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SGBL EcoNews

ECONOMIC ACTIVITY ACCELERATING, GREATER UNCERTAINTY CLOUDS OUTLOOK

- **Real GDP growth may reach 2.9% in 2018 if tax law is passed - IIF**
- **CDS spreads reflect rising risk perception among investors**
- **Exports show green shoots of recovery**

Lebanon's economic activity grew in the first seven months of 2017 at its fastest pace since 2010, riding largely on a rebound in private consumption and recovery in the tourism sector. BdL's Coincident Indicator, a proxy for economic output, increased by an average of 5.7% yoy through July, compared with growth of 4.4% yoy over the same period in 2016.

Consumer confidence levels since July, however, have fallen back to their 2016 levels amid uncertainty over the sustainable implementation of the new public sector salary scale, in addition to fears that the new tax measures, once passed, would stoke inflation.

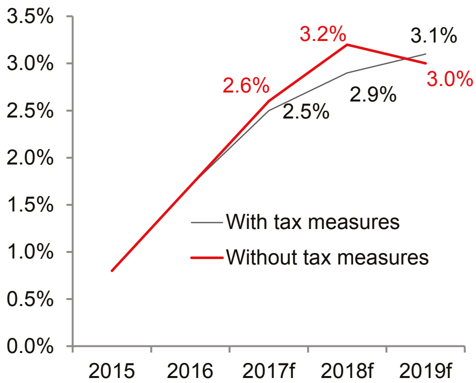
The Constitutional Council had annulled in September the new tax law in its entirety, citing the absence of an approved budget law and ambiguous language in one of the law's articles. The Cabinet has announced plans to revise the text and send it back to Parliament for approval at the same time as the 2017 budget draft law. The government aims to raise an estimated $1.1bn from the new tax measures to provide sufficient financing for the new public sector salary scale which was signed into law in late August.

Real GDP is projected to increase by 3.2% in 2018 and by 3% in 2019 in the absence of new tax measures, but may reach 2.9% in 2018 and 3.1% in 2019 if the government succeeds at passing the tax law, according to the Institute of International Finance (IIF). If the tax law is passed, inflation would accelerate to 4.6% in 2018 compared with 4% under the status quo, but without tax measures, the public debt burden will continue to rise, adding to existing vulnerabilities, explained the IIF.

CDS SPREADS INDICATE RISING RISK PERCEPTION

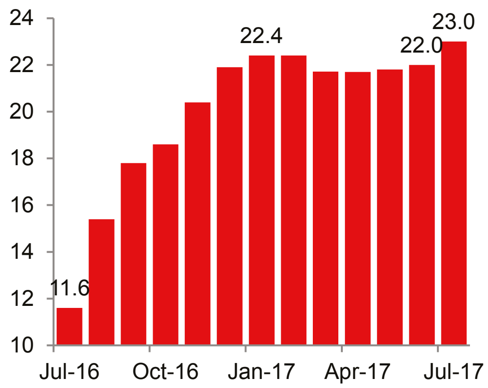
Lebanon's gross public debt grew by 4.8% yoy to $76.9bn in July, nearly half of which is non-market based or covered by government deposits. An estimated 41.8% of Lebanon's net public debt, equivalent to an estimated $38.8bn as of June 2017, is held by government-related entities, particularly BdL and NSSF, as well as donor countries.

Real GDP growth



Source: IIF, Economena, SGBL Research

Outstanding BDL CDs in USD ($bn)



Source: BdL, Economena, SGBL Research

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The government may need to issue more foreign currency debt in October when a $775m Eurobond matures. Another $133m in foreign currency debt issued within the context of the Paris 2 conference is due in December 2017, followed by another $70m in March 2018 and $20m in May 2018.

Although stable, Lebanon's debt dynamics are increasingly risky to investors, especially in comparison with regional peers. Lebanon's 5-year Credit Default Swap spreads, the cost to insure against a possible default, tightened by 27 basis points (bps) to 4.5% in the first nine months of 2017, largely reflecting easing concerns over emerging market debt. Egypt and Turkey however, saw their spreads tighten by 97 bps to 3.5% and by 86 bps to 1.87% respectively during the same period, data by IHS Market through Bloomberg showed.

REAL ECONOMY SHOWS STRENGTH

Construction activity appears to have found its footing in recent months. Cement deliveries largely stabilized at 2.9 million tons in the first seven months of 2017, including an increase of 17.2% yoy to 466,360 tons in July.

Developers have resumed stalled projects amid record buying activity, even as prices are likely the lowest they've been in a decade. The value of sales transactions registered with the General Directorate of Land Registry and Cadastre (DLR) surged by 20.5% to $6.5bn in the first eight months of the year, $1.1bn more than in the same period of 2016.

BdL raised in September the limit on subsidized housing loans to LBP1.2bn from LBP800m.

Prospects for the housing market continue to be buoyed by Central Bank initiatives, including a series of stimulus packages aimed mainly at residential mortgages. In September, the Central Bank raised the limit to LBP1.2bn from LBP800m on housing loans that banks can extend while benefiting from deductions in reserve requirements and the stimulus package, extending its support to more expensive properties.

Earlier in the year, the Housing Bank, a joint venture between the government and commercial banks, announced a decrease in interest rates on housing loans to 3% from 5%, a move that is likely to support demand in coming months.

Export activity also picked up through July, with several regional destinations showing green shoots of recovery. Total exports inched up by 1.1% yoy to $1.7bn in the first seven months of 2017, despite slowing demand from Saudi Arabia, a key Lebanese export market.

Exports to Syria, Iraq, Turkey, and Kuwait all surged in the first seven months of 2017.

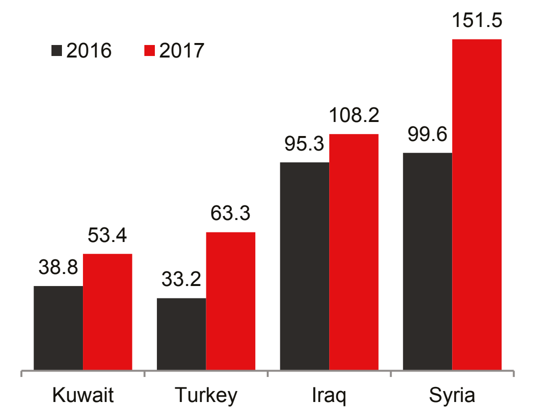
Meanwhile, exports to Syria, Iraq, Turkey, and Kuwait all surged in the first seven months. Orders from Iraq and Syria bounced back by 52.2% yoy to $151.5m and by 13.6% yoy to $108.2m respectively through July 2017, following major gains against the Islamic State. Sales to Turkey and Kuwait climbed by 91% yoy to $63.3m and by 37.7% yoy to $53.4m, pointing to broadening demand for Lebanese products during the period. The possible re-opening of border crossing points with Jordan and Iraq to trade may further bolster Lebanese exports, including to GCC markets.

DOMESTIC BANKING ACTIVITY ACCELERATES

Lebanese banking activity regained some vibrancy in recent months after a slow start of the year. Private credit to residents grew by 6.7% yoy to $52.9bn by the end of July, a net production of $1.9bn in the first seven months of 2017, compared with $1.5bn over the same period in 2016.

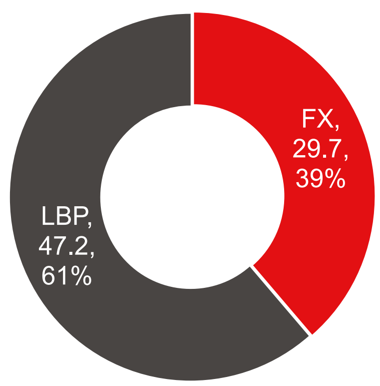
Similarly, private sector deposits swelled by 8.6% yoy to $168.4bn through July, an increase of $5.9bn in the first seven months, compared with $3.5bn in the same period of 2016. The Central bank is offering banks more attractive interest rates in a bid to bolster its reserves and to attract fresh foreign currency from abroad, leading to an increase in outstanding BdL-issued dollar-denominated Certificates of Deposits by $1bn in July to $23bn.

Exports by destination (Jan-Jul, $m)



Source: Customs, Economena, SGBL Research

Gross public debt (Jul 2017, $bn)



Source: BdL, Economena, SGBL Research

BANKING ACTIVITY REBOUNDS AS ECONOMY GAINS TRACTION

- **Credit activity to residents accelerated to 6.7% yoy by July 2017**
- **Moody's forecasts modest credit growth, sufficient deposit inflows**
- **BdL should raise rates, if needed, to sustain deposit inflows - IMF**

Lebanese banking activity regained some vibrancy in recent months after a slow start of the year. Private credit to residents grew by 6.7% yoy to $52.9bn by the end of July, equivalent to a net production of $1.9bn in the first seven months of 2017, compared with $1.5bn over the same period in 2016.

The bulk of the increase in lending activity has likely come from personal and housing loans, with the latter up by 8.8% yoy through March. Housing loans grew by $234.2m in the first quarter to $12.2bn at the end of March, while utilized credit by the construction sector fell by $264.2m to $11.3bn over the same period.

Prospects for the housing loan market continue to be buoyed by Central Bank initiatives, including a series of stimulus packages aimed mainly at residential mortgages. In September, the Central Bank raised the limit to LBP1.2bn from LBP800m on housing loans benefiting from deductions in reserve requirements and the stimulus package, extending its support to more expensive properties.

The Central Bank raised the limit on housing loans benefiting from deductions in reserve requirements and stimulus funds to LBP1.2bn from LBP800m.

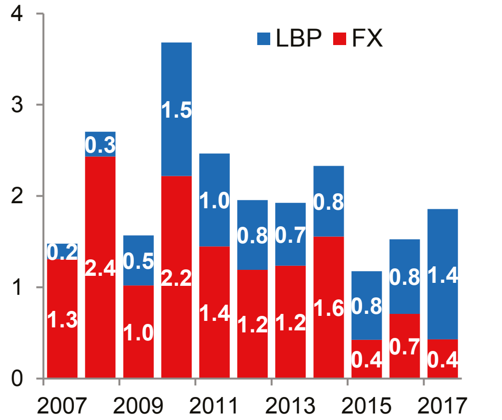
Credit growth is likely to remain at around 6% through 2018, as economic output continues to be constrained by deteriorating basic infrastructure, and as businesses defer investment decisions until there is further clarity on the political situation, stated Moody's Investors Service, a credit rating agency.

The rating agency, however, still raised in September its outlook for Lebanon's banking system over the next 12 to 18 months to stable from negative, citing improvement in the operating environment for Lebanese banks following political developments.

The stable outlook by Moody's reflects the agency's expectation that Lebanese banks will continue to attract a steady flow of customer deposits, enabling the sector to finance both the government deficit and the private sector. Private sector deposits swelled by 8.6% yoy to $168.4bn through July, an increase of $5.9bn in the first seven months, compared with $3.5bn in the same period of 2016.

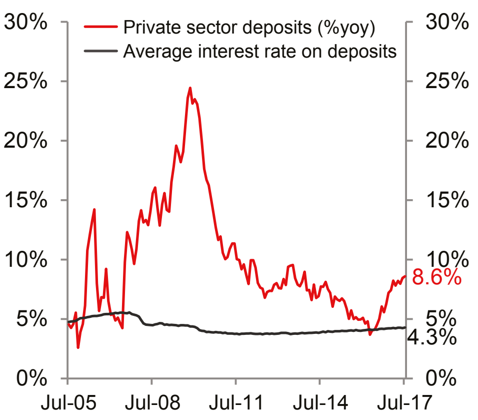
The rise in deposits was driven largely by the Central Bank's deposit operations which offered banks interest rates of 1% in excess of prevailing market rates for new foreign currency deposits, prompting banks to bring home some of their deposits abroad. The International Monetary Fund re-iterated in September its call on Banque du Liban to stand ready to increase interest rates if deposit inflows were to decelerate after the end of the recent round of financial engineering operations in 2016.

Claims, private sector, residents (Jan-Jul, $bn)



Source: BdL, ABL, Economena, SGBL Research

Commercial bank deposits



Source: BdL, ABL, Economena, SGBL Research

WIDENING TRADE DEFICIT SIGNALS STRONGER CONSUMPTION

- **Trade deficit widened by $138.5m yoy to $9.4bn by July**
- **Exports steady through July, paper exports outperforming**
- **Sales to Iraq, Turkey, Kuwait, and Syria swinging back**

Lebanese imports rose by 1.5% yoy to $11bn in the first seven months of 2017, buoyed by improvement in consumer sentiment and stronger purchasing power. The combined increase in imports of vehicles, pharmaceutical products, and cereals accounted for the entire rise in imports, signaling robust consumer demand during the period.

Importers are also likely replenishing their inventories following robust economic activity during the summer, and in anticipation of the new salary scale which is expected to pump an estimated $950m per year into the local economy starting October 2017.

Fuel imports surged in recent months as lower oil prices since 2014 continued to drive up domestic demand, compounded by demand from an additional 149,332 visitors to Lebanon in the first eight months of the year. As a result, imports of petroleum derivatives by the private sector rose by 9.2% yoy to 4.9 million metric tons through July, but the value of mineral fuels and oil imports still came in 7.8% yoy lower at $2.1bn during the period on cheaper oil prices.

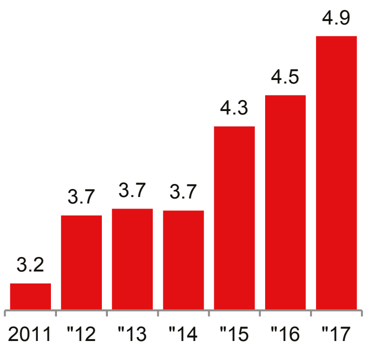
Rising fuel consumption is proving a boon for the state's public finances, with the fuel excise generating $451.3m in income for the government in 2016, $34m more than in 2015. Greater dependence on fuel imports, however, could further strain the country's balance of payments and weigh on household budgets if oil prices were to increase significantly in the future.

Port of Beirut volumes hit a record 846,860 TEUs in the first eight months of 2017, an increase of 10% over the same period in 2016, including a 10.7% yoy rise in the number of new and used cars to 56,067 cars. In fact, vehicles and transport equipment were Lebanon's top import commodity after fuel, and rose by 9.1% yoy to $1.1bn in the first seven months of the year.

On the other hand, the pick-up in export activity was more moderate, at 1.1% yoy to $1.7bn in the first seven months, reflecting a slowdown in economic activity in Saudi Arabia, a key export market. Several commodities, however, such as paper and paperboard products as well as prepared foods still swung back into positive territory over the past 12 months.

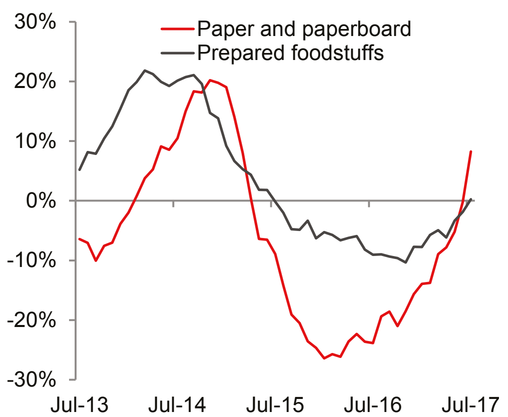
The possible re-opening of border crossing points with Jordan and Iraq to trade may further bolster Lebanese exports to regional countries, including the main Gulf markets. Meanwhile, orders from Iraq and Syria bounced back by 52.2% yoy to $151.5m and by 13.6% yoy to $108.2m respectively through July 2017, following major gains against the Islamic State. Sales to Turkey and Kuwait also posted respective gains of 91% yoy to $63.3m and 37.7% yoy to $53.4m, indicating broadening demand for Lebanese products.

Imports of petroleum derivatives, private sector (Jan-Jul, mMT)



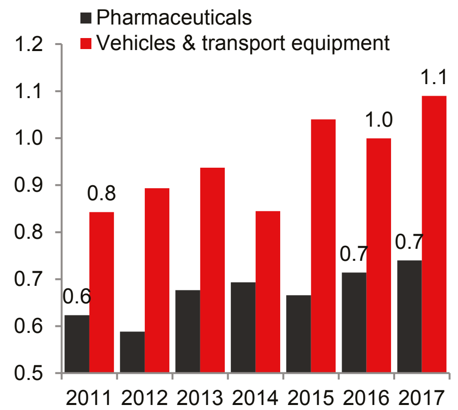
Source: BdL, Economena, SGBL Research

Value of exports (12-month moving sum, %yoy)



Source: Customs, Economena, SGBL Research

Imports (Jan-Jul, $bn)



Source: Customs, Economena, SGBL Research

CONSTRUCTION ACTIVITY STABILIZES, PERMITS SWING BACK

- **Sales transactions hit a record $6.5bn through August**
- **Construction permits swing back, cement deliveries usually follow**
- **Construction execution orders in the North hit a 10-year high by August**

The real estate sector is hardly booming, but buying activity is making history at a time when prices are likely the lowest they've been in a decade. The value of sales transactions registered with the General Directorate of Land Registry and Cadastre (DLR) surged by 20.5% to $6.5bn in the first eight months of the year, $1.1bn more than in the same period of 2016. The volume of transactions also rose by 17.6% yoy to 47,723 registered sales contracts, indicating broad-based activity.

Both locals and foreigners contributed to the uptick, with the latter's buying contracts rising by 28.3% yoy to 843 transactions through August, equivalent to 1.8% of the total for the period. Improving foreign demand for properties in Lebanon mirrors an upsurge in tourist arrivals, as foreign nationals and expatriates typically visit the country before making an investment .

Part of the increase in sales transactions reflects the formal registration of completed apartments bought off-plan several years ago. Another factor is likely a rush by new buyers to register their properties before new tax measures on real estate transactions take effect.

The government introduced new tax measures on property sales aimed at driving more buyers to register their sales with the DLR instead of relying on sales contracts at public notaries. Those measures, however, were suspended by the Constitutional Council in September, but they may still be revised and sent to Parliament again for approval in coming weeks.

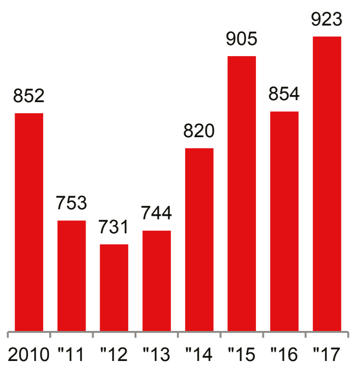
Meanwhile, construction activity appears to have found its footing in recent months. Cement deliveries were largely unchanged at 2.9 million tons in the first seven months of 2017, including an increase of 17.2% yoy to 466,360 tons in deliveries in July.

Stabilizing demand for cement at construction sites across the country reflects improvement in construction execution orders, which are issued right before a developer breaks ground, in 2016. Execution orders issued by the Order of Engineers and Architects in Beirut rose by 2.6% to 7.9 million sqm during the year, their first increase since the regional unrest started in 2010.

In North Lebanon, the Order of Engineers and Architects of Tripoli issued construction execution orders for 923,427 sqm in North Lebanon in the first 8 months of 2017, 8.1% more than in the same period in 2016.

Similarly, the area of construction permits issued by the country's two orders of engineers also increased by 4.5% yoy to 12.7 million sqm in the 12 months through August 2017, a positive sign for future construction activity.

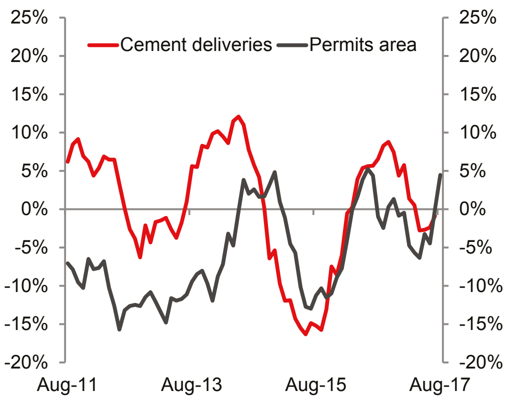
Execution orders issued by OET, N. Lebanon (Jan-Aug, '000 sqm)



Source: OET, Economena, SGBL Research

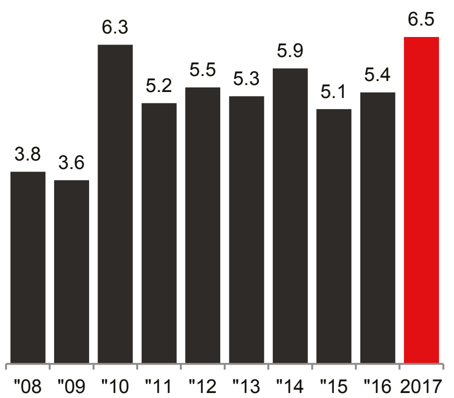
The total area of construction permits rose by 4.5% yoy to 12.7 million sqm in the 12 months through August 2017.

Construction indicators (12-month sum, %yoy)



Source: BdL, OEAB, OET, Economena, SGBL Research

Registered real estate sales (Jan-Aug, $bn)



Source: DLR, CAS, Economena, SGBL Research

FALLING PROVISIONS LIFT PROFITS AT ALPHA GROUP BANKS IN H1 2017

- **Net profits rose by 10.1% yoy to $1.2bn in the first half**
- **Doubtful and substandard loans reached 7.46% of gross loans by June**
- **Increased concentration in domestic lending activity as several banks retrench**

Lebanon's Alpha Group, the 14 banks with over $2bn in deposits, posted modest results in the first half of 2017, reflecting more robust banking activity in Lebanon relative foreign markets, as well as a wave of deconsolidation of foreign subsidiaries in Syria, Sudan, and Armenia.

Total assets grew by 2.6% to $222bn at the end of June, while non-domestic assets, representing 16.8% of the total, increased at a slower pace of 1.5% during the same period.

Net profits grew by 10.1% yoy to $1.2bn in the first six months of 2017, a record high for the period, including a sharp increase of 15.1% yoy in domestic net income to $962.9m. Going forward, banks' profitability will be challenged by a higher effective tax rate and limited new business, stated Moody's Investors Service, a credit rating agency, in September.

However, Moody's expects new provisioning needs to be low because banks used large one-off revenues in 2016 to book substantial collective provisions.

PROVISIONING CHARGES DECLINED

Provisions for credit losses plummeted by 41% yoy to $132m in the first half of the year, accounting for almost the entire increase in net profits over the period. Profits were also buoyed by net income from discontinued operations, which tripled to $95.3m in the first half.

Despite a drop in provision charges, collective provisions swelled by 32.2% yoy to $1.1bn at the end of June, in line with the Central Bank's intermediate circular 446 which required banks to allocate a portion of their exceptional revenues from swap transactions in 2016 towards additional collective provisions, equivalent to 2% of risk-weighted assets.

Alpha Group, H1 2017

	Assets ($bn)	Net Profit ($m)
Bank Audi	43.87	308.05
BLOM Bank	31.33	233.54
Bank of Beirut	17.63	96.82
Fransabank	21.39	84.73
SGBL	20.11	82.40
BankMed	16.33	79.38
Byblos Bank	21.79	66.27
BLF	12.46	64.25
IBL Bank	6.92	45.82
Credit Libanais	10.83	37.78
BBAC	6.78	26.28
Lebanon and Gulf Bank	4.30	23.25
First National Bank	4.59	13.62
Creditbank	3.71	9.37
Alpha Group	**222.03**	**1,171.56**

Source: Bankdata Financial Services, Economena, SGBL Research

Alpha banks also wrote off $1.5bn in debt in the first half of the year, 28% more than in the same period of 2016. Still, doubtful or substandard loans grew to 7.46% of gross loans by June 2017, compared with 6.45% in June 2016, pointing to a possible further increase in write-offs in coming months.

BANKING ACTIVITY ACCELERATED

Improvement in the domestic operating environment helped spur growth in lending activities at Alpha Group banks. Domestic loan portfolios grew by an aggregate 3.5% to $47.3bn, a net production of $1.6bn in the first half of 2017, compared with growth of 2.6% and a net production of $1.2bn over the same period in 2016.

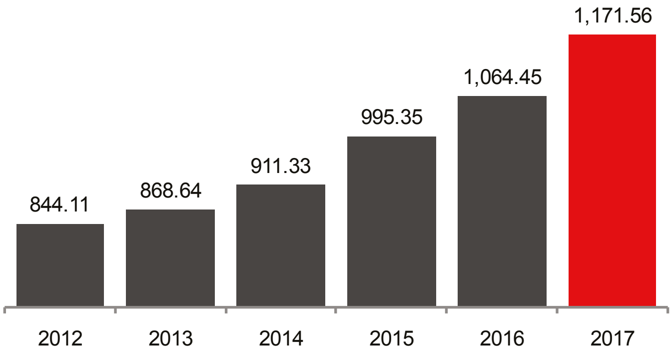
Meanwhile, total commercial bank claims on the private sector increased by $1.2bn in Lebanon in the first half of the year, pointing to shrinkage in loan portfolios at non-Alpha banks, and an increased concentration in private sector lending. Domestic loan growth was also disparate over the 14 Alpha banks, as four of the 14 banks in fact shrank their loan portfolios during the period.

Customer deposits grew at an even faster pace than loans, reflecting extensive efforts by banks to attract more foreign currency and take advantage of attractive returns offered by Banque du Liban. Aggregate deposits at the 14 Alpha banks increased by 6.1% yoy to $180.7bn, including growth of 7.3% yoy to $127.3bn in foreign currency deposits at the end of June.

The rising cost of funds, however, is weighing on spreads at virtually all banks, with the average spread tightening by 9 basis points to 1.84% since the start of the year.

Alpha banks' branch network also continued to expand with the addition of three branches in Lebanon and four abroad in the first half of the year, bringing the total at the end of June to 1,195 branches, 30% of which outside Lebanon. Similarly, Alpha Group banks increased their headcount by 531 staff to 31,085 staff, with 11 of the 14 banks reporting an increase in their headcount.

Net profits at Alpha Group banks (H1, $m)



Source: Bankdata Financial Services, Economena, SGBL Research

LATEST DATA

Key indicators	Unit	2016	Jun-17	Jul-17	Aug-17	%Y/Y	YTD	PYTD
Cleared cheques	$bn	68.14	5.56	6.15	n.a.	17.42	39.83	39.10
Real estate transactions	$bn	8.48	0.68	0.88	1.09	52.78	6.48	5.39
Construction permits	Sqm, m	12.23	0.93	0.97	1.24	21.35	8.62	8.12
Cement deliveries	Tons, m	5.27	0.38	0.47	n.a.	17.24	2.86	2.90
Tourist arrivals	m	1.69	0.18	0.25	0.21	17.24	1.29	1.14
Airport traffic	m	7.61	0.65	0.98	1.07	16.37	5.54	5.08
Balance of payments	$bn	1.24	-0.76	0.10	n.a.	-71.54	-1.02	-1.42
Money supply: M3	$bn	132.80	137.51	136.11	138.48	8.07	5.69	4.52
BSE volumes	m	120.47	4.06	5.92	8.06	-7.03	52.03	55.82
Passenger car sales		36,326	4,362	3,690	3,475	1.67	25,363	25,562
Hotel occupancy (average)	%	58.98	45	64	n.a.	0.80	61.90	56.84

Indices	Unit	2016	Jun-17	Jul-17	Aug-17	%Y/Y	%YTD
Consumer Confidence Index - ARA		113.83	112.00	124.00	101.00	1.00	-38.41
Consumer Price Index		96.24	99.61	99.43	100.48	5.10	1.57
Purchasing Managers' Index		45.68	46.10	46.30	46.30	2.89	-1.49
BdL Coincident Indicator		289.54	290.10	304.00	n.a.	11.56	4.04

Trade	Unit	2016	May-17	Jun-17	Jul-17	%Y/Y	YTD	PYTD
Imports	$bn	18.71	1.56	1.45	1.62	11.96	11.00	10.84
Exports	$bn	2.98	0.24	0.23	0.22	-11.84	1.65	1.63
Trade balance	$bn	-15.73	-1.32	-1.22	-1.40	16.86	-9.35	-9.21
Port of Beirut volumes	TEUs, m	1.15	0.12	0.12	0.10	12.99	0.73	0.67

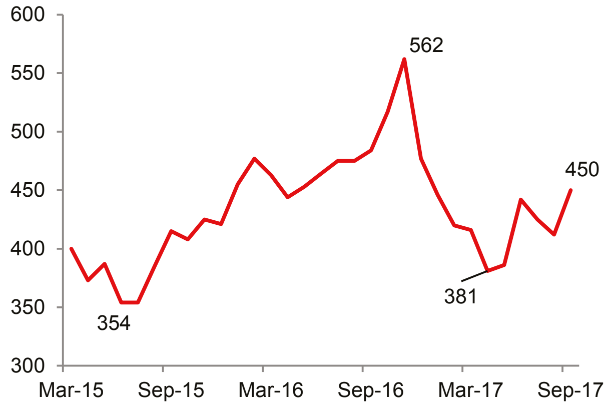
Financial and monetary	Unit	2016	May-17	Jun-17	Jul-17	%Y/Y	YTD	%YTD
Commercial bank assets	$bn	204.31	206.89	208.16	208.48	9.19	4.17	2.04
Claims on the resident private sector	$bn	51.04	52.06	52.79	52.90	6.71	1.86	3.64
Claims on the non-resident private sector	$bn	6.14	5.82	5.63	n.a.	-12.38	-0.51	-8.25
Claims on the public sector	$bn	34.72	37.43	35.96	34.57	-5.38	-0.16	-0.45
Resident private sector deposits	$bn	128.53	131.80	132.96	133.63	8.87	5.10	3.97
Dollarization rate (average)	%	59.36	61.19	61.43	61.56	2.31	60.92	1.03
Non-resident private sector deposits	$bn	33.96	34.34	34.77	34.75	7.52	0.79	2.34
Dollarization rate (average)	%	86.12	87.27	86.90	87.36	1.17	87.05	1.01
Private sector deposits with commercial banks	$bn	162.49	166.14	167.73	168.39	8.59	5.89	3.63
Private loans / deposits	%	40.23	39.50	39.70	39.58	-0.80	39.47	0.98
Public sector deposits	$bn	9.46	10.19	9.79	10.31	4.81	0.84	8.92
BdL foreign assets	$bn	44.73	44.41	43.61	n.a.	-3.82	-1.12	-2.50
BSE market capitalization	$bn	11.90	11.72	11.57	11.39	2.74	-0.52	-4.33
Gross public debt	$bn	74.89	76.71	76.45	76.89	4.77	2.00	2.67

Public finance	Unit	2016	Dec-16	Jan-17	Feb-17	%Y/Y	YTD	PYTD
Revenues	$bn	9.92	0.81	1.21	0.63	-0.52	1.85	1.75
Value Added Tax	$bn	2.15	0.11	0.34	0.11	-63.97	0.45	0.42
Telecommunications	$bn	1.27	0.19	0.17	0.10	-6.84	0.27	0.26
Income taxes	$bn	2.00	0.08	0.27	0.10	-60.81	0.36	0.33
Customs taxes	$bn	1.40	0.12	0.11	0.10	1.02	0.21	0.21
Expenditures	$bn	14.87	1.35	0.85	1.16	0.69	2.01	2.47
Transfers to EdL	$bn	0.93	0.11	0.06	0.14	158.86	0.21	0.09
Debt service	$bn	4.77	0.39	0.21	0.26	12.28	0.47	0.46
Primary balance	$bn	0.02	-0.14	0.59	-0.26	-6.04	0.33	-0.24
Fiscal balance	$bn	-2.79	-0.54	0.36	-0.52	2.19	-0.16	-0.73

YTD: year-to-date, PYTD: previous year-to-date. Source: MoF, BdL, BSE, ARA, Customs, Markit, EY, RHIA, CAS, Economena, SGBL Research

Lebanon 5-yr CDS spreads, 5 year Mid

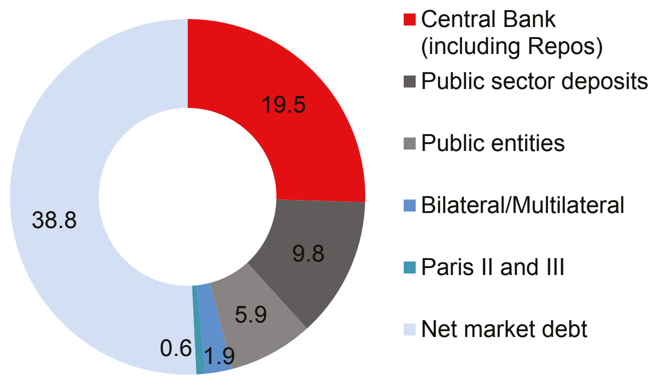
Lebanon's 5-year Credit Default Swap spreads, the cost to insure against a possible default, tightened by 27 basis points in the first nine months of 2017, reflecting easing concerns over emerging market debt. Egypt and Turkey, however, saw their spreads tighten by even more during the period, reaching 355bps and 187bps respectively by September 29.



Source: IHS Markit, Bloomberg, Economena, SGBL Research

Gross public debt (June 2017, $bn)

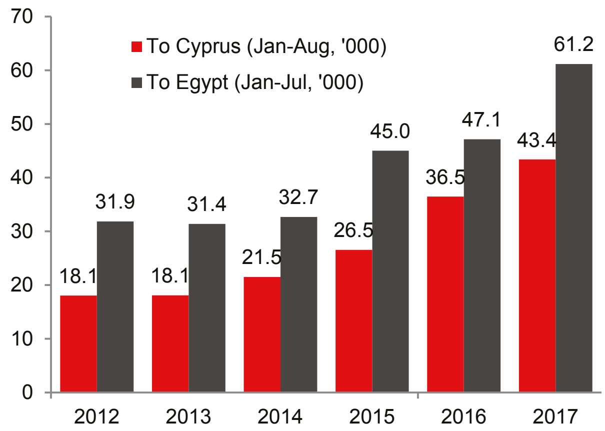
Lebanon's stock of market debt rose to 93.7% of GDP by July 2017, up from 90% at the end of 2016. However, an estimated 41.8% of Lebanon's net public debt is held by public or government-related entities, particularly Banque du Liban and the National Social Security Fund, as well as donor countries.



Source: BdL, ABL, Economena, SGBL Research

Lebanese arrivals in foreign countries

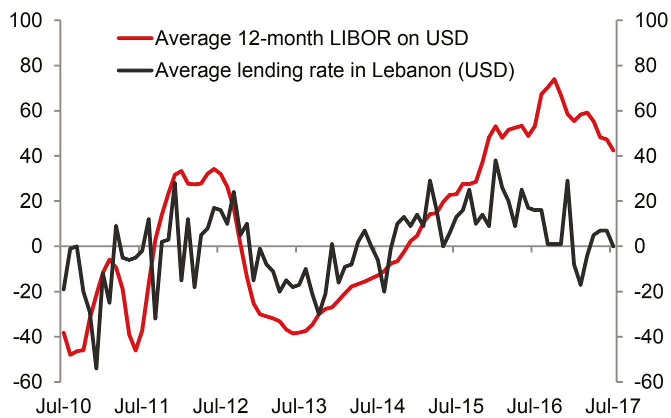
Private consumption, including tourism, is driving much of the economic improvement in recent months, but growing demand for tourism abroad is offsetting much of the gains. Lebanese visitors to Cyprus rose by 19% yoy to 43,375 visitors in the first eight months of 2017, and arrivals to Egypt surged by 29.8% yoy to 61,169 visitors through July.



Source: CAPMAS, SSC, Economena, SGBL Research

Interest rates

Foreign currency borrowing rates in Lebanon have not kept up with changes in LIBOR rates on USD over the past 18 months. Lending rates averaged 7.25% by July 2017, unchanged from July 2016, while 12-month LIBOR rates rose by 42 basis points to 1.74% over the same period.



Source: BdL, ABL, Economena, SGBL Research