

LEBANON THIS WEEK

In This Issue

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

President Elect Joseph Aoun lays out ambitious vision for his term

Presidential election provides positive signal for reforms

Banking sector pledges to support President Aoun's efforts for fair deposits solution

Banque du Liban's liquid foreign reserves at \$10.13bn, gold reserves at \$24.1bn at end-2024

Customs receipts at LBP24,437bn in first half of 2024

Nearly 75% of Treasury securities in Lebanese pounds have seven-year maturities or longer at end-November 2024

Purchasing Managers' Index improves in December 2024

Number of registered real estate transactions up 58% in first 11 months of 2024

Food Price Index up 10.6% year-on-year in November 2024

Ministry of Finance extends deadlines for tax declarations and payments

Draft law provides wide tax exemptions for war-damaged companies

Number of airport passengers down 21% in 2024

Government appeals for additional \$371.4m to support displaced population

Corporate Highlights

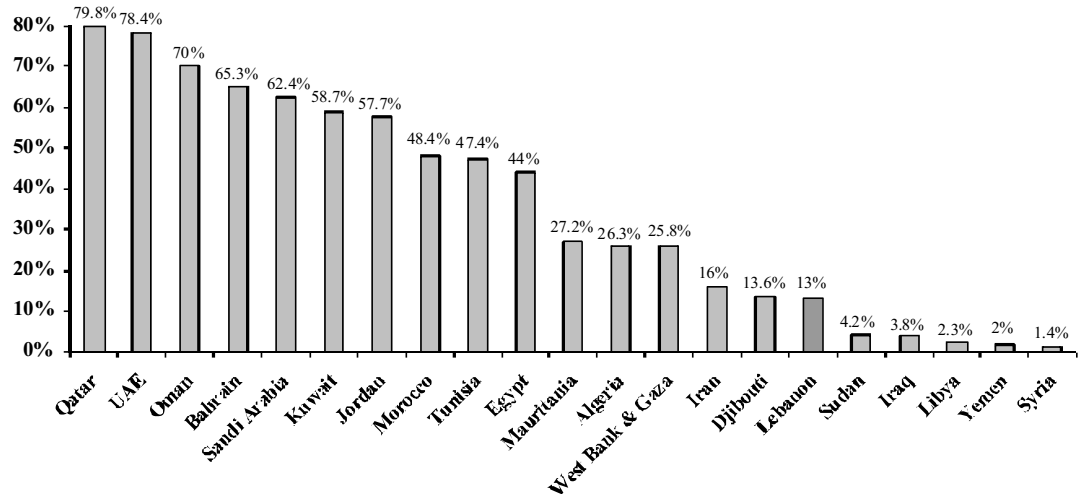
Net income of Syrian affiliates of Lebanese banks at SYP82bn in first nine months of 2024

Solidere holds Ordinary General Assembly

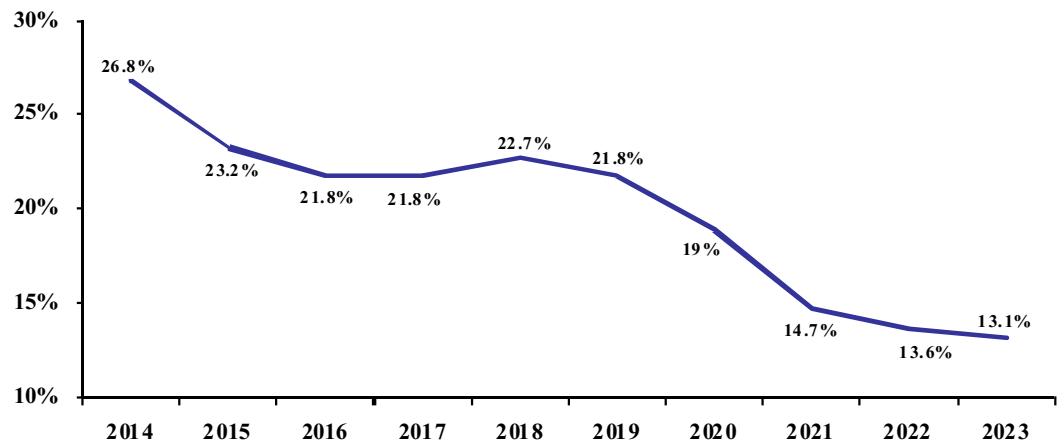
Ratio Highlights.....14
National Accounts, Prices and Exchange Rates14
Ratings & Outlook.....14

Charts of the Week

Percentile Rankings of Middle East and North Africa Countries on the Rule of Law Indicator for 2023 (%)



Percentile Rankings of Lebanon on the Rule of Law Indicator (%)



Source: World Bank World Governance Indicators for 2023, Byblos Bank

Quote to Note

"The election of a president offers renewed hope and an opportunity to strengthen the State's authority across Lebanon and to advance comprehensive and sustainable reforms."

Ms. Jeanine Hennis-Plasschaert, the United Nations Special Coordinator for Lebanon, on the expectations following the election of General Joseph Aoun as President of the Lebanese Republic

Number of the Week

32: Number of months that the Council of Ministers has been operating in a caretaker capacity

Lebanon in the News

\$m (unless otherwise mentioned)	2021	2022	2023	% Change*	Dec-22	Nov-23	Dec-23
Exports	3,887	3,492	2,995	-14.2%	272	290	240
Imports	13,641	19,053	17,524	-8.0%	1,251	1,253	1,303
Trade Balance	(9,754)	(15,562)	(14,529)	-6.6%	(979)	(963)	(1,063)
Balance of Payments	(1,960)	(3,197)	2,237	-170.0%	17	186	591
Checks Cleared in LBP**	18,639	27,146	4,396	-83.8%	3,686	359	404
Checks Cleared in FC**	17,779	10,288	3,109	-69.8%	577	106	183
Total Checks Cleared**	36,418	37,434	7,505	-80.0%	4,263	465	587
Fiscal Deficit/Surplus	2,197	-	-	-	-	-	-
Primary Balance	5,009	-	-	-	-	-	-
Airport Passengers	4,334,231	6,360,564	7,103,349	11.7%	551,632	323,523	481,470
Consumer Price Index	154.8	171.2	221.3	5,014bps	122.0	211.9	192.3

\$bn (unless otherwise mentioned)	Dec-22	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	% Change*
BdL FX Reserves	10.40	8.82	8.91	9.14	9.37	9.64	-7.3%
In months of Imports	-	-	-	-	-	-	-
Public Debt	101.81	-	-	-	-	-	-
Bank Assets	169.06	113.72	112.69	112.25	112.58	115.25	-31.8%
Bank Deposits (Private Sector)	125.72	95.59	95.17	94.64	94.97	94.75	-24.6%
Bank Loans to Private Sector	20.05	8.92	8.69	8.58	8.53	8.32	-58.5%
Money Supply M2	77.34	6.64	6.77	6.48	6.78	6.72	-91.3%
Money Supply M3	152.29	78.38	78.10	77.42	77.74	77.75	-48.9%
LBP Lending Rate (%)	4.56	3.77	4.36	3.34	3.29	3.97	20
LBP Deposit Rate (%)	0.60	0.41	0.49	1.02	1.41	0.55	14
USD Lending Rate (%)	4.16	2.40	3.15	3.70	3.08	1.95	(45)
USD Deposit Rate (%)	0.06	0.03	0.03	0.05	0.05	0.03	0

*year-on-year

**checks figures do not include compensated checks in fresh currencies

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 %
Audi GDR	2.35	0.0	63,000	1.0%	Feb 2025	6.20	16.00	4,500.00
BLOM GDR	5.30	2.5	43,462	1.4%	Jun 2025	6.25	16.00	1,277.03
Solidere "A"	126.00	6.8	31,165	45.5%	Nov 2026	6.60	16.00	126.51
Solidere "B"	125.00	5.9	23,201	29.3%	Mar 2027	6.85	16.00	103.81
Audi Listed	2.55	2.8	10,840	5.4%	Nov 2028	6.65	16.00	54.49
Byblos Common	1.25	8.7	2,000	2.6%	Feb 2030	6.65	16.00	39.22
HOLCIM	70.10	0.0	280	4.9%	Apr 2031	7.00	16.00	31.46
BLOM Listed	5.00	(20.0)	-	3.9%	May 2033	8.20	16.00	23.22
Byblos Pref. 09	29.99	0.0	-	0.2%	Nov 2035	7.05	16.00	17.71
Byblos Pref. 08	25.00	0.0	-	0.2%	Mar 2037	7.25	16.00	15.61

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

Source: Refinitiv

	Jan 7-10	Dec 30 - Jan 3	% Change	December 2024	December 2023	% Change
Total shares traded	180,149	173,480	3.8	1,636,678	1,944,115	(15.8)
Total value traded	\$6,898,397	\$9,864,354	(30.1)	\$71,132,605	\$141,539,181	(49.7)
Market capitalization	\$27.72bn	\$26.63bn	4.2	\$26.95bn	\$20.48bn	31.6

Source: Beirut Stock Exchange (BSE)



President Elect Joseph Aoun lays out ambitious vision for his term

The Lebanese Parliament elected on January 9, 2025 General Joseph Aoun, the Commander in Chief of the Lebanese Armed Forces, as the 14th President of the Lebanese Republic with 77.3% of the votes.

In his acceptance speech, the President Elect considered that Lebanon faces a crisis of governance, and pledged to change the political performance in terms of maintaining security and securing the borders, in terms of economic policies and social affairs, regarding the image of Lebanon abroad and its relations with Lebanese expatriates, in the approach to accountability and oversight, and in the fight against unemployment and poverty, among others.

He also vowed to protect individual and group liberties based on the rule of law and on governance that preserves rights on the basis of accountability and equality among citizens. He declared that he will fight smuggling, money laundering, the drug trade, as well as interference in the judiciary, and that all citizens have to be under the law.

Further, he pledged to work with the incoming government to enact a new draft law for the independence of the judiciary in its administrative, financial and judicial components, to modernize the work of public prosecutors, to conduct judicial appointments based on merit, to simplify due process and to accelerate court decisions, in order to combat corruption and attract investments.

In addition, President Elect Aoun vowed to restructure the public sector, to appoint individuals to first-category posts in the public administration and institutions on a rotational basis, and to establish regulatory authorities and appoint their members, in order to form the basis of a modern, electronic, efficient and transparent public administration that protects consumers, prevents monopolies, encourages competition, contains wasteful spending, properly manages public assets, activates oversight bodies, adequately plans and prepares the budget and manages the public debt, and manages public projects transparently.

Also, he pledged to have the best relations with Arab countries, and to build strategic partnerships with the Gulf Cooperation Council countries and with states in the Levant area, to abide by the principle of “positive neutrality” in Lebanon’s foreign relations, and to attract Arab tourists, students and investors, in order to build complementary and cooperative economies in the region. He added that Lebanon needs to be open to the West and to the East and to activate its relations with the international community and with the friends of Lebanon around the world.

Further, he stressed the right of the Lebanese State to be the sole bearer of arms and weapons, and for the Lebanese Armed Forces to control and demarcate the borders, to prevent smuggling, combat terrorism, implement international resolutions, respect the armistice accord, and prevent Israeli attacks on the Lebanese territory. He also vowed to rebuild transparently the areas that the Israeli war destroyed in the South, the Bekaa and the southern suburbs of Beirut.

In parallel, President Elect Aoun pledged to maintain the country’s free market economy and individual property rights, to reactivate the functioning of the banking sector under the ceilings of governance and transparency, and to protect the funds of depositors.

He also vowed to strengthen social safety nets, especially social security and healthcare services, as well as to protect the environment and respect the freedoms of the press and of expression within the constitutional and legal frameworks. Further, he pledged to invest in education, in public schools and the Lebanese University, and to preserve private education.

Finally, the President Elect stated that it is the responsibility of members of Parliament, ministers, the judicial system, political parties and civic society to contribute and to cooperate with the presidency in order to fulfill these pledges.

Presidential election provides positive signal for reforms

Bank of America (BofA) considered that the election of Lebanese Army Commander Joseph Aoun as President of the Lebanese Republic, after more than 26 months of vacancy, could lead to international pledges for reconstruction and financial support with the implementation of reforms. Further, it noted that the appointment of new ministers to the prospective government will be crucial for any meaningful reform efforts to gain traction. It considered that the current political gridlock in Parliament could continue to hinder progress, as one of the major obstacles to reforms consists of reaching a consensus on the restructuring of the banking sector, including on how to address the financial losses, as the recent attempts to develop a plan for the sector's restructuring have been unsuccessful. Also, it stressed the importance of appointing a new governing body at Banque du Liban by June 10, 2025, the expiration date of the terms of the current BdL Vice Governors.

Further, it pointed out that Lebanon's poor track record of reform implementation reflects wide opposition across the political spectrum to the reforms relate to the International Monetary Fund (IMF). It noted that the recent upward revision of the size of the country's gross domestic product according to IMF guidelines provides some flexibility in conducting a debt sustainability analysis, which allows for a more accommodating approach within the IMF framework. Also, it considered that the government's unorthodox banking sector resolution proposals, which deviated from the conditions of the Staff Level Agreement with the IMF and have been influenced by domestic political concerns, could significantly increase the government's liabilities, although the authorities could reach a compromise on the resolution of the banking sector.

Also, BofA noted that bondholders may gradually lose their claim to Past Due Interest (PDI) on the defaulted Lebanese Eurobonds starting in March 2025, which is five years after the previous government decided in March 2020 to default on its Eurobonds obligations. It said that the Lebanon bond indenture and Fiscal Agency Agreement (FAA) include a clause that stipulates that the Notes, receipts and coupons will become void if their holders do not submit them for payment within 10 years for the principal and within five years for the interest after the date on which the first payment becomes due.

In parallel, it indicated that the caretaker Council of Ministers approved on January 7, 2025 a three-year extension of the prescription clause for principal and coupon payments on the defaulted Eurobonds, which supports the preservation of the bondholders' contractual rights. It said that the Cabinet's statement indicated its "willingness" to implement a restructuring of the Eurobonds "when circumstances allow and in accordance with the general interest". It noted that it is unlikely that domestic depositors will react negatively to a minor amendment to the bonds' terms if it involves unequal treatment among creditor classes, given the strong technical support to bond terms and the timing of the move during the ongoing political developments.

Further, BofA noted that Lebanese Eurobonds have rallied substantially in recent months, as the price of the Eurobond that matures on March 23, 2032, increased from 6.25 cents on the US dollar to 16 cents on the dollar on January 9, 2025. It attributed the increase to the anticipation of a temporary ceasefire agreement on the cessation of hostilities between Hezbollah and Israel, which nearly doubled the value of the bonds, as well as to the recent collapse of the Syrian regime, which increased the bond's price. It expected a third leg of the rally driven by the election of the market-friendly president, building on the momentum so far. Still, it considered any sustained rally in the medium-term to be unlikely. Further, it expected the recovery value of the bonds to have a resistance level of 20 cents on the dollar, which may trigger a wave of selling activity by many bondholders.

Banking sector pledges to support President Aoun's efforts for fair deposits solution

The Association of Banks in Lebanon (ABL) declared that the election of the election of Lebanese Army Commander Joseph Aoun as President of the Lebanese Republic carries with it hope for a better future for Lebanon and restores the international community's confidence in the country.

It indicated that the election constitutes a pivotal juncture in Lebanon's history, particularly in light of his clear commitment to reforming the public administration and public finances; combating money laundering, terrorism financing, and drug trafficking; in addition to consolidating the independence and integrity of the judiciary. It considered that this commitments is essential to addressing the root causes that led to Lebanon's inclusion on the Financial Action Task Force's list of "jurisdictions under increased monitoring" and for its reintegration to the global financial system.

Further, the ABL noted the President's pledge to reach a fair solution to the issue of deposits at commercial banks, and expressed its readiness to assume its responsibilities, along with with Banque du Liban (BdL) and the Lebanese State, to protect the rights of depositors along the Consultative Council 's decision last year that prohibits the inclusion in any of the draft laws that aim to address the financial gap at BdL that could lead to haircuts on depositors' funds. In addition, the ABL pledged its support for the reform efforts that the President is leading in order for Lebanon to regain its leading position as a financial center in the region, and in order for banks to resume their national role of financing the productive economy.

Banque du Liban's liquid foreign reserves at \$10.13bn, gold reserves at \$24.1bn at end-2024

Banque du Liban's (BdL) interim balance sheet shows that its total assets reached LBP8,318.7 trillion (tn) on December 31, 2024, relative to LBP8,390.8tn at mid-December 2024 and to LBP8,398tn at end-November 2024. BdL indicated that it revised its balance sheet figures starting on October 15, 2024 in accordance with international standards. It said that it changed the classification of "Foreign Assets" to "Foreign Reserve Assets" in order to present non-resident and liquid foreign assets only, while it reclassified the "other resident and/or illiquid items" to its "Securities Portfolio" or to the "Loans to the Local Financial Sector" entries.

BdL noted that its decision is in accordance with the Central Council's Decision 13588 dated October 25, 2023, in order to ensure the alignment of the balance sheet entries with international standards and with the implementation of international best practices.

As such, BdL's Foreign Reserve Assets stood at \$10.13bn at end-2024, compared to \$10.18bn at mid-December 2024, \$10.15bn at end-November 2024 and to \$9.32bn at end-2023. Also, they increased by \$25.8m in the first half of December and decreased by \$41m in the second half of the month. As such, they contracted by \$15.2m in December 2024, as well as by \$113m in November 2024 and by \$402.1m in October 2024; while they increased by \$1.56bn between the end of July 2023 and end-2024. The dollar figures are based on the exchange rate of the Lebanese pound of LBP89,500 per US dollar starting on February 15, 2024, according to the BdL Central Council's Decision No. 48/4/24 dated February 15, 2024.

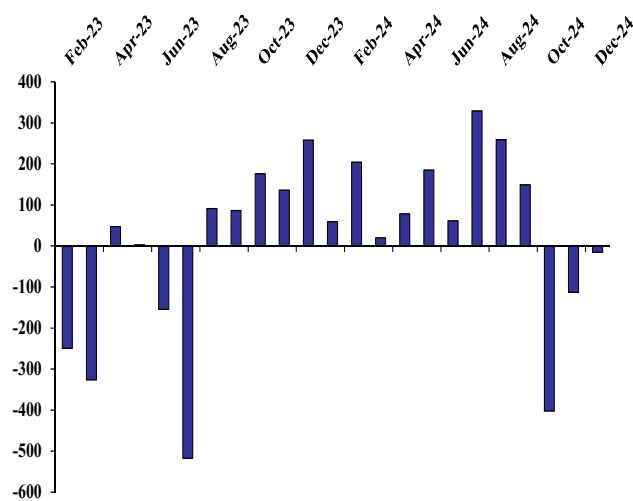
Further, the value of BdL's gold reserves stood at \$24.1bn at end-2024, relative to \$24.6bn at mid-December 2024 and to \$19.17bn at end-2023. The value of gold reserves reached a peak of \$25.6bn at end-October 2024. Also, BdL's securities portfolio totaled LBP555,935bn at end-2024 relative to LBP555,887bn at mid-November 2024. BdL noted that the securities portfolio includes Lebanese Eurobonds that have a market value of \$671.2m as at mid-December 2024 relative to \$657.9m in mid-December 2024 and to \$498.8m at end-November 2024. Prior to the modifications, BdL included the nominal value of its Lebanese Eurobonds portfolio in the foreign assets item. In addition, loans to the local financial sector stood at LBP39,639.6bn at end-2024 compared to LBP38,788.1bn at mid-December 2024.

Moreover, Deferred Open-Market Operations totaled LBP136,633bn at end-2024 relative to LBP177,004bn at mid-December 2024 and to LBP118,971.3bn at end-2023. BdL said that, based on the Central Council's decision 23/36/45 of December 20, 2023, it has started to present all deferred interest costs originating from open-market operations under this new line item. As a result, it transferred all deferred interest costs included in the "Other Assets" and "Assets from Exchange Operations" entries to the new item. Therefore, the item "Other Assets" stood at LBP13,937.4bn at end-2024 relative to LBP26,823.2bn two weeks earlier.

Also, the Revaluation Adjustments item on the asset side reached LBP3,020,901.4bn at end-2024 relative to LBP2,989,110.5bn at mid-December 2024. It consists of a special account called the "Exchange Rate Stabilization Fund", in which BdL recorded all the transactions related to foreign exchange interventions to stabilize the exchange rate starting in 2020 and that had a balance of LBP163.35tn at end-2024 relative to LBP163.16tn at mid-December 2024. It also consists of a special account in the name of the Treasury that stood at LBP2,857.6tn at end-2024 compared to LBP2,825.9tn at mid-December 2024. The account includes the differences between the countervalue at the official exchange rate of BdL's gold and currency holdings and the value of these holdings at the market exchange rate, as well as the profits or losses on BdL's gold and currency holdings from the modification of the official exchange rate of the Lebanese pound or of a foreign currency exchange rate. Further, the balance sheet shows that BdL's loans to the public sector totaled LBP1,486,943bn at end-2024 relative to LBP1,486,926bn two weeks earlier.

On the liabilities side, BdL's balance sheet shows that currency in circulation outside BdL stood at LBP65,563.9bn at end-2024 compared to LBP55,810.8bn at mid-December 2024, and represented an increase of 13% from LBP58,095.6bn at end-2023. Further, the deposits of the financial sector reached LBP7,636.2tn or the equivalent of \$85.3bn at end-2024, relative to LBP7,652.6tn, or \$85.5bn, at mid-December 2024 and to LBP1,338.7tn or \$89.2bn at end-2023; while public sector deposits at BdL totaled LBP533,826.5bn at end-2024 compared to LBP541,013.1bn at mid-December 2024 and to LBP185,993.2bn at end-2023.

Change in Foreign Reserve Assets* (US\$m)



*month-on-month change

Source: Banque du Liban, Byblos Research

Customs receipts at LBP24,437bn in first half of 2024

Figures released by Banque du Liban indicate that customs revenues totaled LBP24,436.6bn in the first half of 2024, compared to LBP13,227.3bn in the same period of 2023, to LBP1,045.6bn in the first half of 2022, and to LBP771.5bn in the same period of 2021. Customs receipts in the first half of 2024 represent an increase of 84.7% from the same period of 2023, relative to a jump of 1,165% in the first half of 2023 from the same period of 2022, and to a growth of 35.5% in the first half of 2022 from the same period of 2021. Further, customs revenues reached LBP3,487.8bn in January, LBP3,280.7bn in February, LBP3,246.1bn in March, LBP3,959bn in April, LBP5,588.7bn in May, and LBP4,874.3bn in June 2024. In comparison, they stood at LBP766.4bn in January, LBP1,069bn in February, LBP1,970.6bn in March, LBP2,019.2bn in April, LBP3,590.8bn in May, and LBP3,811.3bn in June 2023.

Further, customs revenues reached LBP10,014.6bn in the first quarter and LBP14,422bn in the second quarter of 2024. In comparison, they stood at LBP3,806bn in the first quarter and LBP9,421.3bn in the second quarter of 2023. This constituted surges of 163% in the first quarter and 53% in the second quarter of 2024 from the corresponding quarters of 2023. The sharp increase in customs receipts is due to the adjustment of the exchange rate of the Lebanese pound to the US dollar for customs purposes in the fourth quarter of 2022 from LBP1,507.5 to LBP15,000 per dollar, as well as to LBP45,000 per dollar in the first quarter of 2023, and to LBP60,000 per dollar from May 2 until May 12, 2023.

Further, the Ministry of Finance increased the monthly average exchange rate of the Lebanese pound for calculating the taxes and fees at customs on imported goods and products to LBP86,000 per dollar starting on May 13, 2023. As such, the ministry said that the exchange rate for the currencies of Lebanon's main import sources became LBP86,000 for the US dollar, LBP93,832 for the euro, LBP106,697 for the British pound, LBP94,910 for the Swiss franc, LBP23,415 for the UAE dirham, LBP12,493 the Chinese yuan, LBP4,466 for the Turkish lira, LBP2,781 for the Egyptian pound, LBP1,049 for the Indian rupee, and LBP646.8 for the Japanese yen, among others. Also, Banque du Liban announced on December 19, 2023 that it has modified the exchange rate of the US dollar on the Sayrafa platform from LBP85,500 per dollar to LBP89,500 per dollar.

The latest available figures issued by Lebanese Customs show that total imports reached \$17.5bn in 2023 and regressed by 8% from \$19.05bn in 2022. Non-hydrocarbon imports decreased by \$593.4m, or by 4.4%, to \$12.9bn in 2023, while the imports of oil & mineral fuels contracted by \$936.4m, or by 17%, to \$4.64bn.

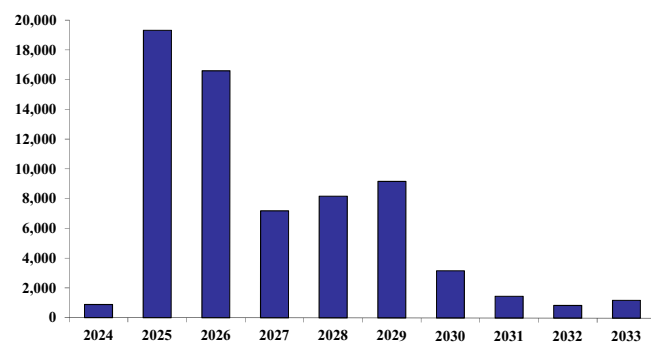
Nearly 75% of Treasury securities in Lebanese pounds have seven-year maturities or longer at end-November 2024

Figures released by the Association of Banks in Lebanon show that the face value of outstanding Treasury securities denominated in Lebanese pounds stood at LBP68,045bn at the end of November 2024, compared to LBP70,498bn at end-October 2024 and to LBP88,751bn at end-November 2023. The securities were equivalent to \$760.3m at the end of November 2024 based on the exchange rate of LBP89,500 per US dollar, according to the BdL Central Council's Decision No. 48/4/24 dated February 15, 2024. The weighted interest rate on Lebanese Treasury securities was 6.53% in November 2024 compared to 6.31% in November 2023.

Also, the distribution of outstanding Treasury securities shows that 10-year Treasury bonds totaled LBP31,045bn and accounted for 45.6% of aggregate securities denominated in Lebanese pounds at the end of November 2024, followed by seven-year Treasury securities with LBP14,920bn (22%), five-year Treasury bonds with LBP8,984bn (13.2%), three-year Treasury securities with LBP5,116bn (7.5%), two-year Treasury bonds with LBP3,409bn (5%), 12-year Treasury securities with LBP3,076bn (4.5%), 15-year Treasury bonds with LBP1,417bn (2.1%), and one-year T-bills with LBP78bn (0.1%). As such, 74.2% of outstanding Treasury securities have seven-year maturities or longer and 87.4% have five-year maturities or more.

In parallel, LBP2,453bn in outstanding Treasury securities denominated in Lebanese pounds matured in November 2024. The distribution of maturing securities shows that 43.5% consisted of five-year Treasury bonds, 22.3% were one-year Treasury bills, 16.3% consisted of two-year Treasury bonds, 12.2% consisted of three-year Treasury bonds, and 5.6% were seven-year Treasury securities. According to ABL, LBP881bn in outstanding Treasury securities in Lebanese pounds mature in December 2024.

Projected Maturities of Treasury Securities in LBP* (LBP billions)



*as at end-November 2024

Source: Association of Banks in Lebanon, Byblos Research

Purchasing Managers' Index improves in December 2024

The BLOM Lebanon Purchasing Managers' Index (PMI), an indicator of operating conditions in Lebanon's private sector, stood at 48.8 in December 2024 relative to 48.7 in November 2024 and to 48.4 in December 2023, and came higher than the PMI's trend average of 46.7 since the index's inception in May 2013. Also, the December result was the highest outcome of the index since April 2024 when it stood at 48.9. The PMI's score reflects a surge in business confidence, given that surveyed companies recorded their most optimistic assessment of the 12-month outlook on record as the ceasefire between Israel and Hezbollah that went into effect on November 27 boosted sentiment. Further, the PMI averaged 48.1 in 2024 compared to 49.2 in 2023, and has remained below the 50 mark since August 2023. A score that exceeds 50 signals positive business activity, while a score that is lower than 50 shows a deterioration in activity.

The survey's results show that the New Orders Index rose from 46.4 in November 2024 to 47.9 in December 2024, reflecting a significant increase in the amount of new business that private sector firms in Lebanon received.

In addition, the New Export Orders Index stood at 48.6 in December relative to 44.2 in the previous month, as it recovered in November from its lowest level in October 2024, reflecting an increase in demand from foreign clients. The survey noted that the month-on-month pace of the decrease was the slowest in the March to December 2024 period, given that the result is still below the 50-mark.

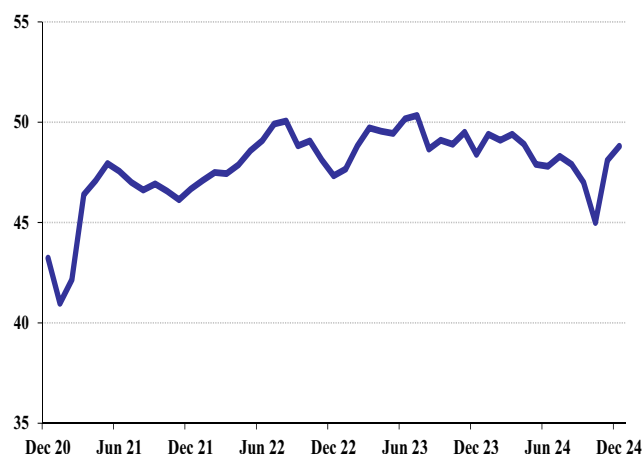
Further, the survey indicated that the Output Index increased from 46 in November to 47.7 in December 2024, reflecting an improvement in production. However, businesses noted that the escalation of the conflict between Israel and Hezbollah kept the output index score below the 50 mark. The survey noted that their demand improved in some sectors, although some companies cited limited commercial activity during the covered month.

Also, the Employment Index surged from 49.6 in November to 49.8 in December 2024, signaling stable employment levels across Lebanon's private sector. Further, the results show that the Backlogs of Work Index stood at 49.5 in December 2024 compared to 47.6 in November 2024, indicating an increase in the level of completion of outstanding projects in the country's private sector.

In parallel, the survey indicated that the Suppliers' Delivery Times Index reached 49.5 in December 2024 relative to 48.2 in November 2024, and came lower than the 50 mark for the fourth time since May 2024. The survey respondents said that private sector firms in Lebanon reported an improvement in the efficiency of their suppliers or vendors. Also, the Stocks of Purchases Index stood at 50 in the covered month compared to 49.7 in November 2024, as businesses noted the stability of their inventory levels in December 2024.

The PMI is a weighted average of five individual sub-components that are New Orders with a weight of 30%, Output (25%), Employment (20%), Suppliers' Delivery Times (15%), and Stocks of Purchases (10%). The calculation of the PMI is based on data compiled from responses to questionnaires sent to purchasing executives at about 400 private sector companies in Lebanon across the manufacturing, services, construction and retail sectors. The sample selection is based on each sector's contribution to GDP. The survey is compiled monthly by S&P Global Market Intelligence.

BLOM Lebanon Purchasing Managers' Index



Source: BLOM Bank, S&P Global Market Intelligence

Components of BLOM Lebanon Purchasing Managers' Index

	Output	New Orders	New Export Orders	Future Output	Employment
July 2024	47.2	46.9	47.2	21.6	49.5
August 2024	46.5	46.1	47.5	19.5	49.8
September 2024	44.5	44.5	44.3	23.0	49.9
October 2024	41.5	40.7	31.2	8.2	49.6
November 2024	46.0	46.4	44.2	15.3	49.6
December 2024	47.7	47.9	48.6	61.8	49.8

Source: BLOM Bank, S&P Global Market Intelligence



Number of registered real estate transactions up 58% in first 11 months of 2024

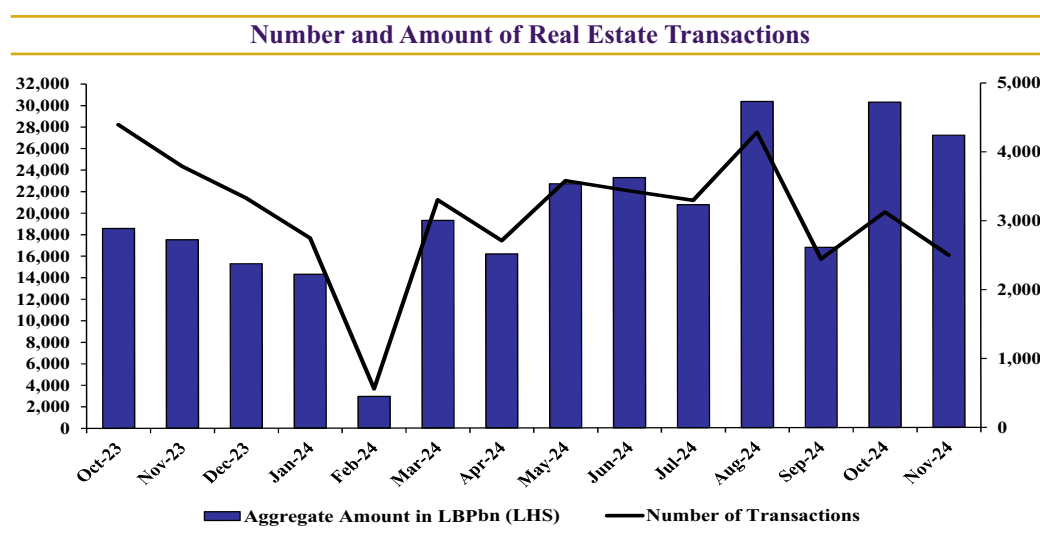
Figures released by the Ministry of Finance show that the ministry registered 32,056 real estate transactions in the first 11 months of 2024, constituting a surge of 57.6% from 20,339 real estate transactions in the same period of 2023. In comparison, the ministry registered 77,380 real estate transactions in the first 11 months of 2022 and 93,654 real estate deals in the same period of 2021. The rise in the number of registered transactions in the first 11 months of 2024 is due mainly to the resumption of activity at the General Directorate of Land Registry and Cadastre (GDLRC) in most districts across the country, as repeated strikes by public sector employees delayed for long periods of time the registration of real estate transactions.

Further, the ministry registered 8,412 real estate transactions in the North in the first 11 months of 2024, representing 26.2% of the total. The Bekaa/Baalbeck-Hermel region followed with 6,106 deals or 19% of the total, then the South governorate with 4,965 transactions (15.5%), Beirut with 3,386 deals (10.6%), the Keserwan/Jbeil region with 3,363 deals (10.5%), the Nabatieh governorate with 2,820 transactions (8.8%), the Northern Metn district with 954 transactions (3%), and the Baabda/Aley/Chouf area with 778 deals (2.43%). In addition, the GDLRC registered 2,500 transactions in November 2024, down by 20% from 3,126 real estate deals in October 2024.

In parallel, the aggregate amount of registered real estate transactions stood at LBP223,805.4bn in the first 11 months of 2024 relative to LBP92,107.2bn in the same period last year. In comparison, the amount of real estate deals was LBP19,513.6bn in the first 11 months of 2022 and LBP20,158.8bn in the same period of 2021. Further, the value of registered real estate transactions in Beirut was LBP89,760.2bn and accounted for 40% of the total in the first 11 months of 2024. The Keserwan/Jbeil area followed with LBP33,744.9bn (15%), the South governorate with LBP27,717.4bn (12.4%), then the North region with LBP26,678.5bn (12%), the Bekaa/Baalbeck-Hermel region with LBP13,932.9bn (6.2%), the Northern Metn district with LBP12,334.6bn (5.5%), the Nabatieh governorate with LBP8,733.6bn (4%), and the Baabda/Aley/Chouf area with LBP7,738.2bn (3.5%). In addition, the aggregate amount of real estate transactions reached LBP27,167.1bn in November 2024, constituting a decrease of 10% from LBP30,232.1bn in October 2024. The GDLRC noted that complete figures for the Nabatieh and Saida districts are not available due to the prevailing war during the covered month.

In parallel, the average amount per registered real estate transaction was LBP7bn in the first 11 months of 2024 and jumped by 54.2% from an average of LBP4.5bn in the same period of 2023. Further, there were 708 real estate transactions executed by foreigners in the covered period compared to 373 deals in the same period of 2023, 795 transactions in the first 11 months of 2022, and 1,308 deals in the same period of 2021. The number of real estate deals by foreigners accounted for 2.2% of the registered real estate transactions in the first 11 months of 2024, up from 1.8% in the same period of 2023, and relative to 1% in the first 11 months of 2022 and to 1.4% in the same period of 2021.

Further, 27.3% of real estate transactions executed by foreigners in the first 11 months of 2024 were in the North, followed by the South governorate (21.8%), Beirut (18.4%), the Bekaa/Baalbeck-Hermel region (15.3%), the Keserwan/Jbeil area (8.6%), the Baabda/Aley/Chouf area (4.4%), the Nabatieh governorate (2.4%), and the Northern Metn district (2%). The latest available figures show that Syrian citizens accounted for 43.6% of the amount of real estate transactions executed by foreigners in May 2024, followed by Saudi nationals (9%), U.S. citizens (6%), citizens from the Dominican Republic (4.6%), and Turkish citizens (4%), while the remaining 32.7% represented citizens from other countries.



Source: Ministry of Finance, Byblos Research

Food Price Index up 10.6% year-on-year in November 2024

The Ministry of Economy & Trade's Market Food Price Index (MFPI) reached 131.9 in November 2024, constituting a decrease of 1.1% from 133.5 in October 2024 and an increase of 10.6% from 119.3 in November 2023. The prices of vegetables & tubers surged by 27.3% in November 2024 from the same month last year, followed by a rise in the prices of beverages (+13.8%), condiments (+13.5%), fruits (+13%), pulses (+11%), cereals (+10.4%), canned fish (+9%), fats & oils (+5.9%), dairy products (+5.4%), and sugar (+0.6%). In contrast, the price of eggs dropped by 10% annually in November 2024, followed by a decline in the prices of fresh poultry (-0.3%).

Also, the prices of vegetables & tubers rose by 5.2% in November 2024 from October 2024, followed by an increase in the prices of condiments (+1.4%), beverages, canned fish, and cereals (+0.8% each), pulses (+0.6%), and dairy products (+0.3%). In contrast, the prices of eggs declined by 13.2% month-on-month, followed by decreases in the prices of fresh poultry (-12.5%), fruits (-6.4%), fats & oils (-2.1%), and sugar (-1%).

In addition, the index increased by 14% in the North governorate in November 2024 from November 2023, by 13% in the Beirut governorate, by 10% in each of Baalbeck-Hermel, Mount Lebanon, and the South governorates, by 9% in each of the Bekaa and Akkar governorates, and by 5% in the Nabatieh governorate.

Also, food prices in the South increased by 3% and by 2% Beirut in November 2024 from the previous month. In contrast, food prices in the Baalbeck-Hermel governorate regressed by 5% month-on-month, followed by prices in the Akkar, Bekaa, and Mount Lebanon governorates (-1% each); while the prices in each of the Nabatieh and North governorates were unchanged month-on-month in November 2024.

The ministry considered that the ongoing hostilities in Southern Lebanon and other parts of the country, along with higher demand for food due to internal displacement, led to the price increases in the South governorate and in Beirut. It added that the poultry sector was particularly impacted by the deteriorating situation in the country.

The ministry and the World Food Program launched the MFPI in July 2024 to monitor the prices of food items across the country. The index is based on the prices of 73 food items from a sample of about 1,000 stores located across Lebanon's eight governorates. The index is a measure of the average change over time in prices in US dollars for 64 essential food items, and is calculated as the weighted average of price changes for each item. The base month for the index is January 2023. The food basket consists of beverages, canned fish, cereals, condiments, dairy, eggs, fats & oils, fresh poultry, fruits, pulses, sugar, and vegetables & tubers.

Ministry of Finance extends deadlines for tax declarations and payments

The Ministry of Finance issued Decision 1294/1 dated December 24, 2024 that extended until January 15, 2025 inclusive the deadline for companies to submit the declarations for the first, second, and third quarters of 2024 for the tax on wages and salaries, and the payment of the due tax, as well as to submit the declarations for the second and third quarters of 2024 for the taxable amounts subject to the non-resident tax as stipulated in articles 41 and 42 of the Income Tax Law 144. Also, it extended until January 20, 2025 inclusive the deadline for companies to submit the periodic declaration for the value-added tax (VAT) for the third quarter of 2024 and the payment of the due tax, as well as to submit the refund request for the VAT within the deadline to submit the tax declaration for the covered quarter.

Further, it extended until January 31, 2025 inclusive the deadline to pay the tax and submit the annual tax declaration for 2023 for taxpayers that pay the income tax on a lump sum basis and for organizations that are exempt from the income tax, other than the companies that rely on the cash accounting system, as well as to submit the declaration for the taxable amounts subject to the non-resident tax as stipulated in articles 41 and 42 of the Income Tax Law. In addition, the decision covers the deadline for taxpayers to submit the tax declaration and pay the tax for 2023 for taxpayers on the real profits basis for natural persons, for partnerships, and for organizations that are exempt from the income tax, other than the companies that rely on the accrual accounting system, as well as the taxable amounts under articles 41 and 42 of the Income Tax Law.

Also, the decision covers the deadline to submit the annual tax declarations and pay the tax for 2023 that expires on May 31, 2024 for firms that hold petroleum operating rights and of companies that hold petroleum rights; the deadline to submit the tax declaration and pay the tax on transactions and operations that natural or legal persons carried out on Banque du Liban's Sayrafa electronic exchange platform; the individual tax declaration on the income tax on the wages of individuals who work at more than one employer or who receive simultaneously a monthly pension payment or lifetime allocations and are required to pay the tax for 2023.

Further, it extended the deadline until the same date for companies to submit the annual tax declaration on the tax on wages and salaries, on the annual individual disclosures, on the general annual disclosures on operations for 2023, and on paying the tax in case it is due, as well as the deadline to submit the annual tax declaration for 2023 for companies that adopt a special fiscal year and where the deadline to submit their annual declaration expires on September 30, October 31, and November 30, 2024. The ministry indicated that its decision to extend the tax deadlines provides taxpayers with the opportunity to comply with the tax requirements and to avoid penalties.



Draft law provides wide tax exemptions for war-damaged companies

The Council of Ministers submitted a draft law that provides tax exemptions for 2023 and 2024 to industrial, trading, commercial, and non-commercial institutions, including liberal professions, that suffered direct damages from the Israeli war starting on October 8, 2023.

Article 1 states that the exemptions cover the income tax on profits and their penalties, the tax on the built property tax until the end of the reconstruction of damaged properties, municipalities fees and related penalties, the tariffs on water, electricity and fixed telephone lines, and the related penalties. Also, it exempted companies from the penalties related to the tax levied at the source and penalties on the value-added tax (VAT) for the years 2023 and 2024, on the condition that the taxes are paid within six months from the publication of the law.

Article 2 indicates that the draft law exempts companies that pay their income tax on a real income basis from the tax on the amount from their profits that they contribute to individuals who have incurred damages from the Israeli war. The exempted contribution covers up to 25% of the taxpayers' annual profits.

Article 3 stipulates that, on an exceptional basis, companies can defer the losses that they incurred in 2023 and 2024 for five additional years for firms that were completely destroyed and that pay their income tax on a real income basis, for three years for firms that were partially destroyed from the Israeli war, and for two years for companies that had to close their operations due to the war.

Article 4 exempts damaged residential and non-residential buildings that are not livable without restoration from the built property tax, municipality fees, and from water, electricity and fixed telephone tariffs for 2023 and 2024. It also exempts the buildings from penalties on unpaid taxes and fees for the years 2022 and before if the taxes are paid within six months of the publication of this law, with the possibility of paying the taxes and fees in instalments according to the Tax Procedures Law.

Article 5 indicates that first, the public administration, public institutions, municipalities and the federations of municipalities, and all public law persons, can accept from domestic or external sources all grants and in-kind or monetary support that aim to cover the damages that the Israeli war caused. It noted that the institutions can accept the grants and support within two years of the publication date of this law, and based on a letter from the Higher Relief Council. Second, it exempts from all fees, including customs tariffs, the fiscal stamp, fees at the port, as well as the VAT on related imports, all donations, in-kind or monetary support from domestic or foreign sources, and services financed from donations or monetary support that are accepted and verified. Third, it exempts from fees the delivery of funds and of services that are subject to the VAT that natural or moral persons who are subject to the VAT provide to the public administration, public institutions, municipalities and the federations of municipalities, and all public law persons, as well as to local charities, bodies, organizations, religious orders, embassies, and all private law persons and the individuals affected by the war.

It noted that the exemptions cover the donations and support to the public administration, public institutions, municipalities and the federations of municipalities, and all public law persons that are received starting from September 1, 2024 up until two years from the publication of this law; while the exemptions cover the donations and support to local and foreign charities, bodies, organizations, religious orders, embassies, and all private law persons and the individuals affected by the war that are received starting from September 1, 2024 up until one year from the publication of this law.

Article 6 exempts from the inheritance tax on movable and non-movable assets the heirs of persons who died or that die after the publication of this law, as a result of Israeli war. It also exempts from the inheritance tax on movable and non-movable assets the funds in life insurance policies that the heirs of persons who died or that die after the publication of this law benefit from.

Article 7 exempts vehicles that suffered total loss as a result of the war from the annual transport fees for 2024 and previous years, and exempts the owner of an unusable vehicle from the registration fee when buying one new vehicle and from the transportation fee for one year.

Article 8 exempts natural and moral persons for four years from the date of the publication of this law the due fees for reconstruction and restoration of residential and non-residential buildings that have been damaged, from the Israeli war starting from October 8, 2023.

Article 10 indicates that the Lebanese State will cover for 2024 the contributions to the National Social Security Fund of companies that sustained direct damages from the Israeli war. Article 12 suspends all tax and fee deadlines, starting from September 1, 2024 until the publication of this law, for those who have been affected by the Israeli war. Article 13 allows taxpayers to reconstitute the documents and records that were lost or damaged during the war within six months from the publication of this law. Article 15 stipulates that the law will go into effect upon its publication in the Official Gazette.



Number of airport passengers down 21% in 2024

Figures released by the Beirut-Rafic Hariri International Airport (HIA) show that 5.62 million passengers utilized the airport (arrivals, departures and transit) in 2024, constituting declines of 20.8% from 7.1 million passengers in 2023 and of 11.6% from 6.4 million passengers in 2022. Also, 379,910 passengers utilized the airport in December 2024, representing an increase of 151.5% from 151,060 in November 2024 and a decrease of 21% from 481,006 passengers in December 2023. The number of passengers who utilized the airport reached 1.27 million passengers in the first quarter, 1.73 million passengers in the second quarter, 1.9 million passengers in the third quarter, and 720,051 passengers in the fourth quarter of 2024.

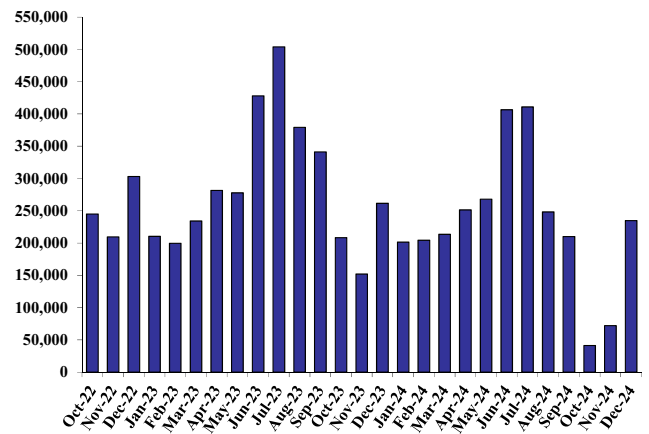
The number of arriving passengers reached 2.76 million passengers in 2024, as they contracted by 20.6% from 3.48 million passengers in 2023 and by 11.4% from 3.12 million passengers in 2022. The number of arriving passengers stood at 234,644 in December, representing a surge of 225% from 72,197 passengers in November 2024 and a decrease of 10.3% from 261,557 in December 2023. The number of arriving passengers stood at 619,539 in the first quarter, 925,859 passengers in the second quarter, 869,147 passengers in the third quarter, and 348,153 passengers in the fourth quarter of 2024.

Also, the number of departing passengers totaled 2.86 million in 2024, constituting decreases of 21% from 3.6 million passengers in 2023 and of 11% from 3.21 million passengers in 2022. Further, the number of departing passengers reached 145,216 in December 2024, as they surged by 84% from 78,863 in November 2024 and decreased by 33.8% from 219,449 departing passengers in December 2023. The number of departing passengers totaled 651,169 in the first quarter, 799,713 passengers in the second quarter, 1.03 million passengers in the third quarter, and 371,825 passengers in the fourth quarter of 2024. The rise in the number of arriving and departing passengers in December 2024 is due to the announcement of the cessation of hostilities agreement between Israel and Hezbollah that went into effect on November 27.

In parallel, the airport's aircraft activity reached 46,680 take-offs and landings in 2024, representing a decrease of 18.4% from 57,206 takeoffs and landings in last year. In comparison, aircraft activity rose by 9% in 2023 from the preceding year and by 32% in 2022 from 2021. Also, the airport's aircraft activity stood at 3,111 take-offs and landings in December 2024, constituting an increase of 114.7% from 1,449 take-offs and landings in November 2024 and a decrease of 18.2% from 3,802 takeoffs and landings in December 2023. The airport's aircraft activity reached 10,887 take-offs and landings in the first quarter, 13,928 take-offs and landings in the second quarter, 14,933 take-offs and landings in the third quarter, and 6,932 take-offs and landings in the fourth quarter of 2024.

In addition, the HIA processed 62,047 metric tons of freight in 2024 that consisted of 40,973 tons of import freight and 21,075 tons of export freight. National flag carrier Middle East Airlines had 21,766 flights in the covered period and accounted for 46.6% of the HIA's total aircraft activity.

Number of Arriving Passengers



Source: Beirut-Rafic Hariri International Airport

Government appeals for additional \$371.4m to support displaced population

The United Nations' Office for the Coordination of Humanitarian Affairs (OCHA) indicated that the humanitarian community is extending the Flash Appeal that the Lebanese government and the United Nations Deputy Special Coordinator for Lebanon launched on October 1, 2024 for another three months from January to March 2025, in order to allow partners to rapidly deliver humanitarian assistance. It noted that the appeal calls for an additional \$371.4m to deliver urgent life-saving assistance and protection to one million Lebanese, displaced Syrians in Lebanon, Palestinian refugees in Lebanon, Palestinian refugees from Syria, and migrants who were directly impacted by the recent escalation of hostilities and displacement. It added that the government appealed for \$425.75m in the fourth quarter of 2024. Also, it said that the Flash Appeal complements and supports the Lebanon Response Plan 2025, which is the primary planning framework for the humanitarian and stabilization response, and that covers the immediate and medium-term needs of vulnerable population groups in the country.

It pointed out that the appeal consists of \$112m for food security and agriculture that accounts for 30.2% of the total appealed funds for the first quarter of 2025; followed by water, sanitation and hygiene (WASH) with \$60m (16.2%); healthcare assistance with \$46.5m (12.5%); basic assistance with \$40m (10.8%); shelter with \$39.3m (10.6%); social stability with \$14.5m (3.9%); education with \$13.9m (3.7%); general protection with \$10m (2.7%); child protection with \$9.5m (2.6%); gender-based violence (GBV) protection with \$7.5m (2%); nutrition with \$6.8m (1.8%); site management and coordination with \$5.4m (1.5%); logistics with \$4.7m (1.3%); and coordination and common services with \$1.25m (0.3%).

It indicated that the funds aim to deliver basic assistance, food, water, sanitation and hygiene to 780,000 persons in need, as well as to provide education to 220,000 displaced individuals and to offer essential nutrition services to 165,000 persons. It added that it aims to deliver healthcare services to 500,000 and general protection to 200,000 persons. It said that it would provide shelter to 227,500 displaced individuals, and assist in protecting 130,000 children and in providing GBV protection to 80,000 persons. Also, it stated that the fund aims to provide food assistance to and improve the social stability of one million vulnerable individuals.

In parallel, it pointed out that the conflict between Israel and Hezbollah, which took place between October 8, 2023 and November 27, 2024, displaced at least 899,725 individuals within Lebanon. It said that, since the announcement of the cessation of hostilities, 819,693 persons were reported as being back in their cadasters of origin as at December 26, 2024, with the largest number of returnees recorded in the Nabatieh, Tyre, and Baalbek districts. But it indicated that 160,900 people remained displaced outside their cadasters of origin, mainly in the Aley, Saida, Beirut, and Chouf districts. Further, it estimated that 4,485 displaced individuals remained in 45 collective shelters.

It noted that humanitarian partners have mobilized \$245.3m for the emergency response under the Flash Appeal between October and December 2024, according to the Lebanon Aid Tracking, as at December 16, 2024.

Net income of Syrian affiliates of Lebanese banks at SYP82bn in first nine months of 2024

Financial results issued by the affiliates of five Lebanese banks in Syria show that their aggregate net profits reached SYP518bn in the first nine months of 2024 compared to net earnings of SYP1,925.4bn in the same period of 2023. The depreciation of the Syrian pound from SYP8,542 against the US dollar at the end of September 2023 to SYP13,668 per dollar at the end of September 2024 resulted in unrealized foreign exchange gains on the banks' structural positions of SYP436bn in the first nine months of 2024. As such, the net profits of the six banks in US dollar terms totaled \$39m in the first nine months of 2024 compared to net earnings of \$294.8m in the first nine months of 2023. As a result, the aggregate net income of the six banks becomes SYP82bn, or \$6.2m, in the first nine months of 2024 when excluding foreign exchange gains and losses on structural positions, relative to losses of SYP34.4bn or \$5.3m in the same period of the previous year.

The profits of Banque BEMO Saudi Fransi dropped by SYP497bn in the first nine months of 2024, followed by a decline of SYP292.1bn in the net income of Shahba Bank, an affiliate of Banque BEMO Saudi Fransi, a decrease of SYP211.4bn in the earnings of Fransabank Syria, a contraction of SYP190bn in the profits of Bank of Syria & Overseas, a decline of SYP134.5bn in the net income of Bank Al-Sharq, the affiliate of Banque Libano-Française, and a retreat of SYP82.3bn in the earnings of Syria Gulf Bank, the affiliate of First National Bank.

The net interest income of the banks totaled SYP252.8bn in the first nine months of 2024 relative to SYP83.2bn in the same period of 2023; while their net fees & commission income reached SYP339.3bn compared to SYP176.2bn in the first nine months of the preceding year. Further, the aggregate operating income of the banks stood at SYP1,082.7bn in the first nine months of 2024 relative SYP2,249.6bn in the same period of the previous year; while their aggregate operating expenses amounted to SYP607.5bn compared to SYP326.2bn in the first nine months of 2023.

In parallel, the banks' aggregate assets reached SYP17,718.6bn at the end of September 2024 relative to SYP14,511.6bn at end-2023. The growth in assets was due to a surge of 32.6% in the assets of Banque Bemo Saudi Fransi (+SYP1,964.7bn), followed by a rise of 25% in those of Bank Al-Sharq (+SYP231.8bn), a growth of 22.3% in the assets of Syria Gulf Bank (+SYP488.5bn), an improvement of 15% in those of Bank of Syria & Overseas (+SYP344.5bn), an increase of 7.8% in the assets of Shahba Bank (+SYP99.3bn), and an uptick of 4.8% in those of Fransabank Syria (+SYP78.2bn). In US dollar terms, the assets of the banks stood at \$1.3bn at end-September 2024, constituting a decrease of 23.7% from \$1.7bn at the end of 2023.

Also, the banks' total loans amounted to SYP2,105.8bn at end-September 2024 compared to SYP1,417.8bn at the end of 2023. Further, the banks' customer deposits totaled SYP9,863bn at the end of September 2024 relative to SYP8,116.5bn at end-2023. The ratio of the banks' loans-to-customers deposits stood at 21.4% at the end of September 2024 compared to 17.5% at end-2023. In parallel, the aggregate shareholders' equity of the six banks stood at SYP5,203.6bn at end-September 2024 and grew by 17.8% from SYP4,415.8bn at end-2023.

Results of Affiliates of Lebanese Banks in Syria in First Nine Months of 2024 (SYPbn)

	Banque BEMO Saudi Fransi	Syria Gulf Bank	Bank of Syria & Overseas	Fransbank Syria	Shahba Bank	Bank Al-Sharq
Net Profits	183.55	88.51	92.15	55.68	52.21	45.92
Total Assets	8,174.86	2,679.29	2,628.86	1,706.03	1,373.51	1,156.04
% Change*	31.6%	22.3%	15.1%	4.8%	7.8%	25.1%
Loans	869.65	683.03	76.44	234.60	118.84	123.22
% Change*	119.9%	8.9%	74.7%	53.8%	2.4%	49.3%
Customer Deposits	5,197.40	1,524.50	1,557.85	733.48	383.34	466.41
% Change*	29.4%	25.5%	11.7%	-1.5%	-2.0%	31.8%

*Change from end-2023

Source: Banks' financial statements

Solidere holds Ordinary General Assembly

The Ordinary General Assembly of shareholders of Solidere, the Lebanese Company for the Development and Reconstruction of Beirut Central District, which took place on December 19, 2024, heard and approved the company's accounts for the year that ended on December 31, 2023. Also, the assembly voted to roll over to 2025 the \$36.8m in losses that the company incurred in 2023 and the losses from previous years.

Further, the meeting included the election of a new Board of Directors for a period of three years, which, in turn, voted Mr. Nasser Chamaa as its Chairman and General Manager. In addition, shareholders appointed the external auditors for 2024, and determined the compensation of auditors and of members of the Board of Directors, among other tasks.

In addition, it gave the Chairman, the members of the Board of Directors and the shareholders who have directly or indirectly more than 5% of the voting rights, the authorization stipulated in articles 158 and 159 of the Code of Commerce regarding the contracts, agreements and commitments that require this authorization, as well as the executed contracts, agreements and commitments with the company in the past year. In addition, it fully discharged the chairman and members of the Board of Directors in respect of activities performed during 2023.

Solidere announced audited losses of \$36.8m on a standalone basis in 2023 compared to net losses of \$11.1m in 2022. The firm posted revenues of \$5m from land sales in 2023 on a standalone basis, constituting a drop of 83% from receipts of \$29.6m in 2022. Also, its standalone revenues from rented properties reached \$26.7m in 2023 and regressed by 15% from \$31.4m in 2022, while receipts from services rendered totaled \$2.45m and decreased by 36% from \$3.84m in the preceding year. It attributed the increase in losses to the near absence of real estate sales and to the decline in rental income amid the closure of the majority of companies operating in the Beirut Central District as a result of the continued deterioration of the general and economic conditions in Lebanon, in addition to the prevailing multiple exchange rates and their impact on the calculation of financial results.

In parallel, the firm's cost of revenues stood at \$33.2m in 2023 relative to \$60m in 2022, while its net operating income reached \$1.3m compared to \$5.9m in 2022. Also, the company's general and administrative expenses reached \$19.5m in 2023 and declined by 52% from \$40.7m in 2022. The provisions for impairments totaled \$14.85m in 2023, while the firm did not take net provisions for impairments in 2022.

Further, Solidere stated that its assets reached \$1.79bn on a standalone basis at the end of 2023 and contracted by 1.4% from \$1.82bn at the end of 2022, while its inventory of land and projects in progress regressed by 0.5% to \$855.6m and accounted for 47.7% of its total assets. Also, the company's cash and bank balances reached \$26.8m at the end of 2023, down by 33.7% from \$40.5m a year earlier, while its accounts and notes receivables stood at \$6.4m relative to \$1m at the end of 2022. Also, the firm's liabilities, including accounts and dividends payable, as well as deferred revenues, totaled \$261.8m at the end of 2023 and surged by 36.5% from \$191.8m at the end of 2022. Further, the company's shareholders' equity was \$1.53bn at the end of 2023, down by 6% from \$1.63bn at end-2022.

Ratio Highlights

(in % unless specified)	2021	2022	2023	Change*
Nominal GDP (\$bn)	19.8	24.5	24.0	(0.5)
Public Debt in Foreign Currency / GDP	-	-	-	-
Public Debt in Local Currency / GDP	-	-	-	-
Gross Public Debt / GDP	357.7	255.2	195.2	(60.0)
Trade Balance / GDP	(51.9)	(63.5)	(60.5)	3.0
Exports / Imports	24.8	18.3	17.1	(1.2)
Fiscal Revenues / GDP	8.3	5.7	12.9	7.2
Fiscal Expenditures / GDP	10.9	12.2	13.3	1.0
Fiscal Balance / GDP	(2.7)	(6.6)	(0.4)	6.2
Primary Balance / GDP	(1.6)	(6.0)	0.4	-
Gross Foreign Currency Reserves / M2	26.0	13.4	143.5	130.1
M3 / GDP	81.9	35.0	55.8	20.7
Commercial Banks Assets / GDP	107.3	38.9	82.7	43.8
Private Sector Deposits / GDP	79.5	28.9	68.0	39.1
Private Sector Loans / GDP	17.0	4.6	6.0	1.4
Private Sector Deposits Dollarization Rate	79.4	76.1	96.3	20.2
Private Sector Lending Dollarization Rate	56.3	50.7	90.9	40.2

*change in percentage points 23/22;

Source: Banque du Liban, Ministry of Finance, Central Administration of Statistics, 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

National Accounts, Prices and Exchange Rates

	2021	2022e	2023f
Nominal GDP (LBP trillion)	245.6	655.2	2,090.7
Nominal GDP (US\$ bn)	19.8	24.5	24.0
Real GDP growth, % change	2.0	1.0	-0.7
Private consumption	123.5	-	1.5
Public consumption	-92.2	-	-9.8
Gross fixed capital	63.8	-	21.8
Exports of goods and services	3.4	3.5	3.0
Imports of goods and services	13.6	19.1	17.5
Consumer prices, %, average	154.8	171.2	221.3
Official exchange rate, average, LBP/US\$	1,507.5	1,507.5	15,000
Parallel exchange rate, average, LBP/US\$	16,821	30,313	86,362
Weighted average exchange rate LBP/US\$	12,006	25,604	76,363

Source: International Monetary Fund, Lebanese customs

Ratings & Outlook

Sovereign Ratings	Foreign Currency			Local Currency		
	LT	ST	Outlook	LT	ST	Outlook
Moody's Ratings	C	NP	-	C		Stable
Fitch Ratings*	RD	C	-	RD	RD	-
S&P Global Ratings	SD	SD	-	CC	C	Negative

*Fitch withdrew the ratings on July 23, 2024

Source: Rating agencies

Banking Sector Ratings

Banking Sector Ratings	Outlook
Moody's Ratings	Negative

Source: Moody's Ratings



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

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

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

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

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

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

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

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

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

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