



In memory of the victims of the Beirut Port explosion

## LEBANON THIS WEEK

### In This Issue

**Economic Indicators**.....1  
**Capital Markets**.....1  
**Lebanon in the News**.....2

Lebanon ranks 87<sup>th</sup> globally, 10<sup>th</sup> among Arab countries in terms of innovation

Depletion of reserves could have severe impact on Lebanese economy

Lebanon's very weak institutions and governance unlikely to address prevailing crises

Banque du Liban's foreign assets at \$28.2bn, gold reserves at \$18.1bn at mid-September 2020

Industrial exports down 23% to \$1bn in first half of 2020

Gross public debt at \$94bn at end-July 2020

Chamber of Commerce sets up operations room to assist damaged firms from Beirut Port explosion

Consumer Price Index up 120% in August 2020

Import activity of top five shippers and freight forwarders down 47% in first half of 2020

State-owned real estate portfolio valued at \$69bn

Lebanon ranks 83<sup>rd</sup> globally, fourth among Arab countries in terms of economic freedom

Number of new construction permits down 18% in first eight months of 2020

### Corporate Highlights .....10

BLOM Bank's profits down 84% to \$39m in first half of 2020

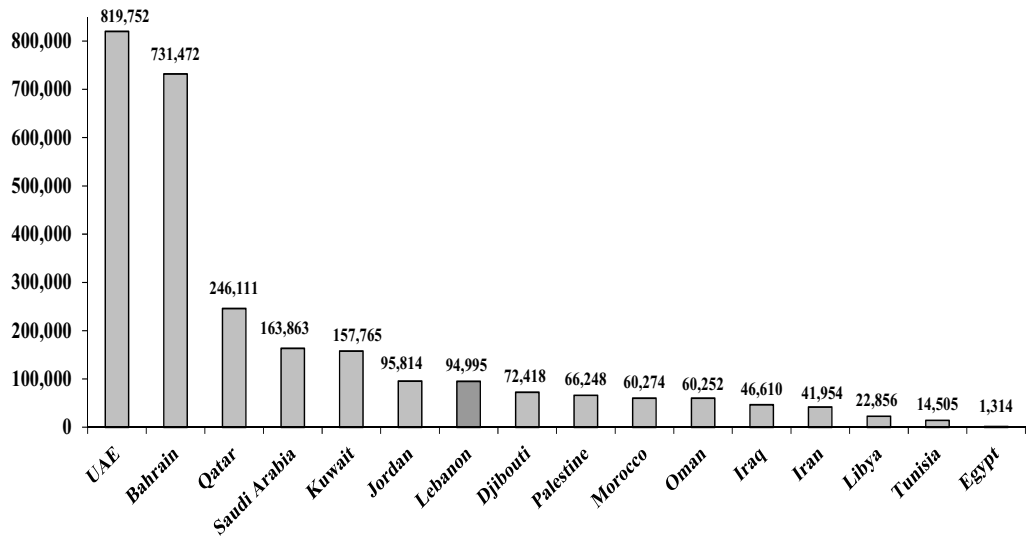
Banque BEMO posts net losses of \$8m in 2019

Capital Bank of Jordan signs Letter of Intent to acquire Bank Audi's operations in Jordan and Iraq

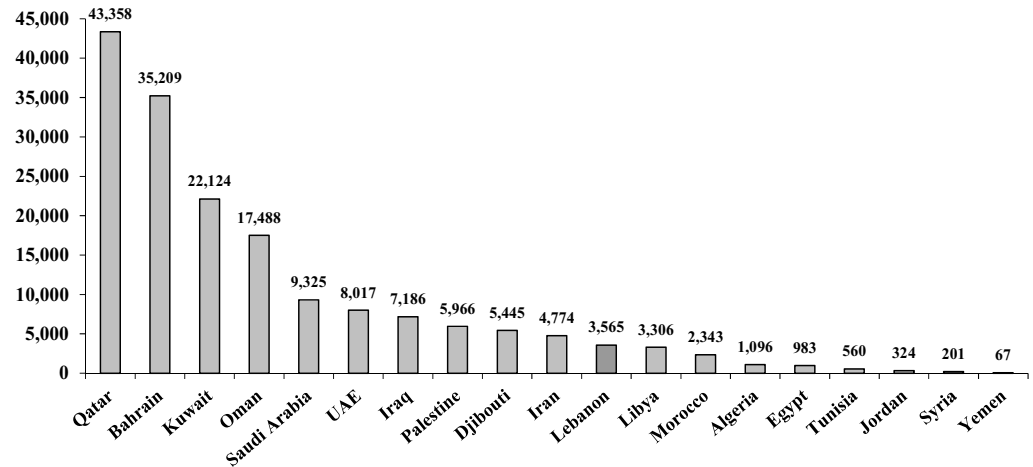
**Ratio Highlights**.....11  
**National Accounts, Prices and Exchange Rates** .....11  
**Ratings & Outlook**.....11

### Charts of the Week

Number of Total COVID-19 Tests per One Million Persons in MENA Countries\*



Number of Total COVID-19 Cases per One Million Persons in MENA Countries\*



\*as of September 13, 2020

Source: World Bank Group, Byblos Bank

### Quote to Note

"The Group urges all Lebanese leaders to act decisively, and in a spirit of responsibility, in prioritizing Lebanon's national interest and swiftly form an effective and credible government able to undertake essential reforms to meet the challenges facing Lebanon, as well as the legitimate aspirations and needs expressed by the Lebanese people."

*The International Support Group for Lebanon, urging Lebanese political parties to put the national interest ahead of partisan politics*

### Number of the Week

**-44.4%:** Percentage decline in government receipts from telecommunications services in the first half of 2020, according to the Ministry of Finance

## Lebanon in the News

\$m (unless otherwise mentioned)	2019	Jan-Jun 2019	Jan-Jun 2020	% Change*	Jun-19	May-20	Jun-20
Exports	3,731	1,725	1,612	(6.5)	285	251	277
Imports	19,239	10,139	5,202	(48.7)	1,377	674	854
Trade Balance	(15,508)	(8,414)	(3,590)	(57.3)	(1,092)	(423)	(577)
Balance of Payments	(5,851)	(5,391)	(2,486)	(53.9)	(204)	(888)	(296)
Checks Cleared in LBP	22,146	10,313	9,514	(7.8)	1,581	1,105	1,766
Checks Cleared in FC	34,827	17,178	16,944	(1.4)	2,501	1,467	3,097
Total Checks Cleared	56,973	27,498	26,461	(3.8)	4,084	2,572	4,863
Fiscal Deficit/Surplus	(5,837)	(2,420)	(2,223)	(8.1)	(33)	(247)	(225)
Primary Balance	(287)	308	(876)	-	347	(120)	(160)
Airport Passengers	8,684,937	3,978,188	1,206,671	(69.7)	838,498	20,253	15,295
Consumer Price Index	2.9	3.3	38.8	3550bps	1.7	56.5	89.7

\$bn (unless otherwise mentioned)	Dec-19	Jun-19	Mar-20	Apr-20	May-20	Jun-20	% Change*
BdL FX Reserves	29.55	29.75	28.23	27.37	26.44	25.87	(13.0)
In months of Imports	1.54	21.61	34.18	36.76	39.24	30.30	(40.2)
Public Debt	91.64	85.73	92.40	92.87	93.14	93.40	(8.9)
Bank Assets	216.78**	255.98	208.55	205.75	203.84	201.09	(21.4)
Bank Deposits (Private Sector)	158.86	172.13	149.59	147.52	146.30	144.50	(16.1)
Bank Loans to Private Sector	49.77	56.00	45.02	43.90	42.91	41.42	(26.0)
Money Supply M2	42.11	49.11	39.60	38.64	38.78	39.02	(20.5)
Money Supply M3	134.55	139.93	130.34	129.52	129.67	129.51	(7.4)
LBP Lending Rate (%)	9.09	10.94	9.41	9.29	8.45	6.84	(410bps)
LBP Deposit Rate (%)	7.36	8.80	5.13	5.06	4.63	4.16	(464bps)
USD Lending Rate (%)	10.84	9.49	8.55	7.79	7.90	7.49	(200bps)
USD Deposit Rate (%)	4.62	5.84	2.53	2.32	1.99	1.64	(420bps)

\*year-on-year \*\*The decline in assets in December 2019 is mainly due to the "netting" on the assets and liabilities' sides of the consolidated balance sheet of commercial banks as part of the implementation of international accounting standard IFRS 7

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

## Capital Markets

Most Traded Stocks on BSE	Last Price (\$)	% Change*	Total Volume	Weight in Market Capitalization	Sovereign Eurobonds	Coupon %	Mid Price \$	Mid Yield %
Byblos Common	0.36	(7.69)	3,802,335	3.18%	Apr 2021	8.25	19.50	670.96
Solidere "A"	15.97	4.72	152,800	24.96%	Oct 2022	6.10	18.25	103.87
BLOM Listed	2.80	0.00	129,163	9.41%	Jan 2023	6.00	17.63	89.48
Solidere "B"	15.77	3.75	36,780	16.02%	Jun 2025	6.25	17.25	40.90
Audi Listed	1.02	(0.97)	20,028	9.38%	Nov 2026	6.60	17.50	30.29
Byblos Pref. 09	48.85	(7.39)	14,395	1.53%	Feb 2030	6.65	17.00	19.71
Byblos Pref. 08	39.99	(19.84)	10,000	1.25%	Apr 2031	7.00	17.75	17.02
BLOM GDR	3.00	1.69	4,000	3.46%	May 2033	8.20	16.50	14.76
Audi GDR	1.00	0.00	-	1.87%	Nov 2035	7.05	17.75	11.77
HOLCIM	12.00	0.00	-	3.66%	Mar 2037	7.25	17.88	10.71

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

Source: Byblos Bank Capital Markets, Refinitiv

	Sep 14-18	Sep 7-11	% Change	Aug 2020	Aug 2019	% Change
Total shares traded	4,174,324	871,724	378.9	941,951	1,085,556	(13.2)
Total value traded	\$6,035,506	\$6,513,333	(7.3)	\$10,392,324	\$6,488,622	60.2
Market capitalization	\$6.40bn	\$6.42bn	(0.3)	\$6.20bn	\$7.87bn	(21.2)

Source: Beirut Stock Exchange (BSE)



### Lebanon ranks 87<sup>th</sup> globally, 10<sup>th</sup> among Arab countries in terms of innovation

The 2020 Global Innovation Index ranked Lebanon in 87<sup>th</sup> place among 131 countries around the world and in 10<sup>th</sup> place among 13 Arab countries. Lebanon also came in 28<sup>th</sup> place among 34 upper middle-income countries (UMICs) included in the survey. In comparison, Lebanon ranked in 88<sup>th</sup> place among 129 countries worldwide and in 10<sup>th</sup> place among 13 Arab economies in the 2019 survey.

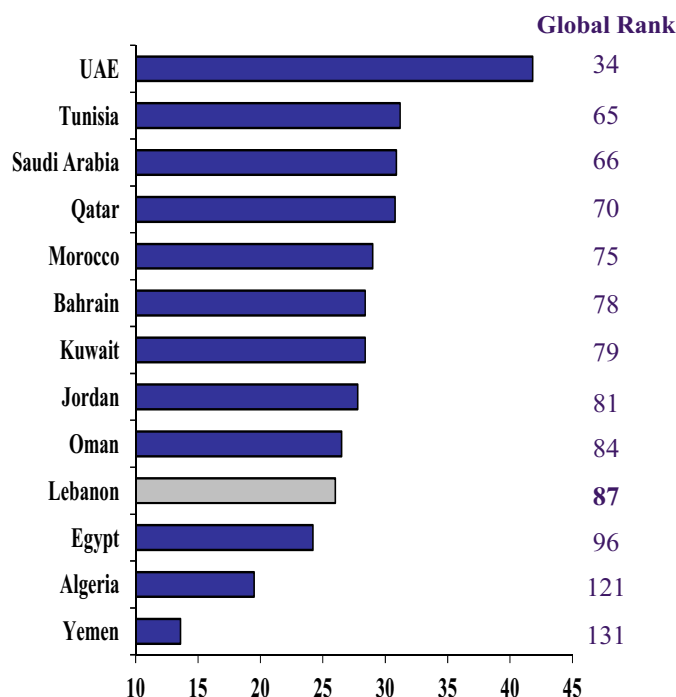
The index measures innovation in a broad sense and covers scientific, social and business development. It aims to provide the tools that can assist stakeholders in tailoring policies to promote long-term economic growth, improve innovation and support job creation. The index is a composite of 80 variables that are grouped in two sub-indices, the Innovation Input Sub-Index and the Innovation Output Sub-Index. The score of the Global Innovation Index is the simple average of the scores of the Input and Output Sub-Indices. The survey rates the innovation level of each country on a scale from zero to 100, with a score of 100 reflecting the most innovative economy. The countries included in the index represent 93.5% of the world's population and 97.4% of global GDP. The index is co-published by the INSEAD Business School, Cornell University and the World Intellectual Property Organization.

Globally, Lebanon has a higher innovation level than Tanzania, Botswana and the Dominican Republic, and is less innovative than Oman, Indonesia and Kenya. Also, it is more innovative than Botswana, the Dominican Republic, Paraguay, Ecuador, Namibia and Guatemala among UMICs. Lebanon received a score of 26 points, which is below the global average score of 33.9 points, the UMICs' average of 31.1 points and the Arab average of 27.5 points. Also, its score came lower than the Gulf Cooperation Council (GCC) countries' average score of 31.1 points, but it was higher than the average of non-GCC Arab countries of 24.5 points. Switzerland has the highest innovation level worldwide with a score of 66.1 points, while Yemen is the least innovative country globally with 13.6 points.

In parallel, Lebanon preceded the Dominican Republic, El Salvador and Ecuador, and trailed Iran, Indonesia and Kenya globally on the Innovation Input Sub-Index. This category covers the elements of the national economy that enable innovative activities, such as institutions, human capital & research, infrastructure, market sophistication, and business sophistication. Lebanon also ranked ahead of Egypt, Algeria and Yemen among Arab countries.

Further, Lebanon came ahead of Jordan, Egypt and Sri Lanka, while it ranked behind Saudi Arabia, Kenya and Kuwait globally on the Innovation Output Sub-Index. This category reflects the results of innovative activities within the economy such as technology, knowledge and creativity. Also, Lebanon came ahead of Jordan and Egypt, and behind Saudi Arabia and Kuwait in the Arab region.

**Global Innovation Index for 2020  
Arab Countries Scores & Rankings**



Source: INSEAD, Cornell University, WIPO, Byblos Research

**Components of the 2020 Global Innovation Index for Lebanon**

	Global Rank	Arab Rank	UMIC Rank	Lebanon Score	Global Avg Score	Arab Avg Score	UMIC Avg Score
<b>Innovation Input</b>	<b>93</b>	<b>10</b>	<b>29</b>	<b>35.0</b>	<b>43.3</b>	<b>38.5</b>	<b>40.9</b>
Institutions	103	10	29	52.2	65.0	57.8	61.5
Human Capital & Research	85	11	24	24.7	31.8	30.5	29.5
Infrastructure	98	10	30	31.6	41.2	39.6	39.4
Market Sophistication	90	7	22	43.1	48.1	41.7	47.5
Business Sophistication	80	4	23	23.3	30.5	22.8	26.6
<b>Innovation Output</b>	<b>80</b>	<b>7</b>	<b>23</b>	<b>17.1</b>	<b>24.4</b>	<b>16.6</b>	<b>21.2</b>
Knowledge & Technology Outputs	76	5	22	17.0	24.2	15.6	20.4
Creative Outputs	85	7	28	17.2	24.6	17.6	22.1

Source: INSEAD, Cornell University, WIPO, Byblos Research

### **Depletion of reserves could have severe impact on Lebanese economy**

Global investment bank Goldman Sachs indicated that Banque du Liban's (BdL) foreign currency reserves have been declining more significantly than expected, despite the narrowing of the current account deficit due to the decline in imports as a result of lower private consumption. It estimated that the trade deficit narrowed by \$6bn annually to \$9bn in the 12 months that ended in June 2020, while the current account deficit contracted by \$5.2bn year-on-year to \$7bn in the 12 months that ended in August 2020.

Still, the investment bank noted that BdL's foreign currency reserves declined by a monthly average of \$1bn since the start of the year, which shows that the decrease is not explained only by trade developments. Instead, it considered that the drop could also be due to a combination of weaker remittance inflows from the Lebanese Diaspora, capital flight in the absence of an official capital controls law, and a growing parallel market for foreign currency.

It also noted that external leakages could have originated from capital outflows in the absence of formal capital controls. It said that the banking sector's deposits declined by around \$5bn between the end of April and the end of July, based on an average of the multiple exchange rates, which is sharper than the \$3.5bn decrease in domestic private spending during this period, and which suggests that a portion of deposit withdrawals were sent offshore by Lebanese residents as "fresh money". It also pointed out that the emergence of multiple exchange rates in the domestic market could explain the decline in foreign currency reserves. It estimated that BdL's reserves will be fully depleted in the coming 12 months, in case they continue to post the same monthly contraction that they have in the last three months.

According to Goldman Sachs, the depletion of reserves could lead to the lifting of the currency peg, a subsequent further depreciation of the currency, a rise in the inflation rate, an erosion of living standards, and a scarcity of basic goods. It noted that BdL continues to supply foreign currency for key imports, such as wheat and fuel, but it said that such funding will no longer be available at official rates in case reserves are fully exhausted, which would lead to higher domestic prices and lower purchasing power. It also expressed concerns that this scenario could exacerbate risks to social and political stability.

It considered that Lebanon should urgently form a government in order to avoid such a scenario. It stressed that a new government needs to regain the confidence of the Lebanese population in order to restore sociopolitical stability, and to implement economic reforms in the near term. It also stressed that the new government needs to gain the support of Lebanese political parties, which are key stakeholders in the reform process. It added that the upcoming government would need to unlock international support, especially from Gulf Cooperation Council countries, the U.S. and France. It anticipated that the likelihood of reform implementation, external support and political stability will remain uncertain until the new government begins to build a credible track record.

### **Lebanon's very weak institutions and governance unlikely to address prevailing crises**

Moody's Investors Service indicated that Lebanon's 'C' credit rating reflects the impact of the economic, financial and social crises, which the country's very weak institutions and governance appear unable to address. It noted that Lebanon's credit profile mirrors a score of 'b3' in terms of economic strength, of 'caa3' in terms of institutions and governance strength, as well as a score of 'ca' in terms of fiscal strength and susceptibility to event risks. Moody's scores range between 'aaa' and 'ca'.

It considered that the country's economic strength is constrained by the economy's low growth potential and eroded competitiveness. It noted that the lack of access to foreign currency deposits is driving a shift towards cash transactions in Lebanese pounds, which has exacerbated the depreciation of the lira in the parallel market, led to a significant reduction in imports and contributed to a surge in the inflation rate.

The agency noted that the economic recovery will depend on access to externally-funded investment projects from the international community, which, in turn, is conditional on the swift formation of a new government and the implementation of a specific set of reforms. It indicated that these reforms include restoring the solvency of public finances and the banking system through a comprehensive restructuring of the sovereign debt, enacting legislation to formalize capital controls, eliminating the current multiple exchange rates, implementing comprehensive audits of Banque du Liban and state-owned enterprises, and expanding the social safety net to support the most vulnerable segments of the population.

Further, it indicated that Lebanon's 'ca' fiscal strength score reflects its expectation that the public debt level will increase to more than 200% of GDP in 2020, in case authorities adjust the official currency peg to LBP3,500 per US dollar as outlined in the government's plan. It considered that the delays in the negotiations with bondholders and with the International Monetary Fund on debt restructuring and on an external funding package have accelerated the economic downturn. It estimated that restoring the sustainability of the public debt would be consistent with losses of more than 65% of par value for bondholders. It considered that improvements in the key drivers of the country's debt dynamics, such as economic growth, interest rates, privatization revenues and the ability to generate and sustain large primary budget surpluses, are essential in order to ensure future debt sustainability and, in turn, allow an upgrade of Lebanon's sovereign ratings. Also, it noted that Lebanon's 'caa3' institutions and governance strength score mirrors a weak governance framework, which balances very weak fiscal policy effectiveness with severely constrained monetary and financial policy effectiveness.

The agency indicated that Lebanon's 'ca' susceptibility to event risks score is driven by a score of 'ca' on each of the government's liquidity risk and the external vulnerability risk, as well as by a score of 'caa' on each of the banking sector risk and the political risk. It said that the country's external vulnerability is reflected by the drop in usable foreign currency reserves to about \$2.5bn at the end of August 2020. It did not expect any revision to Lebanon's ratings before the restructuring of the public debt.

### Banque du Liban's foreign assets at \$28.2bn, gold reserves at \$18.1bn at mid-September 2020

Banque du Liban's (BdL) interim balance sheet reached \$155.5bn on September 15, 2020, constituting an increase of 0.7% from \$154.5bn at the end of August 2020 and a rise of 10% from \$141.4bn at the end of 2019.

Assets in foreign currency totaled \$28.2bn at mid-September 2020, representing a decline of \$292.1m, or 1%, from \$28.5bn at end-August 2020; and a drop of \$9.1bn, or 24.4%, from \$37.3bn at end-2019. Assets in foreign currency included \$5.03bn in Lebanese Eurobonds relative to \$5.7bn at the end of 2019.

BdL's assets in foreign currency, excluding Lebanese Eurobonds, stood at \$23.1bn at mid-September 2020, and decreased by \$292m, or by 1.2%, from the end of August 2020. They declined by \$613.3m in January 2020, by \$684.6m in February, by \$67m in March, by \$812m in April, by \$907m in May, by \$558m in June, by \$2.3bn in July, and by \$2.2bn in August, resulting in a cumulative drop of \$8.43bn, or 26.7% so far in 2020. They also fell by \$12.34bn, or 34.8%, between the end of August 2019 and mid-September 2020.

The decline in BdL's assets in foreign currency, excluding Lebanese Eurobonds, is largely due to the fact that BdL has paid, at the request of the government, maturing Eurobonds and external debt servicing until early March 2020, to deposit outflows, as well as to the financing of the imports of hydrocarbons, wheat, medicine, medical equipment, a basket of 200 basic consumer goods, and raw materials for agriculture and industry, in addition to BdL's intervention in the currency market.

In addition, the value of BdL's gold reserves reached \$18.1bn at mid-September 2020, and increased by 30% from \$13.9bn at end-2019. The value of gold reserves has exceeded since mid-July 2020 its previous peak of \$16.75bn at the end of August 2011. Also, the securities portfolio of BdL totaled \$39.3bn at mid-September and increased by 0.4% from end-August 2020 and by 3.4% from the end of 2019. In addition, loans to the local financial sector regressed by 2.3% from end-2019 to \$14.6bn at mid-September 2020. Further, deposits of the financial sector stood at \$108.6bn at mid-September 2020 and declined by \$3.4bn from end-2019. Also, public sector deposits at BdL totaled \$5.26bn at mid-September 2020 and regressed by \$182.9m from end-2019, while it grew by \$944m from end-August 2020.

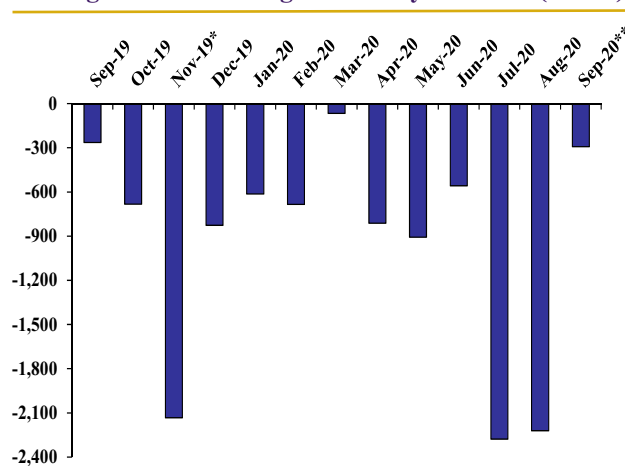
### Industrial exports down 23% to \$1bn in first half of 2020

Figures released by the Ministry of Industry show that industrial exports totaled \$1bn in the first half of 2020, constituting a decline of 22.7% from \$1.3bn in the same period of 2019. Industrial exports reached \$171.4m in June 2020, increasing by 12.5% from \$152.4m in May 2020 and growing by 5.6% from \$162.3m in June 2019. Exports of machinery & mechanical appliances amounted to \$199.6m and accounted for 20% of aggregate industrial exports in the first half of 2020, followed by exports of prepared foodstuffs & tobacco with \$192.3m (19.2%), chemical products with \$166.6m (16.6%), base metals with \$142.2m (14.2%), plastics & rubber with \$49.5m (4.9%), and pearls or semi-precious stones with \$47.5m (4.7%). Arab countries were the destination of 51.4% of Lebanese industrial exports in the first half of 2020, followed by European economies with 22.3%, African economies with 12.3%, Asian countries with 6.9%, countries in the Americas with 5.1%, and markets in Oceania with 1%.

On a country basis, Saudi Arabia was the main destination of Lebanese industrial exports and accounted for 9.8% of the total in the first half of 2020, followed by the UAE with 9.4%, Iraq with 7.4%, Egypt with 5.3%, Qatar with 5%, Greece with 4%, Syria with 3.8% and Jordan with 3.7%. In June 2020, 11 Arab states, 10 European economies, six African countries, four Asian economies, two countries in the Americas and one in the Oceania imported \$1m or more each of Lebanese industrial products.

In parallel, imports of industrial equipment and machinery reached \$46.2m in the first half of 2020, constituting a decline of 55.4% from \$103.7m in the same period of 2019. Italy was the main source of such imports and accounted for 41.7% of the total in the first half of 2020, followed by China with 17.5% and Germany with 12.8%. Further, imports of industrial equipment and machinery amounted to \$7.5m in June 2020, up by 95.1% from \$3.8m in May 2020 and down by 49.8% from \$15m in June 2019. Germany was the main source of such imports with \$2.3m and accounted for 31% of the total in the covered month, followed by China with \$1.5m (20.3%), and Italy with \$1.3m (17.9%).

### Change in Gross Foreign Currency Reserves (US\$m)



\*BdL paid \$2.1bn in external public debt servicing in November

\*\* as of mid-September

Source: Banque du Liban

### Gross public debt at \$94bn at end-July 2020

Lebanon's gross public debt reached \$93.7bn at the end of July 2020, constituting an increase of 2.3% from \$91.6bn at the end of 2019, and a rise of 9% from \$86bn at the end of July 2019, based on the official exchange rate of the Lebanese pound against the US dollar. The gross public debt grew by \$2.1bn in the first seven months of 2020 relative to an increase of \$870m in the same period of 2019. Debt denominated in Lebanese pounds totaled \$58.7bn at the end of July 2020, and expanded by 1.4% from end-2019 and by 9.5% from end-July 2019; while debt denominated in foreign currency stood at \$35bn and rose by 3.8% from end-2019 and by 8.1% from a year earlier.

On March 7, 2020, the Lebanese government decided to withhold all payments on the \$1.2bn Eurobond that matures on March 9, 2020, and claimed that its decision aims to safeguard the country's foreign currency reserves. It further announced on March 23, 2020 that Lebanon will discontinue payments on all of its outstanding Eurobonds. The Ministry of Finance (MoF) indicated that \$3.7bn of the debt stock denominated in foreign currency is in arrear as at the end of July 2020.

The year-on-year increase of the local-currency debt was mostly due to the MoF's issuance in November and December of LBP1,500bn and LBP3,000bn 10-year Treasury bonds, respectively, at a rate of 1%, which were entirely subscribed by Banque du Liban (BdL). The two issuances were part of a deal between the MoF and BdL, which stipulated that the MoF issues \$3bn worth of Eurobonds to BdL to cover external debt payments that BdL made on behalf of the government throughout 2019, in exchange for BdL subscribing to LBP4,500bn worth of Treasury bonds.

Local currency debt accounted for 62.6% of the gross public debt at the end of July 2020 compared to 62.3% a year earlier, while foreign currency-denominated debt represented the balance of 37.4% relative to 37.7% at end-July 2019. The weighted interest rate on outstanding Treasury bills was 6.49% in July 2020, while the weighted life of Treasury bills and bonds was 1,707 days.

BdL held 42.5% of the public debt at the end of July 2020, followed by commercial banks (28.4%), and non-bank resident financial institutions (8.1%); while other investors, including foreign investors, held 18.8% of the debt, and multilateral institutions and foreign governments accounted for 2.2%.

BdL held 59.3% of the Lebanese pound-denominated public debt at the end of July 2020 compared to 53.4% a year earlier, while commercial banks accounted for 27.7% of the local debt compared to 32.7% at end-July 2019. Also, public agencies, financial institutions and the public held 13% of the local debt at end-July 2020 relative to 13.9% at end-July 2019. Further, holders of Eurobonds and special T-bills in foreign currencies accounted for 94.2% of foreign currency-denominated debt holders at the end of July 2020, followed by multilateral institutions with 4% and foreign governments with 1.7%.

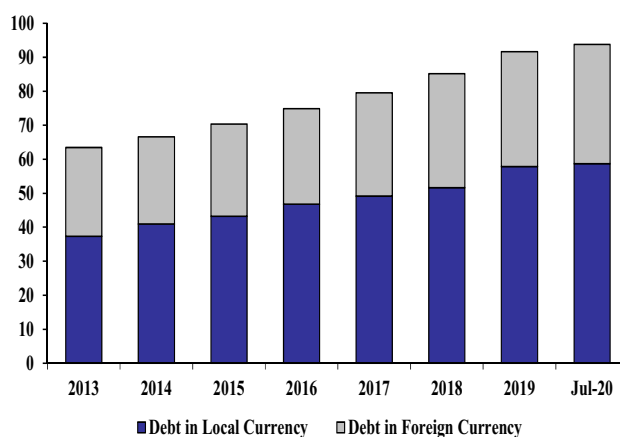
In addition, the net public debt, which excludes public sector deposits at BdL and at commercial and investment banks from overall debt figures, grew by 9.3% annually to \$84.2bn at the end of July 2020. Further, the gross market debt accounted for about 54% of the public debt. The gross market debt is the total public debt less the portfolios of BdL, the National Social Security Fund, as well as bilateral and multilateral loans.

### Chamber of Commerce sets up operations room to assist damaged firms from Beirut Port explosion

The Federation of Chamber of Commerce, Industry & Agriculture of Beirut and Mount Lebanon (CCIB) launched an initiative that consists of establishing a special operations room to provide support for insured companies that suffered damages from the explosion at the Port of Beirut on August 4, 2020. The operations room will help affected companies in determining the amount of their explosion-related losses, and ensure that they receive the proper compensation based on their insurance policies.

International insurance consulting firm E. Technical Consulting and law firm Alem & Associates will provide technical assistance by completing the insurance files of damaged companies, and then will negotiate with insurers in order to secure in full the claims of policyholders. In addition, the CCIB called on the authorities to conclude the investigation about the Beirut Port explosion so that insurance companies can start paying claims to their clients.

Lebanon's Gross Public Debt (US\$bn)



Source: Ministry of Finance, Byblos Research

### Consumer Price Index up 120% in August 2020

The Central Administration of Statistics' Consumer Price Index increased by 58.1% in the first eight months of 2020, compared to a growth of 2.8% in the same period of 2019. Also, the CPI expanded by 120% in August 2020 from the same month of 2019, and registered the second consecutive triple-digit increase, based on monthly data from December 2007. The cumulative surge in inflation in the first eight months of 2020 is due in part to the inability of authorities to monitor and contain prices, as well as to the deterioration of the Lebanese pound's exchange rate on the parallel market, which has encouraged opportunistic wholesalers and retailers to raise the prices of consumer goods disproportionately.

The prices of furnishings & household equipment surged by 7.6 times in August 2020 from the same month last year, followed by prices at restaurants & hotels (+6.1 times), the cost of alcoholic beverages & tobacco (+5.4 times), prices of clothing & footwear (+5.1 times), food & non-alcoholic beverages (+4.7 times), miscellaneous goods & services (+3.5 times), recreation & entertainment (+2.5 times), transportation (+105%), communication (+90%), the prices of water, electricity, gas & other fuels (+21.1%), healthcare costs (+14.6%), actual rents (+8.7%), imputed rents (+5.6%), and the cost of education (+4.4%). Also, the distribution of actual rents shows that old rents grew by 12.8% and new rents increased by 5.9% year-on-year in August 2020.

In parallel, the CPI grew by 3.6% in August 2020 from the previous month, compared to a month-on-month rise of 11.4% in July 2020. The prices of furnishings & household equipment increased by 24.3% month-on-month in August 2020, followed by the prices of food & non-alcoholic beverages (+7.7%), miscellaneous goods & services (+6.2%), transportation costs and prices at restaurants & hotels (+6% each), recreation & entertainment (+4.7%), healthcare costs (+1.6%), actual rents (+1.1%), and the cost of water, electricity, gas & other fuels (+0.8%). In contrast, the prices of alcoholic beverages & tobacco decreased by 9% month-on-month in August 2020, while the prices of clothing & footwear regressed by 4.7%. In parallel, the cost of education, communication as well as imputed rents, were nearly unchanged month-on-month in August 2020.

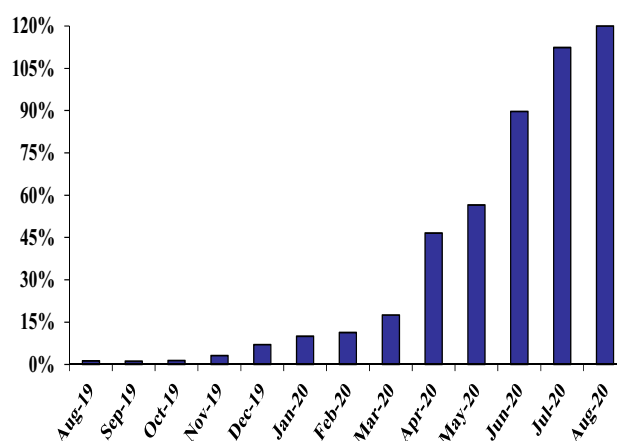
Further, the CPI increased by 6.3% in the North, by 3.5% in Mount Lebanon, by 3.3% in Nabatieh, by 2.4% in Beirut, by 2.3% in the Bekaa, and by 2.1% in the South in August 2020. In parallel, the Fuel Price Index grew by 1% month-on-month in August 2020, while the Education Price Index was unchanged in the covered month.

### Import activity of top five shippers and freight forwarders down 47% in first half of 2020

Figures released by the Port of Beirut show that overall import shipping operations by the top five shipping companies and freight forwarders through the port reached 75,450 20-foot equivalent units (TEUs) in the first half of 2020, constituting a decrease of 47.4% from 143,423 TEUs in the same period of 2019. The five shipping and freight-forwarding firms accounted for 77% of imports to the Lebanese market for local use and for 38.5% of the total import freight market, which includes transshipments to other ports, in the covered period. Mediterranean Shipping Company (MSC) handled 26,198 TEUs in imports in the first half of 2020, or 13.4% of the total import freight market. Merit Shipping followed with 18,064 TEUs (9.2%), then MAERSK with 13,194 TEUs (6.7%), Metz Group with 9,282 TEUs (4.7%), and Gezairy Transport with 8,712 TEUs (4.4%). The five shipping and freight forwarding companies registered year-on-year decreases in import shipping in the first half of 2020, with MSC posting a decline of 54.3%, the steepest among the top five firms.

In parallel, export-shipping operations by the top five shipping and freight-forwarding firms through the Port of Beirut reached 29,431 TEUs in the first half of 2020, constituting a decrease of 5.3% from 31,084 TEUs in the same period of 2019. The five shipping companies and freight forwarders accounted for 87.6% of exported Lebanese cargo and for 15% of the total export freight market that includes transshipments through Lebanese ports. Merit Shipping handled 14,659 TEUs of freight in the first half of 2020, equivalent to 43.6% of the Lebanese cargo export market. MAERSK followed with 6,090 TEUs (18.1%), then Metz group with 3,287 TEUs (9.8%), Sealine Group with 3,052 TEUs (9.1%), and Tourism & Shipping Services with 2,343 TEUs (7%). MAERSK registered a year-on-year increase of 2.3% in export shipping in the first half of 2020, the only growth rate among the top five shipping and freight forwarding companies, while Tourism & Shipping Services posted a drop of 27.8%, the steepest decline among the remaining top four firms.

Annual Change in CPI (%)



Source: Central Administration of Statistics, Byblos Research

### State-owned real estate portfolio valued at \$69bn

The Hayek Group, a real estate development company, suggested the establishment of a National Real Estate Fund (NRF) to help address Lebanon's prevailing economic and financial crisis. It noted that the NRF will include the state-owned portfolio of lands across the country.

It indicated that the launch of the NRF necessitates the creation of a registry of state-owned real estate assets and the transfer of these assets to the NRF. First, it said that authorities need to create a central public registry of public real estate assets and to assign an indicative value to each of these assets. It added that this step will allow better strategic planning and management of the NRF, including potential yields and revenues from the fund. Second, it noted that authorities should outsource the development of the NRF portfolio to an experienced and politically independent board of directors and management team, in order to avoid conflict of interest and ensure good governance.

According to the Hayek Group, the NRF will generate annual dividends for the government once a commercial capital structure and dividend policy are in place. It added that dividends generated from the NRF will be transferred to the government and must be used to finance basic public services and the upgrade of the infrastructure. It also suggested that the income generated from the better management of the assets and from the occasional divestiture of some of the assets or their privatization, to be first used to strengthen the portfolio. In addition, it considered that the state-owned portfolio of lands can be used as "a collateral to bank loans with the right to exploit in industrial, agricultural, commercial and residential projects for a certain period."

It estimated at \$69.1bn the value of the state-owned portfolio of lands based on the group's average asking price for land in each Caza between 1992 and 2019, as well as on the land plots that the government said it owns in Lebanon. According to Hayek Group, the government claims that it owns 59,353 land plots, which are equivalent to 911.4 million square meters across the country. It estimated at \$14.3bn the value of state-owned land plots in the Zahlé area, followed by the West Bekaa (\$11.7bn), Rashaya (\$9bn), Baabda and Tyr (\$5.1bn each), Beirut (\$5bn), Baalbek (\$4bn), Tripoli (\$3.7bn), Sidon (\$3.3bn), Koura in the North (\$1.5bn), and Hermel (\$1.3bn), among others.

State-Owned Real Estate Assets				
Caza	Number of Plots	Area (sqm)	Avg Cost per sqm	Total Value (US\$)
Zahlé	993	35,738,191	400	14,295,276,400
West Bekaa	8,686	58,393,364	200	11,678,672,800
Rashaya	5,884	45,189,120	200	9,037,824,000
Baabda	2,108	6,409,488	800	5,127,590,400
Tyr	1,723	33,862,578	150	5,079,386,700
Beirut	383	996,946	5,000	4,984,730,000
Baalbek	12,813	398,832,043	10	3,988,320,430
Tripoli	2,409	12,221,548	300	3,666,464,400
Sidon	2,858	10,898,885	300	3,269,665,500
Koura	619	5,149,287	300	1,544,786,100
Hermel	4,083	268,990,795	5	1,344,953,975
Aley	1,176	2,180,269	400	872,107,600
Zgharta	761	4,159,719	200	831,943,800
Maten	1,420	1,137,489	700	796,242,300
Marjayoun	926	7,111,680	100	711,168,000
Keserwan	1,857	940,802	600	564,481,200
Chouf	2,069	1,967,469	200	393,493,800
Jbeil	1,360	460,864	500	230,432,000
Akkar	3,228	11,116,008	20	222,320,160
Bint-Jbeil	209	1,348,740	150	202,311,000
Hasbaya	381	2,926,080	50	146,304,000
Nabatiyeh	1,627	1,302,867	100	130,286,700
Jezzine	1,377	50,523	200	10,104,600
Becharré	403	41,898	50	2,094,900
<b>Total</b>	<b>59,353</b>	<b>911,426,653</b>		<b>69,130,960,765</b>

Source: Hayek Group



### Lebanon ranks 83<sup>rd</sup> globally, fourth among Arab countries in terms of economic freedom

The Fraser Institute's 2020 Index of Economic Freedom ranked Lebanon in 83<sup>rd</sup> place among 162 countries globally and in fourth place among 18 Arab economies. It also ranked Lebanon in 21<sup>st</sup> place among 42 upper middle-income countries (UMICs) included in the survey. Based on the same set of countries, Lebanon's global rank regressed by three spots from the 2019 survey, while its regional rank deteriorated by one notch year-on-year.

The index measures the extent that a country's policies and institutions support economic freedom. It includes 42 variables distributed into five broad factors of economic freedom that are the Size of Government, the Legal System & Property Rights, Access to Sound Money, Freedom to Trade Internationally, and the Regulation of Credit, Labor & Business. A country's overall score ranges between zero to 10, with a higher score reflecting a higher level of economic freedom.

Lebanon received a score of 6.88 points, down from 6.95 points in the 2019 survey. Lebanon's score was higher than the global average of 6.86 points and the UMICs' average of 6.78 points in the 2020 survey. It also came above the Arab average score of 6.12 points, the average of Gulf Cooperation Council (GCC) countries of 6.8 points and the average of non-GCC economies of 5.78 points.

Lebanon's score improved by 0.5% on each of the Freedom to Trade Internationally and the Regulation of Credit, Labor & Business indicators, while its score on the Legal System & Property Rights indicator grew by 0.2% from the 2019 survey. In contrast, Lebanon's score on the Access to Sound Money declined by 4.2%, while its score on the Size of Government indicator regressed by 0.6% from the 2019 survey.

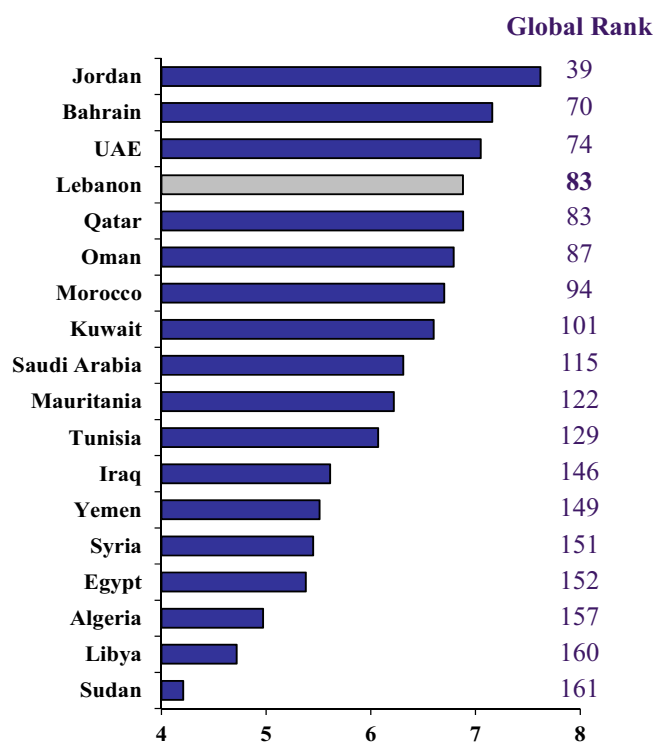
Globally, Lebanon had a higher level of economic freedom than Qatar, Sri Lanka and Kenya, and a lower level than Montenegro, Nigeria and Bosnia & Herzegovina. Also, it ranked ahead of Thailand and behind Bosnia & Herzegovina among UMICs.

Lebanon preceded Bolivia and Niger, and trailed Sierra Leone and Mauritania on the Legal System & Property Rights category. This category assesses the level of judicial independence, the protection of property rights, the integrity of the legal system and the legal enforcement of contracts, among other factors. Also, Lebanon ranked ahead of only Libya, Gabon, Iraq and Venezuela among UMICs, while it came ahead of only Libya, Egypt, Yemen, Iraq, Syria and Sudan in the Arab world on this category. The survey noted that this indicator is the most important function of government, and that countries with major deficiencies in this category are unlikely to economically prosper, regardless of their performance in the other four categories.

Further, Lebanon ranked ahead of Guyana and Madagascar, and came behind Ukraine and Belarus on the Freedom to Trade Internationally category, which assesses how trade takes place across national boundaries. This indicator measures a wide variety of trade restrictions, such as tariffs, quotas, hidden administrative restraints, as well as controls on exchange rates and the movement of capital. Lebanon ranked ahead of Guyana and Colombia, and came behind Suriname and Belarus among UMICs, and trailed the UAE, Oman, Jordan, Qatar, Bahrain, Kuwait, Saudi Arabia and Morocco among Arab countries on this category.

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 Economic Freedom for 2020  
Arab Countries Scores & Rankings**



Source: Fraser Institute, Byblos Research

**Components of the 2020 Economic Freedom Index for Lebanon**

	Global Rank	Arab Rank	UMIC Rank	Lebanon Score	Global Avg Score	Arab Avg Score	UMIC Avg Score
Size of Government	18	2	7	8.29	6.63	6.02	6.82
Access to Sound Money	74	3	17	8.99	8.28	7.78	8.23
Regulation of Credit, Labor & Business	126	11	33	6.47	7.11	6.36	7.01
Freedom to Trade Internationally	103	9	29	6.74	7.04	6.06	6.97
Legal System & Property Rights	135	12	38	3.89	5.25	4.37	4.88

Source: Fraser Institute, Byblos Research



### Number of new construction permits down 18% in first eight months of 2020

The Orders of Engineers & Architects of Beirut and of Tripoli issued 6,476 new construction permits in the first eight months of 2020, constituting a decline of 17.7% from 7,871 permits in the same period of 2019. In comparison, new construction permits decreased by 15% year-on-year in the first eight months of 2019. Also, the number of new construction permits issued reached 1,300 permits in August 2020, decreasing by 24.8% from 1,729 permits in July 2020 and increasing by 35.6% from 959 permits in August 2019. The Orders of Engineers & Architects of Beirut and of Tripoli did not publish figures for construction permits in April 2020 due to the closure of public-sector departments amid the outbreak of COVID-19 in the country, which affected the issuance of permits in the covered month.

Mount Lebanon accounted for 32.7% of the number of newly-issued construction permits in the first eight months of 2020, followed by the South with 23.3%, the North with 16.7%, the Nabatieh area with 14.5%, the Bekaa region with 7.6%, and Beirut with 3.1%. The remaining 2.1% were permits issued by the Order of Engineers & Architects of Tripoli for regions located outside northern Lebanon.

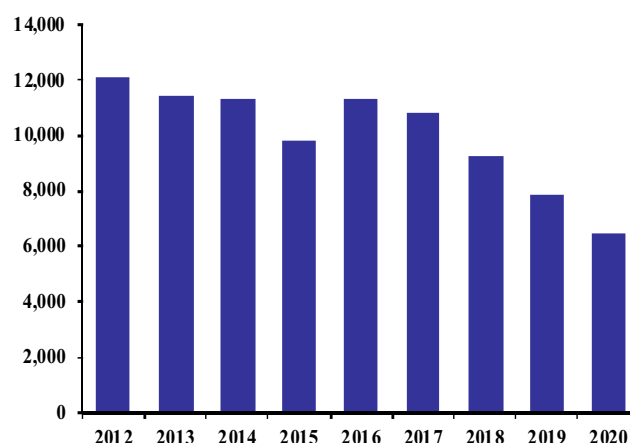
The number of new construction permits issued for Beirut dropped by 58% in the first eight months of 2020 from the same period last year, followed by permits issued for the Bekaa region (-35.3%), Mount Lebanon (-22.6%), the South (-9.7%), and the Nabatieh region (-7.4%). In contrast, the number of permits issued for surface areas in regions outside northern Lebanon increased by 4.6% annually in the covered period, while the number of permits issued for the North region was nearly unchanged.

Further, the surface area of granted construction permits reached 2,693,314 square meters (sqm) in the first eight months of 2020, constituting a decrease of 41.5% from 504,819 sqm in the same month of 2019. In comparison, the surface area of granted construction permits regressed by 27.7% year-on-year in the first eight months of 2019. Also, the surface area of granted construction permits reached 542,191 in August 2020, decreasing by 24% from 713,867 in July 2020 and increasing by 12% from 483,934 in August 2019.

Mount Lebanon accounted for 837,824 sqm, or 31% of the total in the first eight months of 2020. The South followed with 589,333 sqm (22%), then the North with 549,200 sqm (20.4%), the Nabatieh area with 316,282 sqm (11.7%), the Bekaa region with 236,007 sqm (8.8%), and Beirut with 47,211 sqm (1.8%). The remaining 117,457 sqm, or 4.4% of the total, represent the surface area of permits that were issued by the Order of Engineers & Architects of Tripoli for regions located outside northern Lebanon.

The surface area of new construction permits issued for Beirut dropped by 86% year-on-year in the first eight months of 2020, followed by surface areas in Mount Lebanon (-48.2%), the Bekaa region (-45.6%), the North (-34.2%), the South (-31%), and the Nabatieh region (-15.5%); while surface areas in regions located outside northern Lebanon decreased by 19.6% annually in the covered period. In parallel, the latest available figures issued by Banque du Liban show that cement deliveries totaled 0.7 million tons in the first half of 2020, constituting a decline of 52% from 1.6 million tons in the same period of 2019, and relative to a decrease of 32.4% in the first half of 2019.

**Number of Construction Permits issued in Lebanon\***



\*in first eight months of each year

Source: Orders of Engineers & Architects of Beirut and Tripoli

### **BLOM Bank's profits down 84% to \$39m in first half of 2020**

BLOM Bank sal declared unaudited net profits of \$38.8m in the first half of 2020, constituting a decline of 83.7% from \$238.7m in the same period of 2020. The bank indicated that the profits for the first half of 2020 mostly came from its units outside Lebanon, especially in Egypt, which accounted for 59.3% of its consolidated profits. The bank added that it is required to comply by all the circulars that Banque du Liban (BdL) issues, as stipulated in the Code of Money & Credit. As such, it noted that it calculated the expected credit losses in accordance with specific ratios listed in BdL's Basic Circular 44 dated March 25, 1998 about the capital adequacy regulatory framework for banks operating in Lebanon, and according to Circular 567 dated August 26, 2020. Circular 567 amended the Regulatory Expected Credit Losses (RECL) requirements that banks must apply on their exposure to the government and to BdL in order to book provisions and, in turn, to compute the capital ratios.

The bank's net interest income reached \$553.3m in the first half of 2020, up by 48% from \$374m in the same period of 2019; while net fees & commissions income stood at \$52.5m in the covered period relative to \$64.1m in the first half of the year. Net operating income totaled \$245.6m in the first half of 2020 and declined by 47.5% from \$467.5m in the same period of 2019. In parallel, the bank's operating expenditures reached \$158.7m in the first half of 2020 relative to \$180.8m in the same period of 2019, with personnel cost accounting for 58% of the total in the first six months of 2020.

Also, the bank's aggregate assets reached \$31.4bn at the end of June 2020, declining by 5.6% from \$33.3bn at end-2019. Net loans & advances to customers totaled \$4.5bn at end-June 2020, and dropped by 21.7% from \$5.8bn at end-2019, while net loans & advances to related parties reached \$8.1m. Further, customer deposits amounted to \$23.8bn and decreased by 9%, or by \$2.3bn, from end-2019, while deposits from related parties stood at \$78.5m at end-June 2020. In parallel, the bank's shareholders' equity was \$3.2bn at the end of June 2020 and regressed by 1.1% from end-2019.

### **Banque BEMO posts net losses of \$8m in 2019**

Banque BEMO sal, one of six listed banks in Lebanon, announced audited consolidated net losses of \$8.2m in 2019 relative to net profits of \$18.9m in 2018. The bank's net operating income dropped by 58.1% to \$20.8m in 2019, mainly due to the increase in the provisions for expected net credit losses from \$403,083 in 2018 to \$31.7m in 2019. In addition, net interest income grew by 13.7% to \$40m in 2019, while net fee and commission income declined by 12.5% to \$5.9m. Also, total operating expenditures grew by a marginal 0.6% to \$27.3m in 2019, with depreciation and amortization costs expanding by 17.6% to \$1.7m; while staff expenses decreased by 7.4% to \$14.5m, and administrative expenses regressed by 0.4% to \$10.1m in 2019.

In parallel, the bank's assets reached \$1.7bn at the end of 2019 and declined by 3.6% from \$1.76bn at end-2018, with loans & advances to customers and related parties dropping by 26.4% to \$535.4m at the end of the year. Also, deposits of customers and related parties totaled \$1.2bn at end-2019 and regressed by 7.2% from the end of 2018. Further, the bank's total equity reached \$163.8m at end-2019, down by 13.7% from end-2018.

### **Capital Bank of Jordan signs Letter of Intent to acquire Bank Audi's operations in Jordan and Iraq**

Capital Bank of Jordan psc announced that it signed an exclusive non-binding Letter of Intent (LOI) to acquire the assets and liabilities of Bank Audi sal's units in Iraq and Jordan. It indicated that it has obtained initial approval for the acquisition of the bank's operations in the two countries from the Central Bank of Jordan and the Central Bank of Iraq.

The bank anticipated that it will reach a binding offer with Bank Audi by the end of October 2020, subject to the results of the due diligence. It noted that the acquisition will allow it to diversify and expand its operations in Jordan and Iraq. The bank already owns 61.85% of the shares of the National Bank of Iraq.

Capital Bank of Jordan is the ninth largest bank in Jordan, with assets of \$3.7bn and credit facilities of \$1.6bn at the end of June 2020. Also, customer deposits stood at \$2.1bn at the end of June 2020, and grew by 14.8% from end-2019. The bank's profits declined by 15% annually to \$19.8m in the first half of 2020. Bank Audi has six branches in Iraq and 15 branches in Jordan.

## Ratio Highlights

(in % unless specified)	2017	2018	2019	Change*
Nominal GDP (\$bn)	53.1	55.0	51.7	(3.3)
Public Debt in Foreign Currency / GDP	57.2	60.9	64.6	3.71
Public Debt in Local Currency / GDP	92.5	94.0	110.9	16.95
Gross Public Debt / GDP	149.7	154.9	175.6	20.66
Total Gross External Debt / GDP**	190.3	192.8	196.3	3.50
Trade Balance / GDP	(31.5)	(31.0)	(29.7)	1.27
Exports / Imports	14.5	14.8	19.4	4.62
Fiscal Revenues / GDP	21.9	21.0	19.5	(1.53)
Fiscal Expenditures / GDP	28.9	32.4	29.7	(2.62)
Fiscal Balance / GDP	(7.1)	(11.4)	(10.3)	1.09
Primary Balance / GDP	2.7	(1.2)	(0.5)	0.65
Gross Foreign Currency Reserves / M2	68.2	63.8	70.2	6.38
M3 / GDP	260.8	257.1	257.7	0.59
Commercial Banks Assets / GDP	413.7	453.9	415.3	(38.64)***
Private Sector Deposits / GDP	317.4	317.1	304.3	(12.76)
Private Sector Loans / GDP****	112.3	108.1	95.3	(12.71)
Private Sector Deposits Dollarization Rate	68.7	70.6	76.0	5.41
Private Sector Lending Dollarization Rate	68.6	69.2	68.7	(0.50)

\*change in percentage points 19/18; \*\*includes portion of public debt owed to non-residents, liabilities to non-resident banks, non-resident deposits (estimated by the IMF), Bank for International Settlements' claims on Lebanese non-banks; \*\*\*The decline in assets in 2019 is mainly due to the "netting" on the assets and liabilities' sides of the consolidated balance sheet of commercial banks as part of the implementation of international accounting standard IFRS 7; \*\*\*\* in January 2018, Lebanese banks started reporting their financials based on international accounting standard IFRS 9, and revised the 2017 figures accordingly  
Source: Association of Banks in Lebanon, Institute of International Finance, Central Administration of Statistics, Byblos Research Estimates & Calculations  
Note: M2 includes money in circulation and deposits in LBP, M3 includes M2 plus Deposits in FC and bonds

## National Accounts, Prices and Exchange Rates

	2018	2019e	2020f
Nominal GDP (LBP trillion)	82.8	81.4	142.0
Nominal GDP (US\$ bn)	55.0	51.7	32.7
Real GDP growth, % change	-1.9	-7.3	-23.5
Private consumption	-1.3	-7.1	-17.1
Public consumption	6.7	1.5	-47.7
Gross fixed capital	-1.8	-10.7	-33.3
Exports of goods and services	0.5	-5.0	-35.1
Imports of goods and services	1.1	-4.5	-36.3
Consumer prices, %, average	6.1	2.9	95.4
Official exchange rate, average, LBP/US\$	1,507.5	1,507.5	1,507.5
Parallel exchange rate, average, LBP/US\$	n/a	1,620	5,587
Weighted average exchange rate LBP/US\$	1,507.5	1,575	4,283

Source: Institute of International Finance- August 9, 2020

## Ratings & Outlook

Sovereign Ratings	Foreign Currency			Local Currency		
	LT	ST	Outlook	LT	ST	Outlook
Moody's Investors Service	C	NP	-	C		-
Fitch Ratings	RD	C	-	CC	C	-
S&P Global Ratings	SD	SD	-	CC	C	Negative
Capital Intelligence Ratings	SD	SD	-	C-	C	Negative

\*for downgrade

\*\*CreditWatch negative

Source: Rating agencies

### Banking Sector Ratings

	Outlook
Moody's Investors Service	Negative

Source: Moody's Investors Service

---

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

---

Lebanon This Week is a research document that is owned and published by Byblos Bank sal. The contents of this publication, including all intellectual property, trademarks, logos, design and text, are the exclusive property of Byblos Bank sal, and are protected pursuant to copyright and trademark laws. No material from Lebanon This Week may be modified, copied, reproduced, repackaged, republished, circulated, transmitted, redistributed or resold directly or indirectly, in whole or in any part, without the prior written authorization of Byblos Bank sal.

The information and opinions contained in this document have been compiled from or arrived at in good faith from sources deemed reliable. Neither Byblos Bank sal, nor any of its subsidiaries or affiliates or parent company will make any representation or warranty to the accuracy or completeness of the information contained herein.

Neither the information nor any opinion expressed in this publication constitutes an offer or a recommendation to buy or sell any assets or securities, or to provide investment advice. This research report is prepared for general circulation and is circulated for general information only. Byblos Bank sal accepts no liability of any kind for any loss resulting from the use of this publication or any materials contained herein.

The consequences of any action taken on the basis of information contained herein are solely the responsibility of the person or organization that may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies that may be discussed in this report and should understand that statements regarding future prospects may not be realized.

---

# 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

## 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](mailto:erbilbranch@byblosbank.com.lb)

Sulaymaniyah Branch, Kurdistan, Iraq  
Salem street, Kurdistan Mall - Sulaymaniyah  
Phone: (+ 964) 773 042 1010 / (+ 964) 773 041 1010

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](mailto: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](mailto:basrabranch@byblosbank.com.lb)

## UNITED ARAB EMIRATES

---

Byblos Bank Abu Dhabi Representative Office  
Al Reem Island - Sky Tower - Office 2206  
P.O.Box: 73893 Abu Dhabi - UAE  
Phone: (+ 971) 2 6336050 - 2 6336400  
Fax: (+ 971) 2 6338400  
E-mail: [abudhabirepoffice@byblosbank.com.lb](mailto: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](mailto:infoarm@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](mailto:nigeriarepresentativeoffice@byblosbank.com.lb)

## BELGIUM

---

Byblos Bank Europe S.A.  
Brussels Head Office  
Boulevard Bischoffsheim 1-8  
1000 Brussels  
Phone: (+ 32) 2 551 00 20  
Fax: (+ 32) 2 513 05 26  
E-mail: [byblos.europe@byblosbankeur.com](mailto: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 7518 8100  
Fax: (+ 44) 20 7518 8129  
E-mail: [byblos.london@byblosbankeur.com](mailto: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](mailto:byblos.europe@byblosbankeur.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](mailto:byblosbankcyprus@byblosbank.com.lb)

## 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