & other fuels, as well as transportation and healthcare costs regressed across all regions. Communication costs regressed by 0.4% in Beirut and by 0.1% in Mount Lebanon; while they remained unchanged from the previous month in the other regions. Also, the prices of clothing & footwear increased across all regions in October 2014.

# Lebanon in the News

## Lebanon ranks seventh in Arab world in economic freedom

The Fraser Institute's 2014 annual Index of Economic Freedom in the Arab World ranked Lebanon in seventh place among 20 countries included in the survey. Lebanon's rank regressed from the fifth place in the 2013 survey, and from fourth place in each of the 2011 and 2012 indices. The index measures the degree of economic freedom in each country based on 39 variables that are distributed into five broad factors of economic freedom. The factors measure the size of government, legal structure & security of property rights, access to sound money, freedom to trade internationally, and the regulation of credit, labor and business. Economic freedom is measured on a scale from zero to 10 where a higher value indicates a greater degree of economic freedom.

Lebanon received a score of 7.6 points, compared to a score of 7.7 points in each of the 2012 and 2013 surveys. Lebanon's score was higher than the Arab average of 6.9 points and the average score in non-GCC Arab countries of 6.6 points, while it came below the average score in GCC economies of 7.8 points. Preliminary figures suggest that the state of economic freedom in Lebanon would not change significantly in the 2015 survey. But the political situation presents downside risks to economic freedom in the country.

Lebanon ranked first on the Size of Government category, which measures the extent that a country relies on individual choice and markets, rather than on the political process, to allocate resources and goods & services. Also, Lebanon tied with Djibouti in seventh place, and came behind Bahrain, Kuwait, the UAE, Jordan, Oman and Saudi Arabia on the Access to Sound Money category. This category reflects the consistency of monetary policy with long-term price stability and the ease of using other currencies via domestic and foreign bank accounts.

In parallel, Lebanon ranked in 10th place, behind Saudi Arabia, Oman, Kuwait, the UAE, Qatar, Tunisia, Jordan, Morocco and Bahrain on the Legal Structure & Security of Property Rights category. This category measures the government's effectiveness in protecting property rights. Also, Lebanon ranked in 15th place, ahead of only Iraq, Morocco, Tunisia, Syria and Algeria, on the Freedom to Trade Internationally category. The category measures the impact of tariffs, exchange rates distortion, and exchange rate and capital controls on international trade. Further, Lebanon came in fourth place, behind only Bahrain, Oman and Saudi Arabia, in terms of the Regulation of Credit, Labor & Business. The category measures the restrictions that the regulatory burden imposes on the credit, labor and product markets.

The Fraser Institute is a Canada-based independent research organization whose mission is to study and measure the impact of competitive markets and government intervention on the welfare of individuals.

**Index of Arab Economic Freedom for 2014**

| Country | Score | Rank |
|---|---|---|
| Jordan | 8.1 | 1 |
| UAE | 8.1 | 1 |
| Bahrain | 8.0 | 3 |
| Kuwait | 7.8 | 4 |
| Oman | 7.7 | 5 |
| Qatar | 7.7 | 5 |
| **Lebanon** | **7.6** | **7** |
| Saudi Arabia | 7.4 | 8 |
| Yemen | 7.3 | 9 |
| Tunisia | 7.0 | 10 |
| Egypt | 6.8 | 11 |
| Djibouti | 6.5 | 12 |
| Morocco | 6.5 | 12 |
| Mauritania | 6.5 | 12 |
| Comoros | 6.5 | 12 |
| Libya | 6.0 | 16 |
| Sudan | 5.9 | 17 |
| Syria | 5.8 | 18 |
| Iraq | 5.7 | 19 |
| Algeria | 5.6 | 20 |

*Source: Fraser Institute, Byblos Research*

**Lebanon's Rankings & Scores by Category**

| Category | Rank | Score |
|---|---|---|
| Size of Government | 1 | 8.5 |
| Access to Sound Money | 7 | 8.9 |
| Regulation of Credit, Labor & Business | 4 | 8.1 |
| Freedom to Trade Internationally | 15 | 6.2 |
| Legal Structure & Security of Property Rights | 10 | 6.1 |

*Source: Fraser Institute, Byblos Research*

## Payment cards reach 2.36 million, ATMs total 1,526 at end-June 2014

Figures released by the Central Bank show that the number of payment cards issued in Lebanon reached 2,360,268 cards at the end of June 2014, constituting a 2.7% increase from the end of March 2014 and an 8.1% rise from the end of 2013. Resident cardholders accounted for 97.2% of total cards issued in Lebanon at end-June 2014. The distribution of payment cards by type shows that debit cards with residents totaled 1,155,976 and accounted for 49% of the total, followed by credit cards with residents at 496,550 (21%), resident prepaid cards at 472,515 (20%), charge cards with residents at 168,390 (7.1%), non-resident debit cards at 40,663 (1.7%), non-resident credit cards at 12,797 (0.5%), non-resident charge cards at 8,822 (0.4%), and non-resident prepaid cards at 4,555 (0.2%). Further, the aggregate number of point of sales accepting payment cards reached 36,223 at the end of June 2014, unchanged on a quarterly and annual basis. In parallel, the number of ATMs totaled 1,526 machines at the end of June 2014, constituting a decrease of 0.5% from end-March and a rise of 0.7% from the end of 2013. The Greater Beirut area had 646 ATMs at the end of June 2014, equivalent to 42.3% of the total, followed by Mount Lebanon with 467 (30.6%), the North with 154 (10.1%), the South with 121 (7.9%), the Bekaa with 113 (7.4%), and Nabatiyeh with 25 (1.6%).

### Public-sector salaries and benefits down 5% in first four months of 2014

Figures issued by the Ministry of Finance show that salaries, wages and related benefits paid to public-sector employees totaled $924m in the first four months of 2014, constituting a decrease of 4.5% from the same period last year. They represented the largest component of total primary spending and accounted for 30% of such expenditures in the first four months of 2014, compared to a share of 28% in the same period of 2013. The figures include basic salaries, indemnities, allowances, contributions to civil servants' cooperatives, as well as contributions to other mutual funds providing health insurance for specific categories of civil servants, mainly judges, religious judges and Parliament employees. The payments exclude retirement and end-of-service indemnities, as well as salaries, wages and benefits of employees at public institutions. Salaries and benefits of military personnel reached $591.7m and accounted for 64% of the total, followed by the public-sector education personnel with $196.4m (21.2%), civil staff with $98.8m (10.7%), government contribution to the employees' cooperative with $29.2m (3.2%) and customs employees with $8.6m (0.9%). The distribution of military personnel salaries and benefits shows that the Lebanese Army's salaries totaled $338.3m in the first four months of 2014 and represented 57.2% of the military personnel's salaries and benefits. They were followed by salaries of the Internal Security Forces with $197m (33.3%), General Security Forces with $45.8m (7.7%), and State Security Forces with $10.6m (1.8%).

The overall decrease in salaries, wages and related benefits paid to public-sector employees reflects a $39.1m drop in allowances, a $17.2m fall in other payments to public-sector employees and a $3.3m decline in indemnities, which were partly offset by an $18.6m rise in basic salaries. The rise in basic salaries reflects a $20.6m increase in the basic salaries of military personnel and a $1.3m rise in the basic salaries of the public-sector education, that were offset by a decline of $3.3m in payments to civil service personnel. Overall, basic salaries rose by 2.7% year-on-year to $707.8m in the first four months of 2014; while other expenses regressed by 30.2% to $39.8m, allowances decreased by 24.6% to $120.1m and indemnities fell by 6.4% to $48.4m.

### Treasury transfers to Electricité du Liban down 10% in first four months of 2014

Figures released by the Finance Ministry show that Treasury transfers to Electricité du Liban (EdL) totaled $653.8m in the first four months of 2014, constituting a decrease of 9.8% from $724.5m in the same period of 2013. The ministry said that reimbursements to the Kuwait Petroleum Corporation (KPC) and to Algerian energy conglomerate Sonatrach totaled $645.6m, or 98.7% of transfers in the covered period, while EdL's debt servicing represented $8.3m or 1.3% of the total. It attributed the decrease in transfers to a drop of $53.1m, or 7.6%, in payments to KPC and Sonatrach during the covered period and to a decline of $17.6m or 68% in debt servicing year-on-year. In parallel, the ministry said that the decrease in payments to KPC and Sonatrach reflects a 12% year-on-year fall in the quantity of imported gas oil, given that imports of fuel oil increased by 14% annually. Also, it pointed out that EdL contributed just 2.5% of the repayments to the two oil suppliers during the covered period compared to 2.6% in the same period last year. EdL transfers accounted for 21.2% of primary expenditures in the first four months of 2014, nearly unchanged from 21.3% in the same period of 2013. They constitute the third largest expenditures item after debt servicing and salaries & wages in overall fiscal spending. EdL transfers were equivalent to 5.3% of GDP in 2012 and to 4.6% of GDP in 2013.

### Industrial activity regresses in first quarter of 2014

The Central Bank's quarterly business survey indicated that industrial production deteriorated in relative terms during the first quarter of 2014, as the balance of opinions stood at -8 compared to -4 in the preceding quarter, and was unchanged relative to the same quarter of 2013. The balance of opinions was the lowest in Beirut & Mount Lebanon at -18, followed by the North (-9), the Bekaa (-7), and the South (+45). The business survey reflects the opinions of enterprise managers on the evolution of their businesses, in order to depict the evolution of a number of key economic variables. The balance of opinions for overall demand for industrial goods stood at -10 in the first quarter of 2014 compared to -5 in the preceding quarter and -10 during the same quarter of 2013. The balance of opinions about overall demand for industrial goods was the lowest in Beirut & Mount Lebanon where it reached -22, followed by the Bekaa (-13), the North (-11) and the South (+42). Further, the balance of opinions for the volume of investments in industrial goods stood at zero in the first quarter of 2014 compared to -4 in the preceding quarter and was unchanged from the same quarter of 2013. The balance of opinions about the volume of investments was the lowest in the North at -15, followed by Beirut & Mount Lebanon (-8), the South (+14) and the Bekaa (+15). Also, the balance of opinions for foreign demand stood at -11 during the first quarter of 2014 compared to -16 in the preceding quarter and relative to -24 in the first quarter of 2013. The balance of opinions is the difference between the proportion of surveyed managers who consider that there was an improvement in a particular indicator and the proportion of those who reported a decline in the same indicator.

**Industrial Activity: Evolution of opinions**

| Aggregate results | Q1-11 | Q1-12 | Q1-13 | Q1-14 |
|---|---|---|---|---|
| Production | -21 | -24 | -8 | -8 |
| Total demand | -29 | -24 | -10 | -10 |
| Foreign demand | -19 | -25 | -24 | -11 |
| Volume of investments | 4 | -4 | 0 | 0 |
| Inventories of finished goods | -9 | -11 | -3 | -5 |
| Inventories of raw material | 0 | -7 | 0 | -3 |
| Registered orders | -24 | -16 | -11 | -13 |

*Source: Central Bank Business Survey for First Quarter 2014*

### New car sales down 5% month-on-month in October 2014

Figures released by the Association of Automobile Importers in Lebanon (AIA) indicate that 32,084 new passenger cars were sold in the first 10 months of 2014, constituting an increase of 7.9% from 29,724 cars in the same period last year. It added that 3,273 new passenger cars were sold in October 2014, decreasing by 5.2% from 3,454 vehicles in the previous month. Korean cars accounted for 41.8% of total sales in the first 10 months, followed by Japanese cars with a 33.8% share, European automobiles with 18.1%, American vehicles with 4.8%, and Chinese cars with 1.4%. The number of Japanese cars sold rose by 35.1% year-on-year; while the number of Chinese cars sold declined by 25% from the same period last year, followed by American vehicles with a 6.4% fall, Korean cars with a 1.4% drop and European automobiles with a 0.4% decline in sales. Kia is the leading brand in the Lebanese market with 7,247 cars sold in the first 10 months of 2014, followed by Hyundai with 6,157 cars sold, Toyota (4,141), Nissan (3,992), Renault (1,109), Mitsubishi (955) and Chevrolet (809). In parallel, 1,918 new commercial vehicles were sold in the first 10 months of 2014, constituting a rise of 1.3% from 1,894 vehicles sold in the same period last year and an increase of 0.7% from 1,905 vehicles in the first 10 months of 2012.

The AIA indicated that the combined number of registered new and imported used cars dropped by 1% month-on-month in October 2014. It added that the number of new and used cars sold in the first 10 months of 2014 was unchanged from the same period last year, while it regressed by 7% from the first 10 months of 2012 and by 12% from the same period of 2011. It said that the luxury car segment accounted for only 3.5% of total new registered cars. It reiterated that about 90% of new cars sold were small automobiles that cost less than $15,000 each. The number of new vehicles sold by the country's top five distributors reached 24,866 in the first 10 months of 2014 and accounted for 73.1% of new vehicles sold. NATCO sal sold 7,247 vehicles in the covered period, equivalent to 21.3% of the total, followed by Century Motor Co. sal with 6,288 (18.5%), Boustany United Machineries sal with 4,451 (13.1%), Rasamny Younis Motor Co. sal with 4,432 (13%) and Bassoul Heneine sal with 2,448 (7.2%).

### Balance sheet of financial institutions up 31% in first nine months of 2014

Figures released by the Central Bank show that the consolidated balance sheet of financial institutions in Lebanon reached LBP2,808bn, or $1.86bn, at the end of September 2014, constituting an increase of 30.6% from end-2013 and a rise of 21.2% from end-September 2013. Liabilities to the private sector reached $372.6m, constituting an increase of 42.2% from end-2013 and a rise of 9.4% from a year earlier. Further, commitments to the financial sector totaled $962.4m at the end of September 2014, reflecting a rise of 43.7% from end-2013 and an increase of 34% from end-September 2013.

On the assets' side, financial institutions' operations with commercial banks reached $669m at the end of September 2014, up by 18.8% from end-2013 and by 8.8% from end-September 2013. Lending to the private sector totaled $851.5m, constituting an increase of 14.5% from end-2013 and a rise of 5% from a year earlier. Also, investments in government securities totaled $353.2m as at end-September 2014 and increased by 190% from end-2013 and by 212% from end-September 2013. Further, the aggregate capital account of financial institutions reached $423.7m at the end of September 2014, reflecting an increase of 7% from end-2013 and a rise of 8.8% from a year earlier. There were 55 financial institutions in Lebanon with a total of 70 branches as of March 2014.

### Cedrus Invest Bank acquires operations of Standard Chartered Bank in Lebanon

Cedrus Invest Bank sal, a Lebanese investment bank, acquired in full Standard Chartered Bank sal for about $23m to form a new and separate entity named Cedrus Bank sal. The deal, which received the Central Bank of Lebanon's approval, is expected to be finalized in December 2014. Cedrus Bank will have a total of three branches in Dbayeh, Achrafieh and Verdun. Established in 2011, Cedrus Invest Bank posted net profits of $3.2m in 2013 relative to $2.3m in 2012. Total assets reached $85.4m at the end of 2013, while loans & advances to customers totaled $8.2m and customers' deposits stood at $4.7m at end-2013. Cedrus Invest Bank ranked in 44th place among 51 banks with available figures in 2013 in terms of assets, while it came in 47th place in terms of customers deposits and in 44th place in terms of loans & advances to customers.

In parallel, Standard Chartered Plc has been present in the Lebanese market since 2000, conducting operations through its fully-owned subsidiary Standard Chartered Bank sal. It plans to keep a representative office in Lebanon to cater to the needs of corporate and financial institutions. Standard Chartered Bank sal posted net losses of $3.1m in 2013 and $1.8m in 2012. Its total assets reached $131.7m at the end of 2013, while loans & advances to customers totaled $60.6m and customers' deposits stood at $106.4m at the end of 2013. Standard Chartered Bank sal ranked in 42nd place among 51 banks in 2013 in terms of assets, while it came in 38th place in terms of customers deposits and loans & advances to customers.

## BankMed's profits at $106m in first nine months of 2014

BankMed sal, one of Lebanon's top 10 banks, announced unaudited consolidated net profits of $106.4m in the first nine months of 2014, constituting an increase of 4.5% from the same period last year. Net operating income rose by 6% year-on-year to $345.5m, with net interest income increasing by 21.1% to $194.3m and net fees & commissions receipts expanding by 23.2% to $45.2m. Non-interest income accounted for 42.5% of total income, down from 52.7% in the first nine months of 2013, with net fees & commissions representing 29.1% of non-interest earnings, up from 19.1% in the first nine months of 2013. Further, the bank's interest margin was 2.1% in the first nine months of 2014 relative to 2% in the same period last year; while its net spread rose to 1.93% from 1.81% in the first nine months of 2013. Total operating expenditures increased by 2.9% to $220m, with staff expenses increasing by 9.1% to $109.8m. Also, the bank's return on average assets regressed to 0.98% in September 2014 on an annualized basis, from 1.07% in September 2013; while its return on average equity was 10.1% relative to 10.3% in September 2013. The cost-to-income ratio rose to 60.2% in the first nine months of 2014 from 58.6% in the same period last year.

In parallel, total assets reached $15.2bn at end-September 2014, constituting a 10.3% increase from the end of 2013 and a 17.7% rise from a year earlier; while loans & advances to customers, excluding loans & advances to related parties, increased by 6.7% from end-2013 and by 12.2% year-on-year to $4.6bn. Also, customer deposits, excluding deposits from related parties, totaled $11.3bn at end-September, growing by 9.8% from end-2013 and by 17.3% from a year earlier. The loans-to-deposits ratio decreased to 40.2% at end-September 2014 from 42.5% a year earlier. Further, shareholders' equity rose by 6% from end-2013 to $1.4bn at end-September 2014.

## Carrefour to open hypermarket in Bekaa region

Majid Al Futtaim Hypermarkets Lebanon sal, a fully-owned subsidiary of the UAE-based Majid Al Futtaim Holding LLC (MAF), announced plans to open a Carrefour hypermarket at the Cascada Mall in the Bekaa region, which would make it the second Carrefour hypermarket in Lebanon. The 9,000 square meters hypermarket, which will be the largest outlet of its kind in the Bekaa region, is expected to open its doors in the fourth quarter of 2015, along with the formal inauguration of the mall. The MAF Group opened its first Carrefour outlet in its Beirut City Center shopping mall, located in the southeastern Beirut suburb of Hazmieh, in April 2013. Majid Al Futtaim Hypermarkets is the franchisor and operator of the French chain Carrefour in 31 countries across the Middle East, North Africa and Sub-Saharan Africa regions. The full opening of the Cascada Mall, the largest mall in the Bekaa, has been delayed by spillovers from the Syrian conflict into Lebanon in general and into the Bekaa region in particular. The MAF Group's other investments in Lebanon include the Waterfront City real estate project in the Dbayeh area north of Beirut. The $2bn project consists of seven buildings that will include 5,000 residential units of varying sizes, in addition to a commercial district, a shopping mall, a hotel, and dining and entertainment facilities.

## Bank of Beirut raises capital

The Extraordinary General Assembly of Bank of Beirut sal held on November 17, 2014 approved the increase of the bank's capital from LBP100.71bn, equivalent to $66.8m, to LBP104.76bn or $69.5m, through the issuance of 3,000,000 Series J Preferred Shares. The preferred shares are non-cumulative, perpetual and subject to a call option by the bank. The issue price is $25 per share of which LBP1,350 ($0.9) is par value and the remaining $24.1 constitutes the issue premium. The bank indicated that it will list the shares on the Beirut Stock Exchange. The Series J Preferred Shares carry an annual dividend rate of 6.5% of the issue price adjusted on a pro-rata basis, while the annual payment is contingent on the availability of sufficient declared net profits, among other factors. The dividends will be paid net of a 5% withholding tax. Following the issuance, Bank of Beirut's capital would consist of 50,467,400 common shares; 4,762,000 Priority Shares Series 2014; 2,400,000 Series E Preferred Shares; 3,570,000 Series G Preferred Shares; 5,400,000 Series H Preferred Shares, 3,000,000 Series F Preferred Shares, 5,000,000 Series I Preferred Shares and 3,000,000 Series J Preferred Shares.

## BBAC's net earnings down 8% to $32m in first nine months of 2014

The Bank of Beirut and the Arab Countries (BBAC) sal, one of Lebanon's top 10 banks, announced unaudited consolidated net profits of $32.3m in the first nine months of 2014, reflecting a decline of 7.5% from the same period last year. Net operating income grew by 4.2% year-on-year to $87.9m, with net interest income increasing by 7.7% to $61.9m and net fees & commissions receipts rising by 1.2% year-on-year to $16.3m. Non-interest income accounted for 32.7% of total income, down from 35.5% in the same period last year; with net fees & commissions representing 54.2% of non-interest earnings, up from 51% in the first nine months of 2013. Further, the bank's interest margin was 1.67% in the first nine months of the year relative to 1.62% in the same period last year; while its spread rose to 1.62% from 1.56% in the first nine months of 2013. Total operating expenditures increased by 13.2% to $49.7m, with staff expenses growing by 10.5% to $30m. Also, the bank's return on average assets regressed to 0.84% in September 2014 on an annualized basis from 0.95% in September 2013; while its return on average equity declined to 10.03% on an annualized basis from 11.65% in September 2013. The cost-to-income ratio rose to 54.1% in the first nine months of the year from 49.3% in the same period last year. In parallel, total assets reached $5.1bn at end-September 2014, unchanged from end-2013 and constituting an increase of 3.6% from a year earlier. Loans & advances to customers, excluding loans & advances to related parties, rose by 5.3% from end-2013 and grew by 11.7% from a year earlier to $1.4bn. Also, customer deposits, excluding deposits from related parties, totaled $4.5bn at the end of September 2014, constituting an increase of 1.4% from end-2013 and a rise of 3.2% from a year earlier. The loans-to-deposits ratio rose to 30.9% at end-September 2014 from 28.5% a year earlier. In parallel, the bank's shareholder equity rose by 4.8% from the end of 2013 to $434m at end-September 2014.

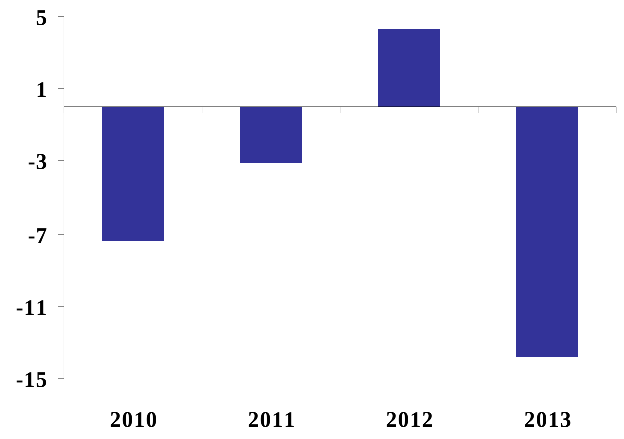
# Corporate Highlights

## Net losses at $13.8m, combined ratio at 107.8% in 2013 for motor insurance segment

Figures released by the Association of Insurance Companies in Lebanon (ACAL) show that the aggregate net losses generated by the motor insurance segment in Lebanon reached $13.8m in 2013, relative to net profits of $4.3m in 2012 and net losses of $3.1m in 2011 and $7.4m in 2010. The motor segment's gross written premiums dropped marginally by 0.2% to $328m in 2013 and accounted for 23.4% of the sector's total written premiums. Policy fees rose by 0.9% year-on-year to $77m and the cost of policies decreased by 2.2% to $41.5m, which resulted in net premiums of $209.5m in 2013. Further, accepted premiums reached $2.7m last year, of which 98% were from local sources.

Also, net investment income reached $15.6m in 2013, up 3.5% from the preceding year. In parallel, the motor segment's paid claims increased by 0.6% to $181.2m in 2013 and accounted for 25% of the insurance sector's aggregate paid claims last year; while overall claim expenses rose by 9.8% to $203.4m in 2013. Further, net reinsurance expenses reached $3.6m in 2013, down 42.7% from $6.2m in 2012; while ceded premiums dropped by 13.3% to $12.1m and paid reinsurance benefits rose by 12% to $5.7m. Also, general insurance expenses increased by 3% to $147.7m in 2013, as brokerage expenses decreased by 3.3% to $85.3m and were offset by a 12.8% rise in administration costs to $48m in 2013.

**Net Losses/Profits of the Motor Insurance Segment (US$m)**




*Source: ACAL, Byblos Research*

In parallel, the loss ratio of the motor category, or the ratio of claims incurred to earned gross premiums, was 61.8% in 2013 compared to 56.8% in 2012 and to 54.7% for the sector's overall ratio last year. Also, the commission ratio for the motor category, or the ratio of acquisition cost to earned gross premiums, reached 28.4% at end-2013 relative to 29% at end-2012 and to 17% for the sector last year. Further, the motor segment's reinsurance ratio, or the ratio of net reinsurance income to earned gross premiums, decreased to 1.1% in 2013 from 1.9% in 2012, and was below the insurance sector's ratio of 5.7%. The expense ratio, or the ratio of other general expenses to earned gross premiums, stood at 16.5% in 2013 compared to 14.9% in 2012 and to the insurance sector's ratio of 13.4%. Finally, the combined ratio of the motor category, which is the aggregate ratio of the above four ratios, was 107.8% in 2013 compared to 102.6% in 2012 and relative to the insurance sector's ratio of 90.8%.

## Profits of Gamma banks down 10% to $26m in 2013, ROAE and ROAA regress

The consolidated net profits of the Gamma Group of banks reached $25.7m in 2013, constituting a decrease of 10.1% from $28.6m in 2012. The Gamma Group consists of banks with deposits between $200m and $500m each. Total net operating income grew by 0.7% to $93.5m in 2013, with aggregate net interest income increasing by 1.6% to $68.7m and net fees & commissions receipts rising by 12.8% to $11.9m year-on-year. Non-interest income accounted for 25.1% of total income in 2013, up from 23.8% in the preceding year; with net fees & commissions earnings representing 51.7% of total non-interest receipts. The interest spread decreased to 2.28% in 2013 from 2.46% in the preceding year. Total operating expenditures increased by 5.9% year-on-year to $62.5m in 2013, with staff expenses rising by 3.4% to $38m. Further, the cost-to-income ratio increased to 68.1% last year from 66.5% in 2012. The banks' return on average assets regressed from 1.04% in 2012 to 0.85% in 2013; while their return on average equity decreased from 7.74% in 2012 to 6.45% in 2013.

Gamma banks' total assets reached $3.1bn at the end of 2013, constituting a rise of 5.2% from end-2012. Liquid assets accounted for 41% of total assets at end-2013, followed by portfolio securities with 35%, loans with 20%, other assets with 3% and fixed assets with 1%. Further, aggregate loans & advances to customers rose by 13.7% from end-2012 to $605.2m, while credit extended to related parties increased by 133% to $6m at end-2013. Corporate loans accounted for 43.5% of total net lending at the end of 2013 compared to 42.1% a year earlier. They were followed by credit to small- and medium-sized enterprises with 23.2% of the total relative to 24.4% at end-2012; retail lending with 14.2% at end-2013, nearly unchanged from a year earlier; and housing loans with 7.8% compared to 8.7% at end-2012. Also, customer deposits reached $1.84bn at the end of 2013 and rose by 2.8% from a year earlier; while deposits from related parties declined by 17.6% to $45.8m at end-2013. In parallel, the banks' loans-to-deposits ratio increased to 32.4% at end-2013 from 29% a year earlier. The ratio of loans-to-deposits in local currency reached 13.4% at end-2013 compared to 11.5% at end-2012, while that in foreign currency was 41% at the end of 2013 relative to 37.5% a year earlier. Further, the primary liquidity-to-assets ratio improved from 39.8% at the end of 2012 to 41.4% at end-2013. The banks' net doubtful loans (DLs) plus substandard loans were equivalent to 5.06% of gross loans at end-2013 relative to 5.08% a year earlier; while their net DLs over equity stood at 5.9% at the end of 2013, down from a ratio of 7.9% at end-2012. Also, the loan loss reserves on doubtful loans was 90.5% of gross doubtful loans at the end of 2013 compared to a ratio of 87.4% at end-2012. The banks' capital adequacy ratio stood at 20.12% at the end of 2013, up from 17.17% at end-2012, according to Basel II criteria.

## Ratio Highlights

| (in % unless specified) | 2011 | 2012 | 2013 | Change* |
|---|---|---|---|---|
| Nominal GDP ($bn) | 40.1 | 42.5 | 44.3 | |
| Public Debt in Foreign Currency / GDP | 52.2 | 57.4 | 58.9 | 150 |
| Public Debt in Local Currency / GDP | 81.7 | 78.3 | 84.3 | 600 |
| Gross Public Debt / GDP | 133.9 | 135.7 | 143.2 | 750 |
| Total Gross External Debt / GDP | 169.2 | 170.0 | 176.7 | 670 |
| Trade Balance / GDP | (39.7) | (39.5) | (39.0) | 50 |
| Exports / Imports | 21.2 | 21.1 | 18.6 | (250) |
| Fiscal Revenues / GDP | 23.3 | 22.1 | 21.3 | (80) |
| Fiscal Expenditures / GDP | 29.1 | 31.3 | 30.8 | (50) |
| Fiscal Balance / GDP | (5.9) | (9.2) | (9.5) | (30) |
| Primary Balance / GDP | 4.2 | (0.3) | (0.5) | (20) |
| Gross Foreign Currency Reserves / M2 | 79.2 | 69.4 | 69.6 | 20 |
| M3 / GDP | 242.6 | 244.6 | 250.8 | 620 |
| Commercial Banks Assets / GDP | 350.7 | 357.2 | 371.9 | 1,470 |
| Private Sector Deposits / GDP | 288.7 | 294.0 | 307.3 | 1,330 |
| Private Sector Loans / GDP | 98.3 | 102.2 | 106.9 | 470 |
| Private Sector Deposits Dollarization Rate | 65.9 | 64.8 | 66.1 | 130 |
| Private Sector Lending Dollarization Rate | 78.4 | 77.6 | 76.5 | (110) |

** Change in basis points 12/13*
*Source: Institute of International Finance, Association of Banks in Lebanon, International Monetary Fund, Byblos Research Estimates & Calculations*
*Note: M2 includes money in circulation and deposits in LBP, M3 includes M2 plus Deposits in FC and bonds*

## Risk Outlook

| **Lebanon** | **Feb 2013** | **Jan 2014** | **Feb 2014** | **Change*** | **Risk Level** |
|---|---|---|---|---|---|
| Political Risk Rating | 53.0 | 52.0 | 52.0 | ▼ | High |
| Financial Risk Rating | 35.0 | 38.0 | 38.0 | ▲ | Low |
| Economic Risk Rating | 34.0 | 27.0 | 27.0 | ▼ | High |
| Composite Risk Rating | 61.0 | 58.5 | 58.5 | ▼ | High |

| **Regional Average** | **Feb 2013** | **Jan 2014** | **Feb 2014** | **Change*** | **Risk Level** |
|---|---|---|---|---|---|
| Political Risk Rating | 58.6 | 58.4 | 58.4 | ▼ | High |
| Financial Risk Rating | 41.6 | 40.7 | 40.4 | ▼ | Very Low |
| Economic Risk Rating | 36.3 | 35.8 | 35.9 | ▼ | Low |
| Composite Risk Rating | 68.2 | 67.5 | 67.4 | ▼ | Moderate |

**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 | Negative | B1 | | Negative |
| Fitch Ratings | B | B | Negative | B | | Negative |
| Standard & Poor's | B- | B | Stable | B- | B | Stable |
| Capital Intelligence | B | B | Stable | B | B | Stable |

*Source: Rating agencies*

| **Banking Ratings** | **Banks' Financial Strength** | **Banking Sector Risk** | **Outlook** |
|---|---|---|---|
| Moody's | E+ | | Negative |
| EIU | | CCC | |

*Source: Rating agencies*

**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.
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
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
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
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
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
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
Byblos Bank Europe S.A., London Branch
Berkeley Square House
Berkeley Square
GB - London W1J 6BS - United Kingdom
Phone: (+ 44) 20 8518 8100
Fax: (+ 44) 20 8518 8129
E-mail: byblos.london@byblosbankeur.com

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