



بنك بيروت
Bank of Beirut
Banking Beyond Borders

Annual Report 2011





Reflections on 2011

The year 2011 was a trying one, owing to unusual operating conditions which stemmed from economic and market conditions. Domestically, the Lebanese economy was not as expected due to the situation in neighboring Syria which contributed to restricted trade. Regionally, the general political upheavals triggered socioeconomic unrest, which directly impacted all countries in the Middle East and North Africa and saw Lebanon's real output diminish from the previous year's 7.0% growth to about 1.5%. Globally, the world economy stagnated in part from the European sovereign debt crisis, which in turn catalyzed volatility in trade flows and government indebtedness. Real GDP growth shrunk from 5.2% in 2010 to an estimated 3.8% amidst further tightening in credit conditions, ultra-low interest rates worldwide, and imposed high liquidity in the banking system.

Despite these difficulties, and thanks to the Bank's traditional conservative strategy in avoiding risk as well as its stable management, the Group continued to grow, posting promising figures for the 2011 fiscal year. Total assets rose by USD 1.738 billion (21.75%) to reach USD 9.730 billion. The main driving force behind this growth was our deposit base, which grew by USD 1.613 billion (26.94%), standing at USD 7.603 billion. Our lending also expanded by USD 964 million (41.43%) to USD 3.291 billion. On the net income level, we were above the USD 100 million threshold, with a USD 103-million-strong profit. We continue to be the trade finance leaders in Lebanon, with USD 6,401 Billion in Letters of Credit opening in 2011.

In spite of our extended penetration in the retail and commercial segments, the Bank sustained solid liquidity levels, with total liquid assets to total liabilities at 69.20%. Furthermore, we enhanced our Asset Quality Ratios, which already soar above international standards. Our net Non-Performing Loans over Total Assets dropped from 0.26% at year-end 2010 to 0.20% at the end of the year 2011.

In capitalization, our competitive edge remains the cautious management of our equity. The latter augmented from USD 909 million to USD 1,048 million, a 15.29% climb; thanks to a new Preferred Share Issue of USD 135 million as well as to the capitalization of reserves and retained earnings. This growth in equity earned us the highest capitalization level among the top 10 banks in Lebanon, with Equity to Assets Ratio of 10.78% and a Capital Adequacy Ratio of 13.80% as per Basel II.

Our primary financial objective, that of delivering double-digit Total Shareholders' Return, was reached yet again. We have attained a Return on Average Common Equity of 16.12%, with a Return on Average Assets of 1.17%. Our Cost to Income Ratio closed just under the 50% mark, at 49.92%, in spite of the hire of 251 new employees and the growth in our international branch network from 55 branches to an impressive 75. Our Common Share Market Price climbed 4.30% to USD 19.40, elevating our Price to Common Earnings by 3.54% to 13.44%.

We extend our gratitude to all our business units—Global Markets, Commercial Banking, Retail Banking, as well as to our international network each of whom contributed to this exemplary performance.



Achievements

2011 was also a year of notable achievements on several fronts for the Bank.

Firstly, we expanded into the continent Down Under through the acquisition of 92.5% of the shares of Laiki Bank (Australia) Ltd., subsequently renamed Beirut Hellenic Bank Ltd., with a present network of 16 branches and over USD 1.2 billion in assets. Beirut Hellenic Bank is incorporated in Australia and regulated by the Australian Prudential Regulatory Authority. Entering the stable and sound Australian banking market has allowed us to become the embassy of the Lebanese banking industry and to expand our presence into areas densely populated by the Lebanese diaspora.

On a domestic level, the Bank inaugurated five new branches in remote areas in a proximity banking strategy and in an effort to offer customers in these areas quality products and services tailored to their needs. Several initiatives were also undertaken, namely an organization transformation of the Retail and Branches Division, as well as a restructuring in Operations and Human Resources activities. The physical consolidation of these units, as well as the redefinition of higher goals streamlined the internal flow of processes and eliminated superfluous activities. Along with this, the Bank created the Cash Management and Transaction Banking Services Department, developing the latest innovative programs with the widest reach in Lebanon. We also expanded into life insurance services through an external acquisition and hence Beirut Life was our latest born subsidiary, offering a full array of bancassurance services.

Bank of Beirut also launched a new corporate identity throughout all its branches, in Lebanon and abroad. Designed by one of the most renowned firms in the field, the intention was to keep pace with modernity and to unify the external look with the internal infrastructure.

Finally, our most daring achievement was on the educational front. In an endeavor to create a Corporate University, the Bank established a Learning Center with tailored and highly advanced courses to provide all personnel with improved banking knowledge and to enhance their commitment to customer satisfaction.

Looking forward to 2012

Bank of Beirut's pledge to maintain a strong and steady financial position as well as its conservative long-term planning, have allowed it to remain on the cusp of award-winning Lebanese banking. Going forward, our strategy is to reinforce our core activities, articulate our Capital Markets offerings, and prospect for opportunities here and abroad that successfully exploit our strengths.



On behalf of our Shareholders and Board of Directors, I want to thank our employees, our number one asset, for their continued support of our endeavors to grow and blossom, both here and abroad. It is their loyalty and dedication that have allowed us to weather the hazardous financial climate we found ourselves facing and ultimately overcome it.

Sincerely,



Salim G. Sfeir
Chairman General Manager





*Proud of our past, we embrace
the future with its opportunities,
challenges and successes,
moving ahead with strong faith in
our capabilities.*



The 2011 Annual Report reflects a year of remarkable achievements and commemorates the remodeling of our corporate identity. It signifies a new phase in the life-cycle of Bank of Beirut by embracing the new while sustaining the Bank's deep-rooted history.

In 2011 we aimed at providing exceptional banking services to our customers by utilizing all our resources in an effort to better serve them worldwide.

Today, we continue to build on a half century of dedication, commitment and excellence and to enhance further our expansion to new horizons. With pride we salute our past and look forward to decades of success.

The background of the entire page is a photograph of the Beirut skyline at night. The city lights are reflected in the water of the harbor. A large bridge, the Beirut–Damour Bridge, is visible on the right side of the image. In the foreground, there are two large, dark, rocky formations jutting out from the water. The sky is a deep blue with some light clouds. Overlaid on the left side of the image is a geometric pattern of blue and white triangles. The text "Bank of Beirut at a Glance" is written in white, sans-serif font, positioned within one of the blue triangles.

Bank of Beirut at a Glance



Brief History

With a solid vision and perseverance being the starting points of its rich history, Bank of Beirut has grown to become one of today's leading commercial banks in Lebanon, recognized in 2011 as the "Highest Mover Bank" in the Middle East by "The Banker" magazine.

The first milestone in Bank of Beirut's journey was its establishment as a commercial bank on August 19, 1963 under the name of "Realty Business Bank s.a.l."; however, it was not until 1970 that Bank of Beirut took on its present name.

In 1993, the Bank was acquired by a group of businessmen and bankers, headed by the current Chairman General Manager, Mr. Salim G. Sfeir. Since then, the Bank embarked on an extensive expansion plan, to enhance its market position and leverage its expertise into local and regional markets. This expansion was illustrated through organic growth as well as a number of transactions ranging from private placements and issuance of Preferred Shares, to entering into strategic alliances with regional Arab banking establishments, and acquiring other institutions.

In 1997, a major turning point marked the Bank's journey, when it became one of Lebanon's five banks listed on the Beirut Stock Exchange. Bank of Beirut was also the first bank in Lebanon to launch asset management services, targeting high net-worth customers in both domestic and regional markets.

In 2005, Bank of Beirut established "BOB Finance s.a.l.", a wholly owned financial institution regulated by the Central Bank of Lebanon.

In 2009, the Bank was appointed an Agent of Western Union in Lebanon.

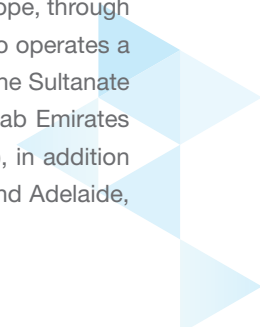
In 2007, Bank of Beirut established an independent wholly owned specialized banking subsidiary, Bank of Beirut Invest s.a.l.

In 2011, Bank of Beirut established "Beirut Life Co." an insurance company offering a full array of insurance services with the best conditions.

Today, Bank of Beirut operates in Lebanon through its network of 57 branches, 55 on-site ATMs and 13 off-site ATMs installed either at customers' premises or in strategic non-bank locations, such as, commercial centers.

The Bank's primary activities consist of retail banking services, including consumer lending, deposits and savings plans, bancassurance products and cards; a wide range of commercial and corporate banking services, including a variety of credit facilities and lending to large corporations and SMEs; correspondent banking services; trade finance services, including Letters of Credit and Letters of Guarantee as well as treasury, capital markets and asset management activities.

On the international level, Bank of Beirut provides commercial banking services in the United Kingdom and throughout Europe, through its wholly owned subsidiary, Bank of Beirut (U.K.) Ltd, regulated by the Financial Services Authority ("FSA"). The Bank also operates a branch in Germany (Frankfurt), a branch in Cyprus (Limassol) regulated by the Central Bank of Cyprus; three branches in the Sultanate of Oman (Muscat, Ghubrah and Sohar) regulated by the Central Bank of Oman; a representative office in the United Arab Emirates (Dubai) to service the Gulf region; a representative office in Nigeria (Lagos); and a representative office in Iraq (Baghdad), in addition to a subsidiary in Australia Beirut Hellenic Bank Ltd. with a network of sixteen branches located in Sydney, Melbourne, and Adelaide, regulated by the Australian Prudential Regulatory Authority ("APRA").





Mission

All efforts are exerted to widening the scope of our business; this includes taking initiatives that create value for our customers by concluding agreements with major international financing institutions, namely the AFTP, the EIB and the IFC. Bank of Beirut's strategy focuses on seeking new opportunities in the region and on reaching targeted international markets, especially in the MENA and gulf regions where our network of branches and representative offices operate.

Vision

Our vision at Bank of Beirut is to create a better future for every individual and corporation in Beirut and Beyond...

Values

- ▶ **Shareholders' fulfillment**, through providing our shareholders with an adequate return on their investment while minimizing risks.
- ▶ **Customer satisfaction**, through continuously striving to anticipate and fulfill our customers' needs and to build lasting relationships with them.
- ▶ **Employee satisfaction**, through ensuring to our staff an agreeable working environment and the development of professional opportunities.
- ▶ **Integrity and trust**, through conducting the transactions of all our stakeholders in the strictest confidence and with the highest ethical standards.





Introduction

Given the vital role of banks in the Lebanese economy as well as the impact of good governance on the successful standing of these institutions, the following guidelines were developed in adherence to policies set forth by Banque du Liban, the Banking Control Commission and the Association of Banks in Lebanon. Bank of Beirut's Corporate Governance is driven by the Board of Directors' principal responsibility to act in good faith, with prudence and in accordance with a set of values and standards that promote the stakeholders' interests.

Bank of Beirut has been operating in Lebanon since 1963; its current management took the reins in 1993. It is currently one of Lebanon's leading banks. The Bank targets commercial, retail and capital markets, and its rigorous corporate governance aims to ensure efficient credit, market and operational risk management. Today the Bank exists in nine countries and conforms to strict local, regional, and international regulations.

Governance Framework

Bank of Beirut operates under corporate governance policies and practices designed to ensure that the Bank's performance maximizes long-term shareholder value.

The Governance framework of the Bank is documented in the "Corporate Governance Guidelines" and the charters of the Board Audit, Board Risk Management Committees and Board Credit Committee, all of which are subject to continuous review and fine-tuning as deemed necessary. These guidelines hinge on the evolving needs and expectations of depositors, regulators, investors and the market at large.

The Board of Directors has overall responsibility for Bank of Beirut, not limited to approving and overseeing the implementation of the Bank's strategic objectives, risk strategy, corporate governance and corporate values; and enforcing adequate, effective, and independent controls. Board authority is presently vested in nine individuals, two of whom are Managing Directors and the remaining seven, non-executive members.

The Board Audit Committee (BAC), promotes compliance with regulatory requisites as well as integrity of financial statements and reports. The main functions of the BAC are to assist the Board in fulfilling oversight responsibilities for

- Proficiency, independence and objectivity of both external and internal auditors,
- Financial reporting and disclosure processes,
- Effectiveness of the internal control systems,
- Review of audit reports issued by internal audit, and
- Ratification of recommended action plans.

The Board Risk Management Committee (BRMC), evaluates and manages all key business risks by administering policies and procedures. Its tasks include:

- Formulating a strategy for the assumption of risk and the management of capital that align with the business objectives of the Bank,
- Annually reviewing and recommending to the Board the Internal Capital Adequacy Assessment Process (ICAAP) document,
- Developing an internal risk management framework, and
- Ensuring that the Bank conforms to Basel requirements.





The Board Credit Committee (BCC) is the highest credit approval authority at the Bank and its main function is the Approval/Ratification of all the commercial credit requests presented to it and which are above USD1,000,000.

Fourteen other management committees focus on specific day-to-day operations of the Bank; each committee functions according to its own charter, and are listed here below:

1. Management Committee
2. Asset/Liability Management Committee
3. Credit Committee
4. Credit Committee for Financial Institutions
5. Anti-Money Laundering and Counter-Financing of Terrorism Committee
6. Asset Recovery Committee
7. Real Estate Committee
8. Foreign Affiliates Committee
9. Retail & Branches Committee
10. Marketing Committee
11. Human Resources Committee
12. Information Technology Committee
13. Operational Risk Management Sub Committee
14. Information Security Sub Committee

The Bank has established a Code of Conduct Policy divided into six major themes: General Principles, Business Ethics, Confidentiality, Conflicts of Interest, Business Relationships, and Protection of the Bank's Assets. It is the Board's prerogative to ensure these tenets are observed by directors, managers, and employees alike.

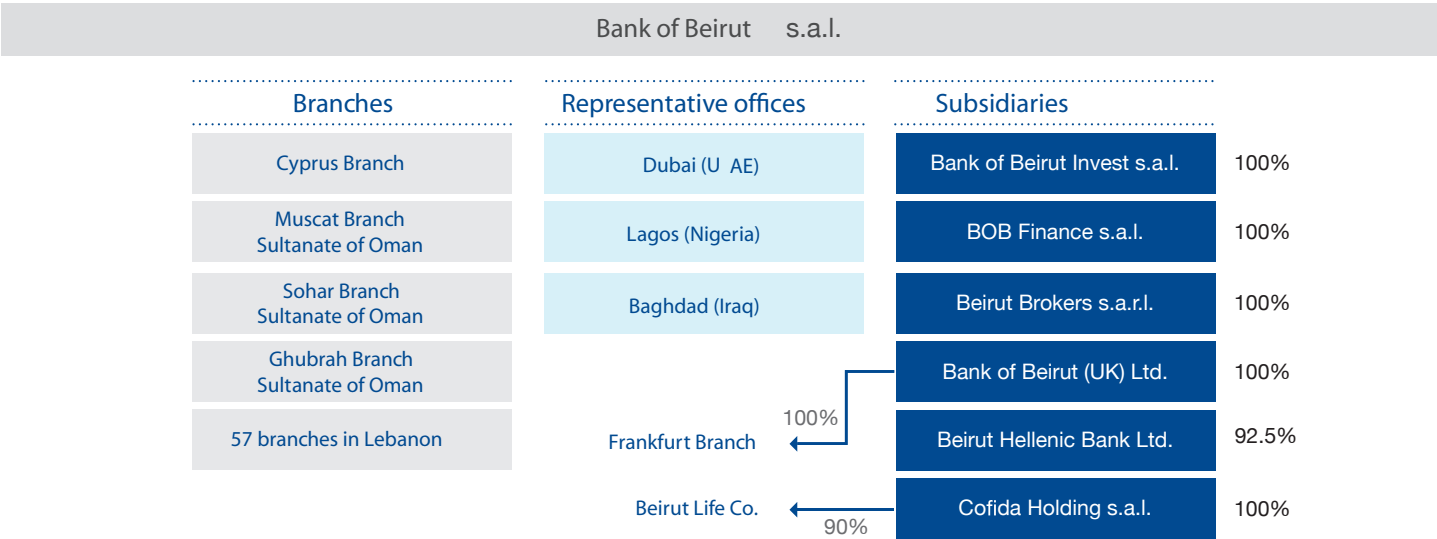


The Group





Organisational Structure





Board of Directors

- ◆ [Mr. Salim G. Sfeir](#)
Chairman General Manager
- ◆ [Mr. Adib S. Millet](#)
Vice Chairman
- ◆ [Mr. Fawaz H. Naboulsi](#)
Deputy General Manager
- ◆ [Mr. Antoine A. Abdel Massih](#)
Member
- ◆ [Emirates Bank P.J.S.C.](#)
Represented by Mr. Khalid Bin Kalban - Member
- ◆ [H.E. Mr. Anwar M. El-Khalil](#)
Member
- ◆ [Architect Rashid Al-Rashid](#)
Member
- ◆ [Mr. Antoine Wakim](#)
Member
- ◆ [Mr. Krikor Sadikian](#)
Member



The Management

- ◆ **Hikmat Bikai**
Assistant General Manager - Credit
- ◆ **Fouad Chaker**
Assistant General Manager - Commercial Banking
- ◆ **Henri Tabet**
Assistant General Manager - Operations and Administration
- ◆ **Elias Alouf**
Group Risk Management
- ◆ **Gaby Andari**
Information Technology
- ◆ **Georges Aouad**
Retail Banking and Branches
- ◆ **Paul Boulos**
Marketing and Corporate Communications
- ◆ **Roger Dagher**
Finance and Accounting
- ◆ **Rached Ghanem**
Central Management and Real Estate
- ◆ **Antoine Habib**
Public Relations
- ◆ **Said Haddad**
Credit Recovery and Legal
- ◆ **Amal Houry**
Customer Relations
- ◆ **Ghassan Kandalaft**
Branches Network
- ◆ **Eddy Khoury**
Corporate Banking
- ◆ **Alex Moujaes**
Global Markets
- ◆ **Bassem Nohra**
Internal Audit
- ◆ **Rabih Yaghi**
Human Resources



Management Abroad

Subsidiaries

- ▶ United Kingdom
Bank of Beirut (UK) Ltd.
Managing Director and CEO: Bob C. Dzeingeleski
- ▶ Germany (UK subsidiary branch)
Bank of Beirut UK Ltd. – Frankfurt Branch
General Manager: Karl-Friedrich Rieger
- ▶ Australia (16 branches in Sydney, Melbourne and Adelaide)
Beirut Hellenic Bank Ltd.
Managing Director and CEO: James Wakim

Branches

- ▶ Cyprus
Bank of Beirut – Cyprus Branch
Manager: Walid K. Gholmieh
- ▶ Sultanate of Oman
Bank of Beirut – Sultanate of Oman Branches
(Muscat, Ghubrah and Sohar)
Country Manager: Remy F. Zambarakji

Representative Offices

- ▶ UAE
Bank of Beirut Dubai Representative Office
Representative in UAE for the Gulf Region: Balsam H. Al Khalil
- ▶ Nigeria
Bank of Beirut Representative Office (Nigeria) Ltd.
Manager: Camille R. Chidiac
- ▶ Iraq
Bank of Beirut Baghdad Representative Office
Representative: Ameer Q. Al Ubaidy
- ▶ Qatar
Doha Bank
Business Development Officer Fareed El-Baba





The Network

Bank of Beirut Group Entities and Subsidiaries:

- ▶ Bank of Beirut s.a.l.
- ▶ Bank of Beirut Invest s.a.l.
- ▶ BOB Finance s.a.l.
- ▶ Beirut Brokers s.a.r.l.
- ▶ Bank of Beirut (UK) Ltd.
- ▶ Beirut Hellenic Bank Ltd.
- ▶ Cofida Holding s.a.l.
- ▶ Beirut Life Co.



Bank of Beirut Invest s.a.l.

Established in 2007, Bank of Beirut Invest is the investment arm of the Group. It is fully owned by the Bank and is enrolled in brokerage and capital market operations, asset and funds management, lending the private sector on a long term basis thus increasing the role of the Bank as a major driver in the Lebanese economy. In addition to its long term investment strategy, the Bank is specialized in the housing loans business, making it a first of its kind private investment bank in Lebanon with a highly qualified team to serve the real estate growing needs for Lebanese residents and expatriates.

Bank of Beirut Invest s.a.l. is reachable at the following address:

*Beirut - Riyad El Solh Street - Bank of Beirut Bldg. - P.O.Box: 11-5522 Beirut – Lebanon
Tel: 961 1 980222 | 333*

Beirut Brokers s.a.r.l.

Beirut Brokers s.a.r.l, a private insurance brokerage firm, represents the Bank's insurance arm providing insurance services to corporate, institutional and individual customers by offering a wide range of Bancassurance products in partnership with Bank of Beirut.

Beirut Brokers s.a.r.l. is reachable at the following address:

Jdeideh - Nahr el Mot Highway - Le Boulevard bldg - 9th & 10th floor – Tel: 961 1 900403 | 503 | 406 | 506

BOB Finance s.a.l.

BOB Finance s.a.l. is a financial institution governed by articles 178 to 182 of the Code of Money and Credit as well as by the regulations of the Central Bank of Lebanon. Among others, BOB Finance s.a.l. can engage in lending, brokerage activities, as well as portfolio and asset management.

In 2009, BOB Finance was appointed as a Western Union Agent in Lebanon. Western Union Money Transfer service is available at all Bank of Beirut Branches. In addition to the branch network, BOB Finance developed a network of over 650 sub-agents spread all over Lebanon.

BOB Finance s.a.l. is reachable at the following address:

Bauchrieh, Electricité du Liban Street - P.O. Box 11-7354 - Tel/fax: 961 1 879360 | 1 | 2

Beirut Life Co.

Launched in April 2012, “Beirut Life” is Bank of Beirut insurance company offering a full array of insurance services with the best conditions. Beirut Life's services offer the Bank key opportunities to access the Lebanese market which is still very under-exploited in terms of insurance products. Beirut Life will offer securities covering products, such as, retirement plans and life insurance plans, all aimed at protecting Bank of Beirut Customers and their families against the financial impacts of life, death or disability.

Bank of Beirut is committed to innovation in products, services and technology. Beirut Life's software platform allows for direct solutions at the Bank's counters as well as the possibility for Customers to purchase most of their insurance online. At Beirut Life, our objective is to build and sustain supreme financial capabilities allowing us to pay our claims promptly, to accumulate healthy reserves and to generate benchmark profits for our shareholders. We will bear calculated risks, deal with renowned reliable reinsurers and price our products fairly and competitively. But above all, we will bond with our customers through transparent products, providing value for their money and outstanding service to better their own lives and that of their families.

Beirut Life Co. is reachable at the following address:

Jdeideh - Nahr el Mot Highway - Le Boulevard bldg. - 9th & 10th floor – Tel: 961 1 900403 | 503 | 406 | 506



Management Discussion and Analysis



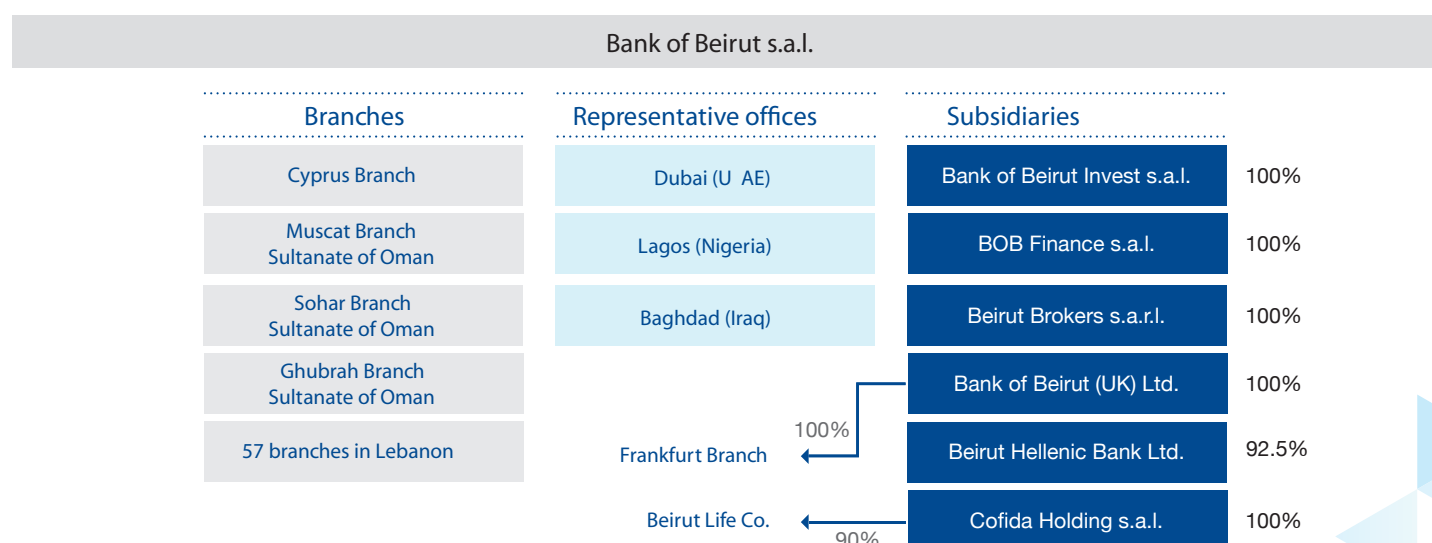
Basis of presentation

The analysis that follows highlights the Bank of Beirut consolidated performance in 2011, as compared to 2010. The report is based on the Bank's audited consolidated financial statements as at and for the years ended December 31st, 2010 and December 31st, 2011 which have been prepared in accordance with International Financial Reporting Standards (IFRS). Prior year comparable financial statements were restated and/or reclassified to conform to current year presentation.

The consolidated financial statements of Bank of Beirut s.a.l. include the Bank's financial statements, its foreign branches and enterprises controlled by the Bank (its subsidiaries). The Bank and its subsidiaries (the "Group") have the same financial reporting year and apply consistent accounting policies. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Control is achieved when, among other things, the Bank has the power to govern the financial and operating policies of an entity in order to acquire benefits from its activities.

Unless otherwise indicated, all figures are expressed in Lebanese Pounds (LBP). References to the Bank's peer group are to the Alpha Bank Group consisting of the 12 banks, with total deposits in excess of USD 2.0 billion each, as determined by Bankdata Financial Services WLL (publishers of Bilanbanques).

Bank of Beirut Group structure



Overview

Bank of Beirut demonstrated an outstanding performance in 2011; the Bank, having registered a phenomenal track record as one of the fastest growing banks throughout the years since 1993, continued its sustainable growth in 2011. This progress has been growing at a significant pace, in both the domestic marketplace and in the countries where the Bank is represented.

The achieved growth has been in line with the long-term strategy adopted by the Bank to diversify its business activities towards a universal banking model and to expand regionally and internationally in profitable and relatively low-risk countries. It is to be noted that the Bank's long-term strategy is to attain a balanced breakdown of profits between activities in Lebanon and abroad.

Domestically, the performance was characterized by remarkable growth in all main financial indicators. Following the acquisition of 92.50% of Beirut Hellenic Bank in February 2011, and capitalizing on the large branch network and the diversified product range, the Bank has achieved gains in market shares in both commercial and retail businesses, while maintaining its position as a leader in Funds Management and Trade Finance lines of business.

On consolidated basis, the Bank's total assets reached at the end of year 2011 LBP 14,668 billion, growing by 21.75% over year 2010. The growth in size was mainly funded by the growth in deposits and in equity.

Description (LBP billions)	Balances		Growth	
	31-Dec -10	31-Dec -11	Amount	%
Assets	12,048	14,668	2,620	21.75%
Shareholders' Equity	1,370	1,579	209	15.26%
Deposits	9,029	11,461	2,432	26.93%
Loans and advances	3,508	4,962	1,454	41.45%
Net Profit	152	156	4	2.73%

- Customers' deposits growth achieved in 2011 registered a 26.93% over last year, outpacing the growth in the peer group (12.17%); total deposits reached LBP 11,461 billion as at December 31st, 2011, as compared to LBP 9,029 billion as at December 31st, 2010. The growth has been mainly derived by Beirut Hellenic Bank deposit base which amounted to the counter-value of LBP 1,419 billion.
- Total Equity increased in 2011 by LBP 209 billion, to reach LBP 1,579 billion (+15.26%).
- Loans to customers grew by 41.45%, clearly outpacing the peer group growth (+18.59%), to reach LBP 4,962 billion at the end of year 2011. Beirut Hellenic Bank loan portfolio contributed by the counter-value of LBP 1,176 billion of the bank's consolidated growth.
- The growth strategy has at no point in time been to the detriment of profitability and conservative risk-driven approach. In fact, the Bank's net income increased by 2.73% in 2011, to reach LBP 156 billion as compared to LBP 152 billion in 2010.



Main Key performance indicators

KPI (in %)	2010	2011	Variation
Return on average assets (ROAA)	1.35%	1.17%	-0.18%
Return on average equity (ROAE)	11.92%	10.55%	-1.36%
Return on average common equity (ROACE)	16.95%	16.12%	-0.83%
Cost to income ratio	46.32%	49.92%	3.61%
Equity to assets ratio	11.37%	10.78%	-0.60%
Capital Adequacy Ratio - Basel II	14.40%	13.68%	-0.72%
Loans to deposits ratio	38.85%	43.17%	4.32%
Net NPLs to Net Loans	0.89%	0.59%	-0.30%

Peer Group analysis

Bank of Beirut has been able to improve its peer group shares and ranking within the Alpha Group of Banks in the major indicators.

(in %)	Peer Group share			Ranking	
	31-Dec- 10	31-Dec- 11	Variation	31-Dec- 10	31-Dec- 11
Assets	6.25	6.79	0.54	7	8
Shareholders' Equity	7.84	8.86	1.02	6	5
Deposits	5.60	6.34	0.74	7	8
Loans and advances	6.76	8.06	1.30	7	7
Net Profit	6.74	6.68	(0.05)	6	6

It is to be noted that the decline in the "Assets" and "Deposits" ranking from 7 to 8 was due to the advancement of Société Générale de Banque au Liban (SGBL) following the acquisition of Lebanese Canadian Bank during 2011.

On the other hand, Bank of Beirut has been able to achieve the following outstanding rankings within the peer group:

- Ranking 1st in "Equity to Asset ratio", maintaining its position as the bank with the highest capitalization level among peer group banks.
- Ranking 1st in both "Net Doubtful loans to Gross loans", and "Loan Loss Reserves on Doubtful Loans to Doubtful Loans", denoting the conservative management of the credit risk.
- Ranking 1st in "Loans in foreign currencies to deposits in foreign currencies" and 2nd in "Loans to deposits" ratio.
- Ranking 1st in Letters of Credit exposure, with a peer group share of 26.32%, evidencing the leader position in Trade Finance business in the market.

5-year peer group share evolution

Description (in %)	Share				
	31-Dec- 07	31-Dec- 08	31-Dec- 09	31-Dec- 10	31-Dec- 11
Assets	6.23	5.91	5.77	6.25	6.79
Shareholders' Equity	6.45	6.13	7.42	7.84	8.86
Deposits	5.40	4.97	4.92	5.60	6.34
Loans and advances	5.59	5.84	6.24	6.76	8.06
Net Profit	5.48	6.12	5.81	6.74	6.68

Source: Alpha Group report for 2010, Bilan banques for 2007 - 2009 (published by Bankdata Services WLL)

5-year peer group ranking

Description (in %)	Rank				
	31-Dec- 07	31-Dec- 08	31-Dec- 09	31-Dec- 10	31-Dec- 11
Assets	7	7	7	7	8
Shareholders' Equity	7	6	6	6	5
Deposits	7	7	7	7	8
Loans and advances	7	7	7	7	7
Net Profit	6	7	6	6	6
LC Openings	2	2	1	1	1
Staff employed	9	8	9	9	8
Number of branches	8	9	8	8	7
ROAA	7	6	6	3	3
Cost to Income	7	4	6	4	6
Net Spread	8	8	9	5	7
Equity to Assets	3	5	1	1	1
Loans to deposits	6	4	3	2	2



Sources and uses of funds

Sources of funds

The main source of funds was generated from Customers' deposits and Equity.

Description (LBP billions)	Balances		Growth		Breakdown	
	31-Dec-10	31-Dec-11	Amount	%	31-Dec-10	31-Dec-11
Due from banks and financial institutions	805	732	(73)	-9.06%	6.68%	4.99%
Customers' deposits	9,029	11,461	2,432	26.93%	74.95%	78.14%
Liabilities under acceptance	302	457	155	51.34%	2.51%	3.12%
Other borrowings	235	61	(174)	-74.15%	1.95%	0.41%
Certificates of Deposit	151	227	75	49.85%	1.26%	1.55%
Other liabilities & provisions	155	151	(4)	-2.5%	1.28%	1.03%
Shareholders' equity	1,370	1,579	209	15.26%	11.37%	10.77%
Total	12,048	14,668	2,620	21.75%	100.00%	100.00%

The deposit base grew by LBP 2.432 billion in 2011, consequently it accounted for 78.14% of funding sources in 2011 compared to 74.95% in 2010. The Equity increased by LBP 209 billion in 2011 (+15.26%) and its share declined slightly to 10.77% at year-end 2011, as compared to 11.37% at year-end 2010.

Funding from other borrowings and Certificates of Deposit stood at 1.96% in 2011 compared to 3.21% in 2010.



Uses of funds

The Bank's strategy puts emphasis on the maintenance of high asset quality and a strong investment portfolio.

Description (LBP billions)	Balances		Growth		Breakdown	
	31-Dec-10	31-Dec-11	Amount	%	31-Dec-10	31-Dec-11
Cash and deposits at Central Banks	2,066	2,352	286	13.87%	17.15%	16.04%
Deposits with banks and financial institutions	1,245	1,491	246	19.77%	10.33%	10.17%
Loans and Advances	3,508	4,962	1,454	41.45%	29.11%	33.83%
Customers' acceptance liability	302	457	155	51.34%	2.51%	3.12%
Investment securities (incl. trading assets)	4,728	5,087	360	7.61%	39.25%	34.68%
Investments in associate	34	36	2	5.88%	0.29%	0.25%
Property and equipment	99	118	19	19.34%	0.82%	0.80%
Other assets	64	75	11	17.88%	0.53%	0.51%
Goodwill	2	89	87	4016.30%	0.02%	0.60%
Total	12,048	14,668	2,620	21.75%	100.00%	100.00%

The main utilization of funds in 2011 was:

Loans to customers

Growing in 2011 by LBP 1,454 billion, an annual growth of 41.45%, outpacing the growth achieved by the peer group (18.59%). The share of the loan portfolio reflected 33.83% in 2011, as compared to 29.11% in 2010; noticeably above the peer group's ratio standing at 28.51% as at year-end 2011 (26.93% in 2010).

Cash & Central Banks

Increasing in 2011 by LBP 286 billion (+13.87%) and representing 16.04% of total assets at year-end 2011 as compared to 17.15% at year-end 2010, as compared to peer group 20.50% and 17.42% for 2011 and 2010 respectively.

Deposits with banks and financial institutions

Increasing in 2011 by LBP 246 billion (+19.77%) and representing 10.17% of total assets at year-end 2011 as compared to 10.33% at year-end 2010, as compared to peer group 12.60% and 16.13% for 2011 and 2010 respectively.

Investment Securities

Increasing in 2011 by LBP 360 billion (+7.61%) and representing 34.68% of total assets at year-end 2011 as compared to 39.24% at year-end 2010, as compared to peer group 34.52% and 36.03% for 2011 and 2010 respectively.

Goodwill

Increasing in 2011 by LBP 87 billion and representing the Goodwill arising from the acquisition of 92.5% of Beirut Hellenic Bank during the 1st quarter of 2011.



Customers' Deposits

Constituting the main funding source, "Customers' deposits" recorded a robust growth year-over-year to reach LBP 11,461 billion at 2011 year-end, an increase of LBP 2,432 billion as compared to 2010 year-end.

The Bank was able to outperform the peer group in soliciting deposits, achieving a growth rate of 26.93% as compared to 12.17% by the peer group, thus, acquiring additional market share. The continuous accretion in deposit base over the years firmly reflects the strong franchise and the improving market positioning of the Bank in Lebanon as the country's eighth largest Bank in terms of total assets and deposits. The year 2011 growth was mainly driven by Beirut Hellenic Bank deposit base which amounted as at December 31st, 2011 to the counter-value of LBP 1,419 billion.

Distribution by type

Description (LBP billions)	Balances		Growth		Breakdown	
	31-Dec-10	31-Dec-11	Amount	%	31-Dec-10	31-Dec-11
Deposits designated at Fair Value through P&L	7	3	(4)	-55.17%	0.07%	0.03%
Current/demand deposits	1,188	1,554	366	30.78%	13.16%	13.56%
Term deposits	7,114	9,183	2,070	29.10%	78.78%	80.13%
Collateral against loans & advances	482	460	(22)	-4.54%	5.34%	4.01%
Margins & other deposits	195	191	(4)	-1.92%	2.16%	1.67%
Accrued interest	44	69	25	57.58%	0.48%	0.60%
Total	9,029	11,461	2,432	26.93%	100.00%	100.00%

The breakdown of deposits has been relatively stable in 2011 with term deposits continuing to reflect the lion's share of 80.13% of total deposits as at December 31st, 2011 as compared to 78.78% at year-end 2010.

This confirms the sound strategy in providing a growth in horizontal platform for core depositors on a strong long-term relationship. Current and demand deposits, amounting to LBP 1,554 billion as at December 31st, 2011, represented 13.56% of total deposits (13.16% as at 2010 year-end). The Cash collateral accounts decreased by LBP 22 billion in 2011, a negative annual growth of 4.54%.



Distribution by Currency

Description (LBP billions)	Balances		Growth		Breakdown	
	31-Dec-10	31-Dec-11	Amount	%	31-Dec-10	31-Dec-11
LBP	3,577	3,804	227	6.40%	39.61%	33.21%
USD	4,275	4,794	520	12.16%	47.34%	41.83%
Euro	426	475	49	11.50%	4.72%	4.15%
GBP	132	256	125	94.85%	1.46%	2.24%
AUD	-	1,388			0.00%	12.11%
Other	620	743	123	19.52%	6.87%	6.47%
Total	9,029	11,461	1,044	11.56%	100.00%	100.00%

The LBP denominated deposits augmented by LBP 227 billion in 2011 recording an annual growth of 6.40%, as compared to 5.58% by the peer group for the same period.

As a direct result of the deposit base of Beirut Hellenic Bank, the “Deposits’ dollarization rate” (measured as foreign currency denominated deposits to total deposits) increased from 60.39% as at 31st, December 2010 to 66.79% at the end of year 2011 (compared to 69.11% for the peer group).

On the Foreign Currency side, the USD continued to hold the largest share of 62.63% by the end of 2011, as compared to 78.39% as at December 31st, 2010.

Distribution by Geographical location

Description (LBP billions)	Balances		Growth		Breakdown	
	31-Dec-10	31-Dec-11	Amount	%	31-Dec-10	31-Dec-11
Lebanon	7,245	7,760	515	7.11%	80.23%	67.71%
Middle East and Africa	1,243	1,500	258	20.73%	13.76%	13.09%
Europe	319	563	244	76.67%	3.53%	4.91%
North America	35	35	(1)	-1.50%	0.39%	0.30%
Other	189	1,603	1,415	750.49%	2.09%	13.99%
Total	9,029	11,461	2,432	26.93%	100.00%	100.00%

The deposits from Lebanon grew by LBP 515 billion in 2011, an annual growth of 7.11% over 2010, matching the local banking sector growth rate. Its share declined significantly from 80.23% at the end of 2010 to 67.11% at year-end 2011, which was mainly due to Beirut Hellenic Bank deposits booked in Australia.

Loans to Customers

In line with the Bank's expansionary plan, and driven by the acquisition of Beirut Hellenic Bank during 1st quarter of 2011, and while maintaining the traditionally adopted conservative lending strategy, the Loan portfolio to customers increased by LBP 1,454 billion in 2011, reaching LBP 4,962 billion, compared to LBP 3,508 billion at the end of year 2010. This growth (+41.45%) outperformed the peer group growth rate in 2011 (+18.59%). The loan to deposit ratio and the loans to asset ratio stood at 43.17%, and 33.73% respectively as at December 31st, 2011, as compared to 38.85% and 29.11% as at year-end 2010.

Description (LBP billions)	Balances		Growth		Breakdown	
	31-Dec-10	31-Dec-11	Amount	%	31-Dec-10	31-Dec-11
Regular loans to customers	3,386	4,793	1,408	41.58%	96.52%	96.61%
Regular loans to related parties	107	155	48	44.73%	3.05%	3.12%
Substandard loans (net)	16	15	(1)	-6.25%	0.45%	0.30%
Doubtful and bad loans (net)	16	15	(1)	-6.59%	0.44%	0.29%
Allowance for collectively assessed loans	(16)	(16)	0	-2.32%	-0.47%	-0.32%
Total	3,508	4,962	1,454	41.45%	100.00%	100.00%

The "Regular loans" recorded a growth rate of 41.68% during 2011, while the non-performing loans decreased by 6.42%.

Distribution by Currency

Description (LBP billions)	Balances		Growth		Breakdown	
	31-Dec-10	31-Dec-11	Amount	%	31-Dec-10	31-Dec-11
LBP	801	858	58	7.19%	22.83%	17.30%
USD	2,234	2,076	(157)	-7.04%	63.68%	41.85%
Euro	154	96	(58)	-37.48%	4.39%	1.94%
GBP	45	400	355	793.99%	1.28%	8.07%
AUD		1,187	1,187		0.00%	23.92%
Other	274	343	69	25.25%	7.82%	6.92%
Total	3,508	4,962	1,454	41.45%	100.00%	100.00%

The LBP denominated Loans registered moderate growth in 2011 by LBP 58 billion (+7.19%), as compared to 29.95% for the peer group.

The foreign currency denominated loans grew by LBP 1,396 billion, recording a considerable annual growth of 51.57%, remarkably outpacing the growth rate achieved by peer group (16.55%).

Consequently, the "Loans dollarization rate" (measured as Loans denominated in foreign currencies to total Loans) dropped from 77.17% as at 31st, December 2010 (compared to 83.31% for the peer group), to 82.70% at the end of year 2010 (compared to 84.77% for the peer group).

Distribution by Geographical location

The geographical distribution of loans reflects an increase in Australia (other caption) by LBP 1.163 billion in 2011, to reach 23.91% in total loans as at year-end 2011.

Description (LBP billions)	Balances		Growth		Breakdown	
	31-Dec-10	31-Dec-11	Amount	%	31-Dec-10	31-Dec-11
Lebanon	2,729	2,893	164	6.01%	77.80%	58.31%
Middle East and Africa	433	442	9	2.15%	12.34%	8.91%
Europe	322	440	118	36.63%	9.18%	8.87%
North America	0	0	0	203.61%	0.00%	0.00%
Other	24	1,186	1,163	4934.09%	0.67%	23.91%
Total	3,508	4,962	1,454	41.45%	100.00%	100.00%

Distribution by type of loans (gross balances)

Description (LBP billions)	Balances		Growth		Breakdown	
	31-Dec-10	31-Dec-11	Amount	%	31-Dec-10	31-Dec-11
Gross regular loans - Retail	1,391	1,398	7	0.53%	38.64%	27.64%
Gross regular loans - Corporate	2,102	3,550	1,448	68.90%	58.41%	70.19%
Gross Non-performing loans - Retail	6	9	3	39.03%	0.17%	0.17%
Gross Non-performing loans - Corporate	100	101	1	1.26%	2.77%	2.00%
Total	3,599	5,058	1,459	40.55%	100.00%	100.00%

Distribution by type of loans (net of specific loan loss reserves)

Description (LBP billions)	Balances		Growth		Breakdown	
	31-Dec-10	31-Dec-11	Amount	%	31-Dec-10	31-Dec-11
Regular loans - Retail	1,391	1,398	7	0.50%	39.46%	28.09%
Regular loans - Corporate	2,102	3,550	1,448	68.90%	59.65%	71.32%
Net Non-performing loans - Retail	3	6	3	101.31%	0.09%	0.12%
Net Non-performing loans - Corporate	28	23	(5)	-17.86%	0.80%	0.47%
Total	3,524	4,978	1,454	41.25%	100.00%	100.00%

As reflected in the table above, the regular retail loans represented 28.09% of total loans at the end of 2011 as compared to 39.46% in 2010.

Investment Securities Portfolio

The Bank's securities portfolio, which consists of both fixed and variable income securities, increased slightly by LBP 360 billion in 2011, an annual positive growth rate of 7.61%, to reach LBP 5,087 billion and representing 34.68% of total assets as at December 31st, 2011, as compared to 39.24% as at December 31st, 2010.

The share of Lebanese Treasury Bills and Government Eurobonds out of total securities decreased from 63.50% as at December 31st, 2010 to 53.85% as at December 31st, 2011, while the share of fixed income instruments placed with Central Banks increased by 6.24% in 2011, to reach 31.19%.

The main increase was in the financial private sector debt securities which increased by the counter-value of LBP 452 billion, mainly due to the acquisition of Beirut Hellenic Bank.

Description (LBP billions)	Balances		Growth		Breakdown	
	31-Dec-10	31-Dec-11	Amount	%	31-Dec-10	31-Dec-11
Quoted equity securities and funds	25	16	(9)	-36.27%	0.54%	0.32%
Unquoted equity securities	17	24	7	40.42%	0.37%	0.48%
Lebanese Treasury Bills	1,703	1,489	(214)	-12.59%	36.70%	29.75%
Lebanese Government Bonds	1,243	1,206	(38)	-3.03%	26.80%	24.10%
Foreign Government Treasury Bonds	-	28	28		0.00%	0.56%
CD's issued by the Central Bank of Lebanon	1,469	1,561	92	6.24%	31.65%	31.19%
Certificates of Deposit issued by private sector	-	82	82		0.00%	1.64%
Financial private sector debt securities	24	476	452	1910.15%	0.51%	9.51%
Corporate bonds	159	123	(36)	-22.60%	3.42%	2.45%
Sub-total	4,640	5,004	364	7.84%	100.00%	100.00%
Accrued interest receivable	87	83	(4)	-4.69%		
Total	4,728	5,087	360	7.61%	100.00%	100.00%

Distribution by Classification as at 31 December 2011

Description (LBP billions)	Classification			Breakdown		
	FVTPL	FVTOCI	AC	FVTPL	OCI	AC
Quoted equity securities and funds	16	-	-	2.66%	0.00%	0.00%
Unquoted equity securities	21	3	-	3.43%	100.00%	0.00%
Lebanese Treasury Bills	369	-	1,120	60.88%	0.00%	25.49%
Lebanese Government Bonds	47	-	1,159	7.76%	0.00%	26.37%
Foreign Government Treasury Bonds	-	-	28	0.00%	0.00%	0.63%
CD's issued by the Central Bank of Lebanon	141	-	1,419	23.33%	0.00%	32.29%
Certificates of Deposit issued by private sector	2	-	80	0.25%	0.00%	1.83%
Financial private sector debt securities	-	-	476	0.00%	0.00%	10.83%
Corporate bonds	10	-	113	1.70%	0.00%	2.56%
Sub-total	605	3	4,395	100.00%	100.00%	100.00%
Accrued interest receivable	11	-	72			
Total	616	3	4,468	100.00%	100.00%	100.00%

FVTPL: Fair Value Through Profit and Loss, FVTOCI: Fair Value Through Other Comprehensive Income, AC: Amortized Cost

The Fair Value through Profit and Loss securities represent 12.12% of the total portfolio as at December 31st, 2011 which is in line with the market standard in Lebanon.

It is to be noted that the Bank has applied IFRS 9 Financial Instruments (as issued in November 2009 and revised in October 2010) and the related consequential amendments in advance of their effective dates. The date of initial application is January 1st, 2011. Changes in accounting policies resulting from the adoption of IFRS 9 have been applied on a retrospective basis without restatement of prior periods as permitted by the Standard.

Capitalization

The Bank's consolidated equity grew by LBP 209 billion, amounting to LBP 1,579 billion, an increase of 15.26% compared to 2010 year-end.

Description (LBP billions)	Balances		Growth		Breakdown	
	31-Dec-10	31-Dec-11	Amount	%	31-Dec-10	31-Dec-11
Ordinary Share Capital	64	64	-	0.00%	4.64%	4.03%
Shareholders' cash contribution to capital	21	21	-	0.00%	1.53%	1.33%
Non-cumulative Preferred shares	540	745	205	38.01%	39.41%	47.18%
Reserves and retained earnings	482	572	93	19.24%	35.15%	36.36%
Owned buildings revaluation surplus	2	2	-	0.00%	0.14%	0.12%
Cumulative change in fair-value of Investment securities	109	-	(109)	-100.00%	7.97%	0.00%
Reserve for assets acquired in satisfaction of debts	5	5	0	0.25%	0.38%	0.33%
Treasury shares	(4)	(9)	(5)	116.65%	-0.31%	-0.59%
Net income for the year	152	156	2	1.55%	11.09%	9.77%
Currency translation adjustment	(0)	(1)	(0)	124.94%	-0.02%	-0.04%
Non-controlling interest	0	24	23	6367.51%	0.03%	1.50%
Total	1,370	1,579	209	15.26%	100.00%	100.00%

The growth in Equity was prompted by the following:

- Issuance of 5,400,000 new non-cumulative, perpetual and redeemable Preferred Shares (Series H) for a total value of USD 135,000,000
- The annulment of the "cumulative change in-fair-value of investment securities" amounting to LBP 109 billion, as a consequence of the early adoption of IFRS 9.
- The capitalization of LBP 93 billion of reserves and retained earnings.
- The increase in "non-controlling interest" by LBP 23 billion, resulting from the non-controlling interest of Beirut Hellenic Bank (7.50%) and Beirut Life s.a.l. (10%).

With the achieved level of equity, Bank of Beirut was the bank which reflected the highest capitalization level in its peer group, realizing the 1st rank among the Alpha Group banks, with "equity to asset ratio" of 10.78% at year-end 2011, as compared to average peer group of 8.25%.

Bank of Beirut strategy stipulates not only securing a high level of equity, but by concurrently ensuring quality and consistency of the regulatory capital base in order to support the Bank's various risk exposures. This is achieved by enhancing both common equity and Tier I capital base.

Capital Structure

The Bank's capital constitutes Common and Preferred Shares as follows:

Share type	Number of shares		Growth	
	31-Dec-10	31-Dec-11	Amount	%
Common shares	50,467,400	50,467,400	-	0.00%
Preferred Shares Series «D»	4,000,000	4,000,000	-	0.00%
Preferred Shares Series «E»	2,400,000	2,400,000	-	0.00%
Preferred Shares Series «F»	3,000,000	3,000,000	-	0.00%
Preferred Shares Series «G»	3,570,000	3,570,000	-	0.00%
Preferred Shares Series «H»	-	5,400,000	5,400,000	
Total	63,437,400	68,837,400	5,400,000	8.51%

Preferred Shares overview

Description	Series «D»	Series «E»	Series «F»	Series «G»	Series «H»
Number of shares	4,000,000	2,400,000	3,000,000	3,570,000	5,400,000
Issue price per share	\$25.00	\$25.00	\$25.00	\$35.00	\$25.00
Issue size (USD million)	\$100.00	\$60.00	\$75.00	\$124.95	\$135.00
Dividend rate p.a.	9.00%	8.00%	8.00%	6.75%	7.00%
Non-Cumulative	Yes	Yes	Yes	Yes	Yes
Perpetual	Yes	Yes	Yes	Yes	Yes
Redeemable	Yes	Yes	Yes	Yes	Yes
Convertible to Common shares	No	No	No	Yes	No
Redemption price per share	\$25.00	\$25.00	\$25.00	\$35.00	\$25.00
Conversion exercise price	NA	NA	NA	\$35.00	NA
Redemption right holder	BOB	BOB	BOB	BOB	BOB
Conversion right holder				Holder	
Issue date	30-Jul-07	13-Nov-08	8-Jul-09	29-Sep-10	30-Jun-11
Closing date	19-Nov-07	30-Dec-08	18-Sep-09	29-Dec-10	28-Sep-11
First redemption exercise date	30-Dec-12	30-Dec-13	30-Dec-14	30-Dec-16	30-Dec-16
Conversion right exercise date				30-Dec-15	



The Preferred Shares dividends calculation:

Description (USD 000's)	Issue Value	Dividend Rate	Year 2010		Year 2011	
			# of days	Dividends	# of days	Dividends
Series "C"	\$73,000	12.00%	365	\$8,760	-	
Series "D"	\$100,000	9.00%	365	\$9,000	365	\$9,000
Series "E"	\$60,000	8.00%	365	\$4,800	365	\$4,800
Series "F"	\$75,000	8.00%	365	\$6,000	365	\$6,000
Series "G"	\$124,950	6.75%	-	\$0	365	\$8,434
Series "H"	\$135,000	7.00%	-	\$0	95	\$2,460
Total				\$28,560		\$30,694

Capital Adequacy

Maintaining its position as the Bank with the highest capitalization level among the peer group banks, Bank of Beirut reflected a very healthy set of Capital ratios:

(in %)	2010	2011	Variation
Equity to Asset Ratio	11.37%	10.78%	-0.60%
Leverage (average assets/average Equity) (times)	8.85	9.05	0.21
Average Equity to Average Assets	11.30%	11.04%	-0.26%
Preferred Equity / Total Equity	39.41%	47.14%	7.74%
Capital Adequacy Ratio - Basel II	14.40%	13.68%	-0.98%
Core Regulatory Capital Ratio - Basel II	14.06%	12.15%	-1.91%
Risk weighted Assets / Total assets (Basel II)	66.22%	67.24%	1.02%
Risk weighted Assets / Total footings (Basel II)	53.35%	54.61%	1.26%

Under Basel II, the Capital Adequacy ratio stood at 13.68% (down from 14.40% in 2010), as compared to the minimum required ratio of 8.00% by the regulators and 10.01% as a result of the ICAAP approved by the Risk Committee and the Board of Directors. The high level of capital adequacy confirmed the Bank's strategy in strengthening the Capital base in order to fund its expansion strategy, in addition to complying comfortably with the Basel II requirements; taking into consideration the increasing risk weights applied on the exposure to Lebanese sovereign risk.



Capital Adequacy Ratio calculation

Description (LBP millions)	Balances		Growth	
	31-Dec-10	31-Dec-11	Amount	%
Net Tier 1 Capital	1,104,822	1,196,220	91,398	8.27%
Net Tier 2 Capital	57,351	163,168	105,817	184.51%
Total Regulatory Capital	1,162,173	1,359,388	197,215	16.97%
RWA - Credit Risk	7,435,408	9,000,910	1,565,502	21.05%
RWA - Market Risk	150,776	366,399	215,623	143.01%
RWA - Operational Risk	486,855	565,771	78,916	16.21%
Total RWA	8,073,039	9,933,080	1,860,041	23.04%
Capital Adequacy Ratio	14.40%	13.68%	-0.72%	
Core Capital Adequacy Ratio	13.69%	12.04%	-1.65%	

Share information

Earnings per Common Share

Description (LBP millions)	Amounts		Growth	
	31-Dec-10	31-Dec-11	Amount	%
Net profit for the year (Equity holders of the Group)	151,899	155,715	3,816	2.51%
Less: Dividends paid to non-cumulative preferred shares	(43,054)	(46,271)	(3,217)	7.47%
Common earnings	108,845	109,444	600	0.55%
Weighted average number of common shares	50,399,088	50,286,589	(112,499)	-0.22%
Effect of dilutive potential common shares	3,570,000	3,570,000	-	0.00%
Total weighted average number of common shares	53,969,088	53,856,589	(112,499)	-0.21%
Basic Earnings per share	2,160	2,176	16	0.74%
Diluted Earnings per share	2,017	2,032	15	0.74%

Basic Earnings per Common Share were LBP 2,176 in 2011, as compared to LBP 2,160 in 2010, an increase of LBP 16 or 0.74%. The growth was mainly driven by the increase in earnings related to common shareholders by 0.55%, reaching LBP 109.4 billion in 2011, coupled with the decrease in the weighted average number of Common Shares by 0.22%. The dilutive earnings per Common Share takes into consideration the effect of dilutive potential Common Shares related to the series "G" Convertible Preferred Shares issued during 2010.

Common Shares performance

Indicator	Unit	31-Dec-10	31-Dec-11	Variance
Common share market price (end-of-period)	LBP	28,040	29,246	1,206
Common earnings	LBP million	108,845	109,444	600
Common equity book value (1)	LBP million	787,163	789,231	2,068
Common share book value	LBP	15,597	15,638	41
Market Capitalization (end of period)	LBP million	1,415,081	1,475,944	60,864
Market Value added	LBP million	627,918	686,713	58,796
Market Value added / Market capitalization	%	44.37%	46.53%	2.15%
Basic EPS / Common share market price	%	7.70%	7.44%	-0.26%
Price to common earnings - P/E Ratio (2)	Times	12.98	13.44	0.45
Price to common book value - M/B Ratio	Times	1.80	1.87	0.07
Price to assets	%	17.71%	15.17%	-2.54%

(1) including the common earnings for the year

(2) Calculated as basic earnings per share / common share market price

The common share market price increased by LBP 1,206, to reach LBP 29,246 (the counter-value of USD 19.40), reflecting an annual positive growth of 4.30%. Consequently, the market capitalization increased slightly to approximately LBP 1,476 billion and the “price to book value” increased to 1.87 times at the end of year 2011 as compared to 1.80 times at year-end 2010. The “price to earnings” ratio also increased slightly to 13.44 times by December 31st, 2011, from 12.98 times at the end of 2010.



Liquidity

The conservation of adequate liquidity has invariably been the Bank's policy to retain a high level of liquid assets and a diversified and stable funding base.

Monitored and controlled by the Asset Liability Committee (ALCO), the Bank's liquidity position is managed on a daily basis by the Treasury Department, and liquidity risks are consistently measured, monitored, and scrutinized by the Risk Management Department. Ensuring low liquidity risk is evidenced by the following factors:

- Sufficient high-quality liquid assets, including high level placements with well reputed and highly rated global banks
- Diversification in the securities portfolio
- Stability in customers' deposits
- Manageable cash flow mismatching gaps
- Non-reliance on whole-sale funding

The liquidity ratios, in both local and foreign currencies, maintained the healthy levels of 2010 while the loan to deposits ratio increased notably to the level of 43.17%. The growth in assets during 2011 has been funded primarily by the increase in customers' deposits, indicating the good franchise value and the stability of funding sources.

Ratio	31-Dec-10	31-Dec-11	Variance
Loans in LBP to deposits in LBP ratio	22.39%	22.57%	0.18%
Loans in FCY to deposits in FCY ratio	49.64%	53.40%	3.76%
Loans to deposits ratio	38.85%	43.17%	4.32%
Deposits (LBP) / Assets (LBP)	83.54%	88.61%	5.07%
Deposits (FCY) / Assets (FCY)	70.21%	73.85%	3.64%
Deposits / Assets	74.95%	78.14%	3.19%
Investment securities portfolio / Total Assets	39.24%	34.68%	-4.56%
Investment securities TRD-AFS-FVTPL / Total Investment securities	79.73%	12.12%	-67.61%
Total Liquid Assets (LBP) / Total Liabilities (LBP)	88.51%	88.42%	-0.09%
Total Liquid Assets (FCY) / Total Liabilities (FCY)	68.42%	60.55%	-7.87%
Total Liquid Assets / Total Liabilities	76.36%	69.20%	-7.16%



Profitability

Overview

The consolidated net income (group share) increased by 2.51% in 2011 to LBP 155.7 billion, as compared to LBP 151.9 billion in 2010.

This increase in profitability was driven by the growth in the business activities, coupled with efficient management of interest rate margins, high commission base and effective cost containment policy, with a focus on consistently increasing the non-interest base revenues.

The positive growth in the net earnings was due to the increase in the net operating income by LBP 38.2 billion (+11.17%), coupled with the increase in the total operating expenses by LBP 33.3 billion (+21.09%) and the increase of the income tax provisions by LBP 0.7 billion (+2.29%).

Description (LBP millions)	Amounts		Growth	
	2010	2011	Amount	%
Interest income *	592,300	697,962	105,662	17.84%
Interest expense *	(367,881)	(455,833)	(87,952)	23.91%
Net interest income	224,419	242,129	17,709	7.89%
Net fee and commission income	77,918	93,280	15,362	19.72%
Other non-interest income	38,663	47,692	9,028	23.35%
Operating income	341,000	383,100	42,100	12.35%
Net allowance for impairment of loans and advances	862	(2,506)	(3,368)	-390.82%
Net allowance for impairment of other assets	(11)	(551)	(541)	4961.45%
Total Impairment Charge	851	(3,058)	(3,909)	-459.35%
Net operating income after impairment charge	341,851	380,042	38,191	11.17%
Staff costs	(91,429)	(116,362)	(24,933)	27.27%
General operating expenses	(50,366)	(64,516)	(14,150)	28.09%
Depreciation	(6,690)	(10,375)	(3,684)	55.07%
Amortization of deferred charges	(9,454)	-	9,454	
Total operating expenses	(157,940)	(191,253)	(33,313)	21.09%
Profit before income tax	183,911	188,789	4,878	2.65%
Income tax expense	(31,996)	(32,728)	(731)	2.29%
Net profit for the year	151,915	156,061	4,146	2.73%
Non-controlling interest	(16)	(346)	(330)	2077.27%
Equity Holders of the Group	151,899	155,715	3,816	2.51%

* Including interest FVTPL assets and liabilities

Profitability Ratio

Return on Average Assets (ROAA) decreased significantly during 2011 to 1.17% from 1.35% in 2010; due mainly to the increase in assets from the acquisition of Beirut Hellenic Bank, which was not compensated with the same rate in Net profit. However, Bank of Beirut has been able to rank 5th among the peer group banks in this ratio.

The Return on Average Equity (ROAE) also decreased to 10.55%, while the return on Average Common Equity (ROACE) stood at a comfortable level of 16.12%.

The asset utilization ratio decreased to 2.87% in 2011, as compared to 3.02% in 2010, influenced by the decrease in “interest spread” to 1.81% (from 1.99% in 2010) while the non-interest income realized slight growth to 1.06% as percentage on average assets.

The Cost to Income ratio has been increased to the level of 49.92%, from 46.32% in 2010.

Ratio	2010	2011	Variance
Return on Average Assets (ROAA)	1.35%	1.17%	-0.18%
Return on Average Equity (ROAE)	11.92%	10.55%	-1.36%
Return on Average Common Equity (ROACE)	16.95%	16.12%	-0.83%
+ Yield on earning assets	5.66%	5.63%	-0.03%
- Cost of earning assets	-3.52%	-3.68%	-0.16%
= Interest margin	2.14%	1.95%	-0.19%
x Average interest earning assets / average assets	92.83%	92.82%	0.00%
= Interest Spread	1.99%	1.81%	-0.18%
+ Net non-interest income / average assets	1.03%	1.06%	0.02%
= Asset Utilization Ratio	3.02%	2.87%	-0.16%
x Net operating margin	44.55%	40.65%	-3.90%
o.w. Cost to income	46.32%	49.92%	3.61%
o.w. Credit Cost	-0.25%	0.83%	1.08%
o.w. Other provisions	0.00%	-0.03%	-0.04%
o.w. Tax Cost	9.38%	8.54%	-0.84%
o.w. Minority Interest	0.00%	0.09%	0.09%
= Return on Average Assets (ROAA)	1.35%	1.17%	-0.18%
x Leverage (average assets/average equity)	884.57%	905.39%	20.82%
= Return on Average Equity (ROAE)	11.92%	10.55%	-1.36%

Net income distribution by entity

The share of net income booked in the local entities declined from 86.25% in 2010 to 81.34% in 2011. However, the main driver behind net income growth was sustained by the foreign banking operations booked either in Lebanon's entities or in foreign branches and subsidiaries.

Looking forward, the Bank is heading towards improved diversification over income sources from the Group's various entities.

Description (LBP millions)	Amounts		Growth	
	2010	2011	Amount	%
Bank of Beirut s.a.l. - Lebanon's branches	136,937	129,641	(7,296)	-5.33%
(Less) dividends received from Beirut Broker Co.	(19,800)	(9,900)	9,900	-50.00%
(Less) dividends received from Bank of Beirut Invest	-	(5,400)	(5,400)	
(Less) dividends received from BOB Finance	-	(810)	(810)	
Total Local branches	117,137	113,531	(3,606)	-3.08%
Bank of Beirut s.a.l. - Cyprus branch	2,911	2,501	(410)	-14.08%
Bank of Beirut s.a.l. - Oman branches	6,135	6,555	420	6.85%
Total Foreign branches	9,046	9,057	10	0.11%
Bank of Beirut (UK) Ltd	10,169	14,197	4,029	39.62%
Beirut Hellenic Bank	-	3,450	3,450	
Bank of Beirut Invest	5,186	5,382	196	3.78%
BOB Finance	201	111	(90)	-44.87%
Beirut Broker Company	9,390	7,790	(1,599)	-17.03%
Cofida Holding	1,654	1,499	(155)	-9.34%
Beirut Life	159	873	714	449.19%
Income from an associate	1,683	2,698	1,015	60.31%
(Less) dividends received from an associate	(1,232)	(1,044)	188	-15.26%
Total Subsidiaries and associates Net income after Tax	27,209	34,956	7,747	28.47%
Less: tax on undistributed profits	(1,478)	(1,483)	(5)	0.36%
Net profit for the year	151,915	156,061	4,146	2.73%
(Less) Non-controlling interest	(16)	(346)	(330)	2077.27%
Consolidated Net Income after tax	151,899	155,715	3,816	2.51%

Net interest income

Net interest income registered a respectable increase in 2011, by 7.89% to LBP 242.1 billion.

The increase was the outcome of an increase of LBP 105.7 billion in the interest income (+17.84%), coupled with an increase in interest expense by LBP 87.9 billion, reflecting a growth rate of 23.91%.

Consequently, the interest spread (measured as net interest income over average assets) declined from 1.99% in 2010 to 1.81% in 2011 and the net interest income, as percentage of operating income, decreased in 2011 to 63.20%, from 65.81% for the year 2010.

Description (LBP millions)	Amounts		Growth	
	2010	2011	Amount	%
Placements with Central Banks	12,036	14,626	2,589	21.51%
Placements with banks	34,358	25,431	(8,928)	-25.98%
Investment securities designated at FVTPL	6,186	52,914	46,729	755.43%
Investment securities	309,426	284,851	(24,575)	-7.94%
Treasury Bills financed by Central Bank soft loans	36,216	2,572	(33,644)	-92.90%
Loans and advances to customers	194,078	317,568	123,490	63.63%
Interest income	592,300	697,962	105,662	17.84%
Deposits with banks	5,534	15,116	9,582	173.13%
Financial liability designated at FVTPL	188	256	68	36.46%
Customers' & related parties deposits	326,061	428,184	102,123	31.32%
Certificates of Deposit	8,508	10,022	1,515	17.80%
Central Bank of Lebanon soft loans	26,501	1,166	(25,335)	-95.60%
Subordinated loans	1,089	1,089	-	0.00%
Interest expense	367,881	455,833	87,952	23.91%
Net Interest Income*	224,419	242,129	17,709	7.89%

* including interest on financial assets & liabilities designated at fair value through P&L for better comparison

Interest income

The interest income increased during 2011 by LBP 105.7 billion (+17.84%), due mainly to increased income from "loans and advances" by LBP 123.5 billion (+63.63%), coupled with a decrease in interest income from investment securities by LBP 11.5 billion (-3.27%) and from "placements with banks", by LBP 9 billion (-25.98%)

Considering the low interest rate environment in 2011, both in international and domestic markets, and coupled with a notable increase in interest-earning assets by LBP 2,340 billion (+20.84%) in 2011, the yield on earning assets witnessed a slight decrease from 5.66% to 5.63%.

Interest expense

The increase in the interest expense in 2011 was 23.91% (LBP 87.9 billion), while the increase in funding from interest bearing liabilities was LBP 2,243 billion (+22.05%).

As the main funding source, the interest expense on customers' and related parties' deposits augmented in 2011 by LBP 102.1 billion (+31.32%) and remained as the lion's share of interest cost with 93.93% in 2011 as compared to 88.63% in 2010. The most important variance in 2011 was the drop in interest expense on Central Bank of Lebanon soft loans by LBP 25.3 billion, as all the soft loans matured in 2011.

Interest Ratios

Ratio	2010	2011	Variance
Interest income / average assets	5.25%	5.23%	-0.03%
Interest expense / average assets	-3.26%	-3.41%	-0.15%
Interest Spread (net interest income / average assets)	1.99%	1.81%	-0.18%
Interest income / average interest earning assets	5.66%	5.63%	-0.03%
Interest expense / average interest bearing liabilities	-3.85%	-4.04%	-0.19%
Interest differential	1.81%	1.59%	-0.22%
Yield on earning assets	5.66%	5.63%	-0.03%
Cost of earning assets	-3.52%	-3.68%	-0.16%
Interest margin	2.14%	1.95%	-0.19%
Average interest earning assets / average assets	92.83%	92.82%	0.00%
Interest Spread	1.99%	1.81%	-0.18%
Interest expense / Interest income	62.11%	65.31%	3.20%
Net interest income / Operating income	65.81%	63.20%	-2.61%

Interest Earning Assets and Interest-Bearing Liabilities overview

Description (LBP billions)	Balances		Growth	
	31-Dec-10	31-Dec-11	Amount	%
Placements with the Central Banks	1,956	2,225	268	13.72%
Banks and financial institutions	1,183	1,433	250	21.16%
Trading assets	106	569	463	438.60%
Investment securities	4,492	4,395	(97)	-2.16%
Loans and advances to customers	3,493	4,948	1,456	41.68%
Interest-earning assets	11,229	13,569	2,340	20.84%
Deposits with banks	803	731	(72)	-9.00%
Customers' & related parties deposits	8,986	11,392	2,406	26.78%
Certificates of Deposit	154	227	73	47.23%
Central Bank of Lebanon soft loans	163	-	(163)	-100.00%
Other borrowings	49	41	8	16.33%
Subordinated loans	18	18	-	0.00%
Interest-bearing liabilities	10,174	12,410	2,243	22.05%

Other operating income

Description (LBP millions)	Balances		Growth	
	31-Dec-10	31-Dec-11	Amount	%
Fee and commission income	90,172	106,332	16,160	17.92%
Fee and commission expense	(12,254)	(13,052)	(798)	6.51%
Dividends received	3,024	1,927	(1,097)	-36.28%
Change in fair-value of FVTPL (trading) portfolio	(578)	161	739	-127.80%
Net Gain on sale of investment securities	22,228	23,132	904	4.07%
Net Gain on sale of foreclosed assets	1,102	16,861	15,760	1430.53%
Insurance Income	136	2,075	1,939	1426.69%
Share in profit of an associate	1,683	2,698	1,015	60.31%
Foreign exchange gain	10,841	760	(10,082)	-92.99%
Other non-interest income	227	78	(149)	-65.70%
Total	116,581	140,971	24,391	20.92%

Other operating income, consisting mainly of non-interest income, grew in 2011 by LBP 24.4 billion to reach LBP 141 billion, a 20.92% year-on-year growth.

This caption represented in 2011 around 36.80% and 1.06% of total operating income and average assets respectively, as compared to 34.19% and 1.03% respectively in 2010.

It is to be noted that the largest increase in 2011 was in profits generated from the fee and commission income by LBP 16.2 billion (+17.92%), followed by the notable increase in “Net gain on sale of foreclosed assets” by LBP 15.8 billion.

The significant decline in “foreign exchange gain” caption was mainly due to the cost of funding of the Australian subsidiary “Beirut Hellenic Bank” investment through swaps.

Other operating expenses

Description (LBP millions)	Balances		Growth	
	31-Dec-10	31-Dec-11	Amount	%
Staff costs	91,429	116,362	24,933	27.27%
General operating expenses	50,366	64,516	14,150	28.09%
Depreciation and amortization	6,690	10,375	3,684	55.07%
Amortization of deferred charges	9,454	-	(9,454)	-100.00%
Total	157,940	191,253	33,313	21.09%

The other operating expenses increased in 2011 to LBP 191.3 billion, growing by 21.09% comparative to year 2010. This notable increase in expenses was primarily due to the consolidation of Beirut Hellenic Bank starting March 2011.

The increase in “Staff expenses” by LBP 24.9 billion (+27.27%) has been prompted mainly by the increase in the number of the Bank’s employees by 21.60% in 2011, to reach 1,413 employees as at December 31st, 2011, of which 134 employees in the Australian subsidiary.



The increase in “General operating expenses” by LBP 14.2 billion (+28.09%) was mainly due to the consolidation of Beirut Hellenic Bank and the normal increase in business activities as well as the opening of new branches in Lebanon and abroad.

The increase in the depreciation caption by LBP 3.7 billion (+55.07%) was derived from the consolidation of Beirut Hellenic Bank and the capital expenses needed to support the Bank's growth and the expansion of the network.

The decrease in “Amortization of deferred charges” by LBP 9.5 billion, noting that the deferred charges, which amounted to LBP 9.5 billion in 2010, resulted from the acquisition of Beirut Riyadh Bank s.a.l. The amortization of deferred charges was covered by the net income derived from soft loans granted by the Central Bank of Lebanon in connection with the mergers by acquisition.

Operating efficiency

On the efficiency level, Cost to Income Ratio increased slightly to reach 49.92% in 2011, from 46.32% in 2010, marginally higher than the peer group average of 47.42%.

The important operating efficiency ratios registered some improvement in 2010, namely assets, deposits, operating income and net income per branch.

Ratio	Unit	31-Dec-10	31-Dec-11	Variance
Cost ratios				
Staff expenses / operating Income	%	26.81%	30.37%	3.56%
General Expenses / operating income	%	14.77%	16.84%	2.07%
Depreciation / operating income	%	1.96%	2.71%	0.75%
Amortization of deferred charges / operating income	%	2.77%	0.00%	-2.77%
Cost to income ratio	%	46.32%	49.92%	3.61%
Cost to average assets	%	1.40%	1.43%	0.03%
Effective tax rate	%	17.40%	17.34%	-0.06%
Operating efficiency				
Number of Staff	Count	1,162	1,413	251
Number of branches and banking units	Count	55	75	20
Staff per branch	Count	21.1	18.8	(2.3)
Total Assets per average staff	LBP million	10,958	11,393	435
Total deposits per average staff	LBP million	8,212	8,902	689
Staff expenses per average staff	LBP million	83	90	7
Operating Income per average staff	LBP million	310	298	(13)
Net income per average staff	LBP million	138	121	(17)
Staff expenses / total operating expenses	%	57.89%	60.84%	2.95%
Assets per branch	LBP million	219,052	195,574	(23,479)
Total Deposits per branch	LBP million	164,172	152,813	(11,359)
Operating Income per branch	LBP million	6,200	5,108	(1,092)
Net income per branch	LBP million	2,762	2,076	(686)

Net income allocation and dividend policy

The Management will recommend to the Board of Directors that will be held on 27th March 2012 to resolve the following allocation of the net profit:

- Distributing cash dividends to common shareholders of LBP 650 per common share. The total dividends to common shareholders amounted to LBP 32,804 million, based on outstanding number of Common Shares of 50,467,400.
- Distributing cash dividends to preferred shareholders totaling LBP 46,271 million.
- Transferring the remaining net profits, which amounted to LBP 76,641 million, to statutory, legal and regulatory reserves and retained earnings.

Description (LBP millions)	Amounts		Growth	
	2010	2011	Amount	%
Consolidated net profit (Majority Share)	151,899	155,715	3,816	2.45%
Dividends on non-cumulative Preferred shares	43,054	46,271	3,217	6.95%
Preferred Shares series «C»	13,206	-	(13,206)	
Preferred Shares series «D»	13,568	13,568	-	0.00%
Preferred Shares series «E»	7,236	7,236	-	0.00%
Preferred Shares series «F»	9,045	9,045	-	0.00%
Preferred Shares series «G»	-	12,714	12,714	100.00%
Preferred Shares series «H»	-	3,708	3,708	100.00%
Dividends on Common Shares	32,804	32,804	-	0.00%
Transfer to Reserves and retained earnings	76,041	76,641	600	0.78%

Following a stable and consistent dividend policy, the dividend per Common Share would stabilize in 2011, reflecting a dividend yield of 2.22% as compared to 2.32% in 2010. The total dividends payout ratio (Common and Preferred Shares dividends) represented 50.78% in 2011 as compared to 49.94% in 2010.

Indicator	Unit	2010	2011	Variance
Dividend per Common share (DPS)	LBP	650	650	-
Total Dividends on Common shares	LBP million	32,804	32,804	-
Total Dividends on non-cumulative Preferred shares	LBP million	43,054	46,271	3,217
Total Dividends (Common and non-cumulative Preferred)	LBP million	75,858	79,075	3,217
Dividend yield per Common share (DPS/Price)	%	2.32%	2.22%	-0.10%
Common Shares dividend payout ratio (% on common earnings)	%	30.14%	29.97%	-0.17%
Common Shares dividend payout ratio (% of net profit after tax)	%	21.60%	21.07%	-0.53%
Total dividends payout ratio (% of net profit after tax)	%	49.94%	50.78%	0.84%
Earnings retention Ratio (Common Shares)	%	69.86%	70.03%	0.17%
Internal Capital Generation	%	11.84%	11.29%	-0.56%

Asset Quality

The Bank's assets comprise mainly liquid assets (primary liquidity and investment securities) which represented 60.89% of total assets at year-end 2011, as compared to 66.72% at year-end 2010.

Loans to customers represented 33.83% as at December 31st, 2011 as compared to 29.11% at the end of the previous year.

Description (LBP billions)	Balances		Breakdown	
	31-Dec-10	31-Dec-11	31-Dec-10	31-Dec-11
Cash and deposits at Central Banks	2,066	2,352	17.15%	16.04%
Due to banks and financial institutions	1,245	1,491	10.33%	10.17%
Loans and Advances	3,508	4,962	29.11%	33.83%
Customers' acceptance liability	302	457	2.51%	3.12%
Investment securities (incl. trading assets)	4,728	5,087	39.24%	34.68%
Property and equipment	99	118	0.82%	0.80%
Other assets	98	111	0.81%	0.76%
Goodwill	2	89	0.02%	0.60%
Total	12,048	14,668	100.00%	100.00%

Loan portfolio quality

Description (LBP billions)	Balances		Growth	
	31-Dec-10	31-Dec-11	Amount	%
Regular loans	3,493	4,948	1,456	41.68%
Substandard Loans	16	15	(1)	-6.25%
Gross balances	23	21	(2)	-8.92%
Unrealized interest	(7)	(6)	1	-14.65%
Doubtful Loans	16	15	(1)	-6.59%
Gross balances	83	89	6	6.89%
Unrealized interest	(47)	(54)	(7)	15.42%
Impairment allowances	(21)	(20)	0	-2.24%
General & Collective Provisions	(16)	(16)	0	-2.32%
Total Net Loans	3,508	4,962	1,454	41.45%

The achieved growth in loans in 2011 by 41.45% was not accomplished at the detriment of quality, the "Non-Performing Loans" (excluding the specific loan loss reserves) registered a notable decline, by 6.42% during 2011, to reach healthy levels of loan portfolio quality ratios, such as, the net NPLs to total net loans of 0.59% and Net NPLs to Total Equity of 1.85%.

The coverage ratio from specific loan loss reserves of gross doubtful loans improved in 2011, from 81.19% to 83.56%, indicating appropriate provisioning. The loan loss reserves coverage ratio exceeds 100% after accounting for the general and collective provisions, guarantees, mortgages and other real guarantees.



Assets Quality / Loans classification	31-Dec-10	31-Dec-11	Variance
Regular Loans / Gross Loans	97.06%	97.83%	0.78%
Gross Substandard Loans / Gross Loans	0.64%	0.41%	-0.23%
Gross Doubtful Loans / Gross Loans	2.30%	1.75%	-0.55%
Gross NPLs / Gross Loans	2.94%	2.17%	-0.78%
Gross Regular Loans Net of Unr. Int. / Gross loans net of Unrealized interest	98.53%	99.01%	0.48%
Gross Substandard Net of Unr. Int. / Gross loans net of Unrealized interest	0.44%	0.29%	-0.15%
Gross Doubtful Net of Unr. Int. / Gross loans net of unrealized interest	1.02%	0.70%	-0.33%
Gross NPLs Net of Unr. Int. / Gross loans net of Unrealized interest	1.47%	0.99%	-0.48%
Net Regular Loans after general & collective provisions / Net Loans	99.11%	99.41%	0.30%
Net Substandard Loans / Net Loans	0.45%	0.30%	-0.15%
Net Doubtful Loans (after specific LLRs) / Net Loans	0.44%	0.29%	-0.15%
Net NPLs (after specific LLRs) / Net Loans	0.89%	0.59%	-0.30%
Unrealized Int. on substandard / Gross Substandard	31.77%	29.77%	-2.00%
Specific Loan Loss Reserves on doubtful / Gross Doubtful	81.19%	83.56%	2.37%
Specific Loan Loss Reserves on NPLs / Gross NPLs	70.45%	73.27%	2.82%
Net NPLs / Total Assets	0.26%	0.20%	-0.06%
Net NPLs / Total Shareholders' Equity	2.29%	1.85%	-0.43%

Sovereign Risk Exposure

Ratio	31-Dec-10	31-Dec-11	Variation
Total Exposure to Lebanese Treasury* / Deposits	30.82%	23.87%	-6.95%
Due from BDL (including placements and CD's) / Deposits	38.87%	34.09%	-4.79%
Total Sovereign Exposure* / Deposits	69.70%	57.96%	-11.74%
Total Sovereign Exposure / Assets	53.59%	45.29%	-8.30%
Total Sovereign Exposure* / Total Equity	459.31%	420.27%	-39.03%
Total Equity / Total Sovereign Exposure*	21.77%	23.79%	2.02%

(*) Excluding LBP Treasury Bills financed by Central Bank of Lebanon soft loans



Comparative Consolidated Balance Sheets

Description (LBP 000's)	Balances				
	31-Dec-07	31-Dec-08	31-Dec-09	31-Dec-10	31-Dec-11
Cash and deposits at Central Banks	967,522,223	1,585,398,012	1,526,681,849	2,065,973,677	2,352,430,632
Deposits with banks and financial institutions	1,582,982,967	678,850,269	1,082,849,697	1,108,873,245	1,391,098,805
Trading Assets	27,571,931	59,858,212	43,422,590	107,856,973	616,480,527
Loans to banks	125,751,767	82,495,270	85,524,269	136,154,971	100,090,358
Loans and advances (less provision for credit losses)	1,537,208,275	2,088,764,311	2,546,978,299	3,400,554,061	4,806,638,990
Loans and advances to related parties	69,489,562	70,028,782	160,185,558	107,080,420	154,980,954
Investment securities	3,182,063,569	3,628,833,803	4,694,547,938	4,620,041,892	4,471,009,210
Customers' acceptance liability	215,984,250	251,973,777	178,237,296	302,246,243	457,406,326
Investment in associates	28,935,442	33,909,808	34,918,453	34,114,825	35,768,858
Assets acquired in satisfaction of loans	52,259,089	40,854,448	34,914,970	33,178,002	27,618,905
Properties and equipment (less accumulated depreciation)	63,228,435	66,338,063	76,339,774	98,783,153	117,889,505
Other assets	59,922,821	59,074,291	32,056,092	30,862,109	47,873,745
Goodwill	2,263,511	1,643,115	1,795,609	2,155,731	88,736,427
Total Assets	7,915,183,842	8,648,022,161	10,498,452,394	12,047,875,302	14,668,023,242
Deposits and borrowing from banks and financial institutions	407,521,774	491,810,448	523,032,866	805,247,217	732,261,020
Customers' and related parties' deposits designated at FVTPL	44,587,137	24,901,984	8,903,330	6,593,351	2,955,538
Customers' and related parties' deposits at amortized cost	5,495,703,276	5,930,770,631	7,425,795,813	9,022,858,026	11,458,002,064
Liabilities under acceptance	215,984,250	251,973,777	178,237,296	302,246,243	457,406,326
Other borrowings	859,009,921	837,245,279	851,107,260	234,849,314	60,711,595
Certificates of Deposits	99,862,091	161,630,701	189,933,674	151,302,010	226,726,442
Other Liabilities	80,392,672	159,588,119	117,962,857	122,454,110	116,901,437
Provisions	17,221,005	22,056,683	24,786,057	32,180,707	33,894,597
Liability under preferred shares	80,727,488	-	-	-	-
Shareholders' equity	614,174,228	768,044,539	1,178,693,241	1,370,144,324	1,579,164,223
Total Liabilities & Shareholders' Equity	7,915,183,842	8,648,022,161	10,498,452,394	12,047,875,302	14,668,023,242

Comparative Consolidated Income Statements

Description (LBP 000's)	2007	2008	2009	2010	2011
Interest income	485,457,173	530,789,926	551,498,054	586,114,503	645,047,526
Interest expense	(354,717,986)	(360,848,604)	(390,298,008)	(367,693,172)	(455,577,051)
Net interest income	130,739,187	169,941,322	161,200,046	218,421,331	189,470,475
Fee and commission income	45,060,221	63,166,082	67,445,257	90,172,033	106,331,618
Fee and commission expense	(4,366,762)	(8,474,803)	(8,534,372)	(12,254,466)	(13,051,997)
Net fee and commission income	40,693,459	54,691,279	58,910,885	77,917,567	93,279,621
Net interest and other gain on trading securities	1,596,154	4,721,276	4,661,502	7,137,722	77,838,212
Net interest and gain on financial liability designated at fair value	(1,374,863)	(2,541,268)	(1,260,266)	(187,781)	(256,248)
Other operating income	12,744,098	26,200,457	49,831,388	37,711,185	22,767,908
Net financial revenues	184,398,035	253,013,066	273,343,555	341,000,024	383,099,968
Net allowance for impairment of loans and advances	1,899,849	(4,167,815)	333,610	861,836	(3,184,800)
Net allowance for impairment of other assets	(150,000)	(866,783)	12,575	(10,894)	126,981
Total Impairment Charge	1,749,849	(5,034,598)	346,185	850,942	(3,057,819)
Net operating income after impairment charge	186,147,884	247,978,468	273,689,740	341,850,966	380,042,149
Staff costs	(45,158,329)	(60,936,450)	(68,677,943)	(91,429,496)	(116,362,187)
General operating expenses	(33,920,742)	(42,789,339)	(47,704,842)	(50,366,278)	(64,516,475)
Depreciation and amortization	(4,298,688)	(4,309,374)	(4,996,754)	(6,690,355)	(10,374,729)
Amortization of deferred charges	(20,200,000)	(15,438,000)	(15,600,000)	(9,453,898)	-
Total operating expenses	(103,577,759)	(123,473,163)	(136,979,539)	(157,940,027)	(191,253,391)
Profit before income tax	82,570,125	124,505,305	136,710,201	183,910,939	188,788,758
Income tax expense	(16,209,838)	(24,468,626)	(23,420,486)	(30,518,602)	(31,244,586)
Profit for the year before withholding tax on profits from subsidiaries	66,360,287	100,036,679	113,289,715	153,392,337	157,544,172
Tax on undistributed profit from subsidiaries	(307,647)	(614,687)	(1,104,711)	(1,477,698)	(1,483,041)
Net profit for the year	66,052,640	99,421,992	112,185,004	151,914,639	156,061,131
Non controlling interest	-	-	-	(15,891)	(345,990)
Equity Holders of the Group	66,052,640	99,421,992	112,185,004	151,898,748	155,715,141

Comparative Main Financial Ratios

Key performance indicators	Unit	31-Dec-07	31-Dec-08	31-Dec-09	31-Dec-10	31-Dec-11
Profitability						
Return on Average Assets (ROAA)	%	0.89%	1.20%	1.17%	1.35%	1.17%
Return on Average Equity (ROAE)	%	10.49%	13.59%	11.53%	11.92%	10.55%
Return on Average Common Equity (ROACE)	%	20.36%	24.23%	16.99%	16.95%	16.12%
Cost to income ratio	%	56.17%	48.80%	50.11%	46.32%	49.92%
Capital Adequacy						
Equity to Asset Ratio	%	8.78%	8.88%	11.23%	11.37%	10.78%
Capital Adequacy Ratio - Basel II	%	15.37%	12.51%	15.70%	14.78%	13.80%
Core Regulatory Capital Ratio - Basel II	%	15.32%	9.01%	11.96%	14.06%	12.15%
Liquidity						
Loans to deposits ratio	%	29.00%	36.25%	36.41%	38.85%	43.17%
Loans / Assets	%	20.30%	24.96%	25.79%	29.11%	33.73%
Investment securities portfolio / Total Assets	%	40.55%	42.65%	45.13%	39.24%	34.68%
Total Liquid Assets / Total Liabilities	%	85.66%	78.90%	82.53%	76.36%	69.20%
Assets Quality	%					
Net NPLs (after specific LLRs) / Net Loans	%	4.38%	2.90%	1.83%	0.89%	0.59%
Net NPLs / Total Assets	%	0.89%	0.72%	0.47%	0.26%	0.20%
Net NPLs / Total Shareholders' Equity	%	10.12%	8.14%	4.21%	2.29%	1.85%
Total Exposure to Lebanese Treasury / Assets	%	30.69%	31.32%	32.71%	24.46%	18.65%
Common Shares performance						
Common Share market price (end-of-period)	LBP	19,220.63	27,511.88	28,265.63	28,039.50	29,245.50
Market Capitalization (end of period)	LBP million	780,357	1,233,890	1,426,493	1,415,081	1,475,944
Basic Earnings per Share for the period (Basic EPS)	LBP	1,259	1,647	1,756	2,160	2,176
Basic EPS / End-of-period common share market price		6.55%	5.99%	6.21%	7.70%	7.44%
Price to common earnings - P/E Ratio	Times	15.27	16.70	16.09	12.98	13.44
Price to common book value - M/B Ratio	Times	2.28	3.12	2.08	1.80	1.87
Dividends						
Dividend per Common share (DPS)	USD	550.00	625.00	625.00	650.00	650.00
Total Dividends on Common shares	LBP million	22,330.00	28,030.86	31,542.13	32,803.81	32,803.81
Total Dividends on non-cumulative Preferred shares	LBP million	10,402.126	25,701.90	33,384.23	43,054.20	46,270.77
Dividend yield (Common share)	%	2.86	2.27	2.21	2.32	2.22

Loans classification

Description (LPB millions)	31-Dec-07	31-Dec-08	31-Dec-09	31-Dec-10	31-Dec-11
Regular loans	1,544,824	2,109,334	2,668,556	3,492,709	4,948,323
Substandard loans	15,678	15,843	15,035	15,710	14,728
Gross balances	21,105	21,928	21,434	23,023	20,970
Unrealized interest	(5,427)	(6,085)	(6,399)	(7,313)	(6,242)
Doubtful loans	54,636	46,708	34,539	15,600	14,572
Gross balances	170,299	154,130	133,995	82,947	88,661
Unrealized interest	(71,671)	(67,585)	(65,319)	(46,703)	(53,907)
Impairment allowances	(43,992)	(39,836)	(34,137)	(20,644)	(20,181)
General & Collective Provisions	(8,440)	(13,092)	(10,966)	(16,385)	(16,004)
Total loans	1,606,698	2,158,793	2,707,164	3,507,634	4,961,620

Ratio	31-Dec-07	31-Dec-08	31-Dec-09	31-Dec-10	31-Dec-11
Regular Loans / Gross Loans	88.98%	92.30%	94.50%	97.06%	97.83%
Gross Substandard Loans / Gross Loans	1.22%	0.96%	0.76%	0.64%	0.41%
Gross Doubtful Loans / Gross Loans	9.81%	6.74%	4.74%	2.30%	1.75%
Gross NPLs / Gross Loans	11.02%	7.70%	5.50%	2.94%	2.17%
Gross Regular Loans Net of Unr. Int. / Gross loans net of Unrealized interest	93.11%	95.37%	96.96%	98.53%	99.01%
Gross Substandard Net of Unr. Int. / Gross loans net of Unrealized interest	0.94%	0.72%	0.55%	0.44%	0.29%
Gross Doubtful Net of Unr. Int. / Gross loans net of unrealized interest	5.94%	3.91%	2.50%	1.02%	0.70%
Gross NPLs Net of Unr. Int. / Gross loans net of Unrealized interest	6.89%	4.63%	3.04%	1.47%	0.99%
Net Regular Loans after general & collective provisions / Net Loans	95.62%	97.10%	98.17%	99.11%	99.41%
Net Substandard Loans / Net Loans	0.98%	0.73%	0.56%	0.45%	0.30%
Net Doubtful Loans (after specific LLRs) / Net Loans	3.40%	2.16%	1.28%	0.44%	0.29%
Net NPLs (after specific LLRs) / Net Loans	4.38%	2.90%	1.83%	0.89%	0.59%
Unrealized Int. on substandard / Gross Substandard	25.71%	27.75%	29.86%	31.77%	29.77%
Specific Loan Loss Reserves on doubtful / Gross Doubtful	67.92%	69.70%	74.22%	81.19%	83.56%
Specific Loan Loss Reserves on NPLs / Gross NPLs	63.26%	64.47%	68.11%	70.45%	73.27%
Net NPLs / Total Assets	0.89%	0.72%	0.47%	0.26%	0.20%
Net NPLs / Total Shareholders' Equity	10.12%	8.14%	4.21%	2.29%	1.85%

2011 Achievements

South Wales


Canberra

Newcastle

Perth

Queensland

Adelaide



At Bank of Beirut, proximity is not just about geographical location, it is a matter of developing close relationships with our customers by offering them easy and fast accessibility to the Bank's products and services.

Breaking New Grounds in Expansion

A Bank with Extensive National Presence...and Global Reach

At Bank of Beirut, our scope of services is broad and global in reach. We bring unmatched convenience, innovation and resources to customers both locally and around the globe, offering them full-service banking operations in nine countries.

2011 was a year for expansion in Lebanon and beyond for Bank of Beirut. We tapped new local and international markets to serve our customers wherever they are and to provide them with highly personalized services.

Locally, Bank of Beirut witnessed the opening of five new branches in the regions of Ghazir, Chehabieh, Baskinta, Rabieh and Amchit. The opening of new branches embodies Bank of Beirut's commitment to contribute to the development of remote areas across the country in an endeavor to help Lebanese citizens remain in their hometowns, by providing them with flexible and customized financing solutions tailored to their needs and capabilities.

Globally, Management's vision led it beyond borders. Having experienced rapid growth over the past, the Bank adopted a cross - border expansion strategy that was clearly reflected in its implemented plans. Bank of Beirut strengthened its domestic coverage by growing its network throughout Lebanon, and expanded into Australia through the acquisition of 92.5% of the shares of Laiki Bank (Australia) Ltd., subsequently renamed Beirut Hellenic Bank Ltd., with a present network of 16 branches. Exploiting the Australian banking market has allowed us to become the embassy of the Lebanese banking industry across the globe by expanding our presence into areas densely populated by the Lebanese Diaspora with the intention of becoming the universal Lebanese Bank in the region.



*Our inspiration derives from our rich past
and aspirations for a brighter future.*

Breaking New Grounds in Brand Communication

New Brand, New Look, Consistent Commitment

In 2011, Bank of Beirut embraced a new era of banking excellence by breaking new grounds in brand communication. The Bank combined almost half a century of expertise, achievements and success into one new corporate identity that embodies its core values, mission and vision, thus reinforcing Bank of Beirut's image as a stable Bank with a strong heritage.

Eager to convey our genuine identity, we developed a new consistent brand that builds and sustains trust; projects the professional, the Bank's reliable powerful image of the Bank; which is manifested in all its actions.

Our Brand signature

Choosing to keep "Banking Beyond Borders" as our brand signature is indicative of our philosophy behind everything we do at Bank of Beirut: Our signature not only conveys our prospects to expand and venture into new markets, but also reflects our profound intentions to go the extra mile in serving our customers wherever they are.






Our Logo

Bank of Beirut's new logo is conceived and masterminded in a wrapping style effect to convey the Bank's mindful approach and its concern to wrap its customers with care.

The triangle shapes are a reminder of the cedar of Lebanon. The new brand texture also conveys the modern dynamic, aggressive ongoing spirit of Bank of Beirut.

The reason behind choosing blue as the color of our logo, signifies continuity with our past. Finally, our new logo is a reflection of our Bank as it is characterized by the initial B, our insignia.





At Bank of Beirut, we are leading the industry towards banking excellence.



Breaking New Grounds in Cash Management Solutions

2011 was a watershed year for Bank of Beirut.

Over the course of those 12 months, our Bank has broken new grounds on all levels, one of which was Transaction Banking.

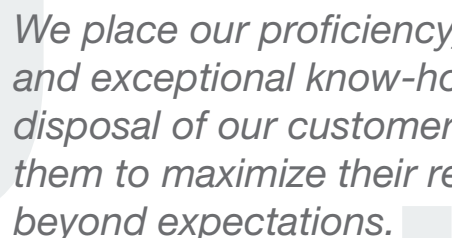
The Bank created the Cash Management and Transaction Banking Services Department, developing the latest innovative financial transaction programs with the widest reach in Lebanon. Through its new-born department, Bank of Beirut was the first Bank on the Lebanese market to offer business banking solutions to companies, allowing them to perform all sorts of financial transactions online from anywhere around the world.

Bank of Beirut's business online banking bouquet encompasses:

- The Business Online Banking, platform, offering companies immediate online access to their accounts, and allowing them to perform financial transactions, wire money, open Letters of Credit and more, all from the comfort of their home or office.
- The Electronic Payroll Service, allowing companies to electronically disburse their employees' salaries and wages instantaneously in a secure manner, without having to go to a branch.
- The Business Pay Card Solution, allowing them to electronically pay their unbanked seasonal staff, clients, suppliers..., without having to open for them a bank account.

Bank of Beirut's groundbreaking online business services have been developed in line with our Bank's continuous endeavours to keep up with modernity and meet our customers' technological needs, which will also keep our economy moving forward and constantly competing in a world without borders.

Through this pioneering initiative, we further consolidate our position as a leading Bank committed to offering best-in-class solutions to our corporate customers.



We place our proficiency, expertise and exceptional know-how at the disposal of our customers allowing them to maximize their returns beyond expectations.



Breaking New Grounds in Capital Markets

For almost 50 years, we have focused on going beyond our customers' expectations striving to become a "Universal Bank". Today, our efforts towards providing high-end global, regional and local market services have been appreciated on both the local and international levels.

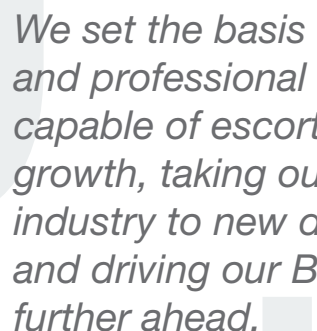

Our Bank developed further its investment services, and our Global Markets Division continues to be ahead of competition with an enhanced platform dedicated to serving its customers' comprehensive financial requirements across the globe. Today, we have access to major centers around the world: USA, Canada, the Far East, including Hong Kong and China, Australia and South Africa, and our European coverage includes London and the Scandinavian countries, in addition to the Middle East and the GCC countries.

The year 2011 witnessed another series of achievements on the Capital Markets scene. Our commitment, high performance and Global Markets expertise have brought us awards and recognitions from the most respected financial world journals and institutions, positioning us as leader in the sector.


At Bank of Beirut, we lead the industry toward a more sophisticated approach in banking and wealth management, and the many awards we have earned are indicative of our commitment to optimize our customers' returns on investment.

In 2011, Bank of Beirut was awarded the 'Best GTFP Issuing Bank in Middle East & North Africa Regional Trade' during the fourth annual International Finance Corporation (IFC) meeting, in Istanbul. Our Bank is a leader in trade finance, through the issuance of Letters of Credit and Letters of Guarantee, as well as in Asset Management and financial engineering through the launch of structured products and investment funds.

In 2011, another top-score was awarded: Two Funds managed by Bank of Beirut which were listed on Zawya Funds Monitor as the Best Performing Funds over a three-year period; positioning Bank of Beirut as leader in funds management.



We set the basis of a talented and professional workforce capable of escorting the Bank's growth, taking our banking industry to new dimensions and driving our Bank's business further ahead.





Breaking New Grounds in Staff Education and Training

At Bank of Beirut, we recognize the crucial role our people play in the Bank's success and we strive to create a working environment that fosters the optimal performance of our human capital, thereby delivering excellent service to our growing customer base whilst benefiting all stakeholders.

Throughout 2011, we stayed true to our focus on our people and a great deal of the Bank's energy has been directed in creating the Bank of Beirut Academy, a training and learning center aimed at providing the Bank's employees with the highest standards of banking knowledge and of quality customer services best practices.

Through its recently launched learning platform, Bank of Beirut aims at promoting the skills and competencies of its employees through certified trainings delivered by high-calibre training experts with global experience. The Academy's highly interactive training programs cover full-range of banking topics and core courses in banking and business fundamentals, including group workshops, group discussions, role playing, and sharing of best practices.

Moreover, the Academy offers growth opportunities for the Bank's employees, granting them international certification, and increasing Bank of Beirut's competitive edge in the banking industry.



At Beirut Life, we strive to build and sustain supreme financial capabilities allowing us to generate benchmark profits for our shareholders.

Breaking New Grounds in Bancassurance

Breaking new grounds is part of Bank of Beirut culture. That's what places us always at the forefront of innovation and product diversification.

The year 2011 witnessed an impressive breakthrough for Bank of Beirut which has expanded into life insurance services through an external acquisition, Beirut Life, the Bank's latest new-born subsidiary.

At Beirut Life, caring for our customers' utmost safety and well-being is our top priority. We aim to protect our policyholders from the financial impacts of life, death or disability and to provide them with the best possible products and services, offering them securities, such as, retirement and life insurance plans. Our software platform allows for direct solutions at all Bank of Beirut counters as well as the possibility for our customers to buy most of their insurance online.

But above all, Beirut Life is committed to bonding with its customers, improving their own lives and that of their families.

We are determined to pursue our development path and are absolutely committed to firmly grasping the industry's development opportunities, advancing towards our goal by developing into a leading life insurance company, for offering excellent premium services to our customers and long-term stable returns through our shareholders.

The background is a long-exposure photograph of a city street at night. Light trails from cars are visible as horizontal streaks of white and yellow. In the background, there is a large, multi-story building with many windows, some of which are lit. A black metal fence runs across the middle ground. The foreground shows a dark asphalt road with white lane markings. Overlaid on the image are several semi-transparent geometric shapes: a large grey triangle on the left, a smaller blue triangle on the right, and a black vertical rectangle on the far left.

Directory

Local Directory

Headquarters

Foch Street - Beirut Central District

Bank of Beirut s.a.l. Bldg.
Tel/Fax: 961 1 972972 - 983999
P.O. Box: 11-7354 Beirut - Lebanon
Telex: 23640 LE - 48203 LE
Forex: 961 1 970232 | 3 | 4 | 5 | 7 | 8 | 9 | 40 | 41 Fax: 961 1 970236
Reuters Dealing Code: BBDL
Reuters Page Code: BoB 01-05
Cable: BANBETMAL - Swift: BABELBBE

Head Offices

► Gefinor

Hamra, Clemenceau Street, Gefinor Center,
Block A, 1st Floor
P.O.Box: 11-7354 Beirut - Lebanon
Tel: 961 1 750888 - 350723
Fax: 961 1 744634

► Jdeideh

Baouchrieh (Jdeideh), Serail Street,
Bank of Beirut s.a.l. Bldg.
P.O.Box: 11-7354 Beirut - Lebanon
Tel: 961 1 888630 - 897706
Fax: 961 1 897705

► Riyad El Solh

Beirut, Riyad El Solh Street,
Bank of Beirut Bldg.
P.O.Box: 11-7354 Beirut - Lebanon
Tel: 961 1 980222 | 333

Local Branches

► Achrafieh, ABC

ABC Mall, Al-Salam Street
Tel: 961 1 204668 | 9 - 323536 - 328772
Fax: 961 1 204671

► Achrafieh, Sioufi

Ghazalieh Street, Samaha Bldg.
Tel/Fax: 961 1 204606 | 7 | 8

► Ain El-Remmaneh

Camille Chamoun Blvd.,
Ghannoum Street, Bank of Beirut s.a.l. Bldg.
Tel: 961 1 385342 | 3 | 4
Fax: 961 1 385341

► Aley

Aley Main Road, Mahmoud Bldg.
Tel: 961 5 556125 | 6
Fax: 961 5 555924

► Al- Nahr

Al-Nahr Street, Mar Mikhael Area,
Khatchadourian Bldg.
Tel/Fax: 961 1 562342 | 3 | 4 - 587226

► Amchit

President Sleiman Street,
Tony Michel Issa Bldg.
Tel/Fax: 961 9 622734 | 5 | 6 | 8 | 9

► Antelias

Antelias Square, Antelias Main Road,
Tohme Bldg.
Tel/Fax: 961 4 525637 | 8 | 9

► Baouchrieh

Electricité du Liban Street,
Yazbek & Madi Bldg.
Tel: 961 1 871415 | 6 | 7
Fax: 961 1 871417

► Baouchrieh, Jdeideh

Serail Street, Bank of Beirut s.a.l. Bldg.
Tel: 961 1 897750 | 1 | 2
Fax: 961 1 897753

► Baskinta

Baskinta Main Road, Georges Hobeika Bldg.
Tel/Fax: 961 4 250881 | 2 | 3 | 4

► Beit El Chaar - Aoukar

Champville Roundabout, Tony Khoury Bldg.
Tel/Fax: 961 4 923181 | 2 | 3 | 4 | 5

► Bourj Hammoud

Dora Blvd., Tchaghlassian Bldg.
Tel: 961 1 262480 - 263599
Fax: 961 1 269401

► Broumana

Broumana Main Road, Lodge Bldg.
Tel: 961 4 960806 | 949 - 963029
Fax: 961 4 960806 - 963029

► Chehabieh

Darb El Souk - Mtoll,
Chehabieh Main Road,
Khalil & Kassem Rkein Bldg.
Tel/Fax: 961 7 412022 | 3 | 4 | 5 | 6

► Chiyah

Mar Mikhael Blvd., Tohme & Barrage Bldg.
Tel/Fax: 961 1 274555 - 276042

► Chtaura

Chtaura - Masnaa' Main Road
Tel/Fax: 961 8 540421 | 431 | 438

- ▶ **Corniche El Mazraa**
Saeb Salam Avenue, Mourneh Bldg.
Tel/Fax: 961 1 318801 | 806 | 810 | 812 | 814
- ▶ **Deir El Zahrani**
Deir El Zahrani Highway, Ashraf Ahmad Jamoul Bldg.
Nabatiyeh, South Lebanon
Tel/Fax: 961 7 531094 | 529
- ▶ **Dekwaneh**
Slaf Street, Jean Mikhael Bldg.
Tel: 961 1 694510 | 20 | 30 | 40 | 60
Fax: 961 1 694570
- ▶ **Dhour El Choueir**
Dhour El Choueir Main Street,
Elie Kassir Bldg.
Tel/Fax: 961 4 391051 | 2 | 3 | 4 | 6
- ▶ **Dora**
Dora Square, Bank of Beirut s.a.l. Bldg.
Tel: 961 1 256020 | 1
Fax: 961 1 256022
- ▶ **Foch, Main Branch**
Foch Street, Beirut Central District,
Bank of Beirut s.a.l. Bldg.
Tel/Fax: 961 1 985327 - 985418 | 9
- ▶ **Ghazir**
Ghazir Square, near Convent St Francis
Tel/Fax: 961 9 925740 | 840 - 926240 | 340 | 540
- ▶ **Ghobeiry**
Ghobeiry Main Road, Bdeir & Co. Bldg.
Tel: 961 1 278717 | 9 - 552480 | 1
Fax: 961 1 543874
- ▶ **Hamra, Gefinor**
Clemenceau Street,
Gefinor Center, Block A, Ground Floor
Tel: 961 1 738767
Fax: 961 1 746563
- ▶ **Hamra, Ras Beirut**
Mme. Curie Street, Minkara Center, near Bristol Hotel
Tel: 961 1 350168 | 9 - 354458
Fax: 961 1 349935
- ▶ **Hamra, Saroulla**
Hamra Main Road, facing Saroulla
Tel: 961 1 352992 - 740570 - 742182 - 750683
Fax: 961 1 342840
- ▶ **Hamra, Sidani**
138 Sidani Street, near AUH entrance,
Nawfal Bldg., Ground Floor
Tel/Fax: 961 1 746724 | 8
- ▶ **Hazmieh**
Hazmieh Main Road, Accaoui Center
Tel: 961 5 459221 - 951168 | 9
Fax: 961 5 457272
- ▶ **Jal El-Dib**
Jal El-Dib Main Road,
Abou Jaoude & Hachem Bldg.
Tel: 961 4 711399 - 711517 | 8 | 9
Fax: 961 4 711396 - 711399
- ▶ **Jal El-Dib Square**
Jal El-Dib Main Road,
Bank of Beirut s.a.l. Bldg.
Tel: 961 4 523624 | 626
Fax: 961 4 523625
- ▶ **Jbeil**
Jbeil Main Road, Cordahi & Matta Center
Tel: 961 9 546530 | 534
Fax: 961 9 546534
- ▶ **Jounieh**
Jounieh Square, A. & F. Al-Adem Bldg.
Tel: 961 9 637586 | 913955 | 990
Fax: 961 9 637586 | 913990
- ▶ **Jounieh, Ghadir**
Bkerkeh Main Road, Boueri Bldg.
Tel: 961 9 639006 | 7 | 8 | 9
Fax: 961 9 639010
- ▶ **Kaslik**
Kaslik, University Saint Esprit Bldg.,
Ground Floor
Tel: 961 9 911302 | 306 | 308 | 336
Fax: 961 9 911302 | 306
- ▶ **Kfardebian**
Kfardebian Main Street, facing municipality,
Mehanna bldg.
Tel/Fax: 961 9 711301 | 2 | 3 | 4 | 5
- ▶ **Kfarsaroun**
Koura, Bank of Beirut s.a.l. Bldg.
Tel: 961 6 651516 | 7 - 952727 | 8 | 9
Fax: 961 6 651517
- ▶ **Koraytem**
Takieddine Solh Street,
Hicham Nour Eldine Itani Bldg.
Tel/Fax: 961 1 797140 | 1 | 2 | 3
- ▶ **Mansourieh**
Mansourieh Main Road, Salamil Bldg.
Tel: 961 4 409693 | 4 | 5
Fax: 961 4 409695

- ▶ **Mar Elias**
Mar Elias Street, Kanafani Bldg.
Tel/Fax: 961 1 305571 - 818148
- ▶ **Mazraa, Barbir**
Corniche El-Mazraa, Saeb Salam Blvd.,
Moussa Bldg.
Tel/Fax: 961 1 663915 | 6 | 7 | 8
- ▶ **Mazraa, Saeb Salam Boulevard**
Corniche El-Mazraa, Saeb Salam Blvd.,
Sharikat El-Maskan Bldg.
Tel: 961 1 313276 - 318852
Fax: 961 1 312340
- ▶ **Mazraat Yachouh - Elyssar**
Mazraat Yachouh, Bikfaya Main Road,
Bank of Beirut s.a.l. Bldg.
Tel: 961 4 920106 | 8 - 928190 | 1 | 2
Fax: 961 4 920105
- ▶ **Palais de Justice**
Adlieh Cross Point,
Al-Ghazal Development Bldg.,
facing The House of Lawyers
Tel: 961 1 425842 - 426201 - 612922 | 3
Fax: 961 1 425842
- ▶ **Port of Beirut**
Saifi Area,
Compagnie de Gestion et d'Exploitation du Port de Beyrouth Bldg.
Tel/Fax: 961 1 563514 | 537 | 570 | 577
- ▶ **Rabieh**
Rabiya Center, Chucri Chammas Street, Zone 1
Tel/Fax: 961 4 521739 | 40 | 41 | 42 | 43
- ▶ **Riyad El-Solh**
Riyad El-Solh Street, Bank of Beirut s.a.l. Bldg.
Tel: 961 1 980222 | 333
Fax: 961 1 980350
- ▶ **Sidon**
Riyad El-Solh Street,
Rizkallah Bldg., Ground Floor
Tel/Fax: 961 7 752502 | 3 | 4 | 5
- ▶ **Sin El-Fil, Horsh Tabet**
Marc 1 Center,
Emile Gerges Lahoud Square
Tel: 961 1 481773 | 874
Fax: 961 1 500352
- ▶ **Sin El-Fil, Saydeh**
Saydeh Street, Joseph & Michel Kahaleh Bldg.
Tel/Fax: 961 1 480616 - 482324
- ▶ **Tariq El-Jdideh**
Mufti Khaled Street,
Jamal Al Hariri & Fouad Toufik El Khawli Bldg.,
Ground Floor, Mazraa
Tel/Fax: 961 1 843605 | 49 | 52 | 54 | 57
- ▶ **Tripoli, Abou Samra**
Al-Haddadine Area, near Al-Kalaa,
Jamal Eddine Bldg., Ground Floor
Tel/Fax: 961 6 429500 | 1 | 2 | 3 | 4
- ▶ **Tripoli, Banks' Street**
Abdel Hamid Karamah Street,
Abdel Rahman Alameddine Bldg.
Tel: 961 6 445209 | 210
Fax: 961 6 445210
- ▶ **Tyre, Al-Ramel**
Hay Al-Ramel, Bank of Beirut s.a.l. Bldg.
Tel: 961 7 740051 - 742149
Fax: 961 7 740051
- ▶ **Tyre, Sour**
Tyre Main Road, Jal El-Bahr,
Bank of Beirut s.a.l. Bldg.
Tel: 961 7 348232 | 3 | 4
Fax: 961 7 348235
- ▶ **Zouk Mikael**
Zouk Mikael Main Road, Bsoussi Bldg.
Tel/Fax: 961 9 224812 | 3 - 225813 | 4 | 6
- ▶ **Zouk Mosbeh**
Jeita Highway
Tel/Fax: 961 9 223012 | 3 | 4

International Directory

Subsidiaries

- ▶ **United Kingdom**
Bank of Beirut (UK) Ltd.
 17 A Curzon Street,
 London (West End) W1J 5HS, England (UK)
 Tel: +44 20 74938342 | 6
 Fax: +44 20 74080053
 www.bankofbeirut.co.uk
- ▶ **Germany (UK subsidiary branch)**
Bank of Beirut (UK) Ltd. - Frankfurt Branch
 Grueneweg 2, 60322 Frankfurt
 Tel: +49 69 915067710
 Fax: +49 69 915067799
 www.bankofbeirut.de
- ▶ **Australia (16 branches)**
Beirut Hellenic Bank Ltd.
 Australian Head Office,
 Sydney City Branch, Laiki Bank House,
 Level 4, 219-223 Castlereagh Street,
 2000 Australia, Sydney
 Tel: +61 2 8262 9000
 Fax: +61 2 9283 7723
 www.beiruthellenic.com.au

Branches

- ▶ **Cyprus**
Bank of Beirut - Cyprus Branch
 Griva Digheni Street, Maximos Plaza,
 Block E, 3rd Floor, Office No.3
 P.O. Box: 59662 - 4011, Limassol, Cyprus
 Tel: +357 25 814202 | 3 | 4 | 5 | 6 | 7 | 8
 Fax: +357 25 814209
- ▶ **Sultanate of Oman - Ghubrah**
Bank of Beirut - Ghubrah Branch and Head Office
 Sultanate of Oman Head Office,
 North Ghubrah, Way No.3815,
 Bank of Beirut Bldg. No.A10251, 1st Floor,
 Muscat, Sultanate of Oman
 Tel: +968 24492380 - 24493818
 Fax: +968 24495066
- ▶ **Sultanate of Oman - Muscat**
Bank of Beirut - Muscat Branch
 Way No. 3009, Shatti Al Qurum, Al Jawhara Bldg. 576, Block 3,
 P.O. Box: 221, Postal Code 114, Muscat, Sultanate of Oman
 Tel: +968 24696281 - 24696294
 Fax: +968 24698769

- ▶ **Sultanate of Oman - Sohar**
Bank of Beirut - Sohar Branch
 Falaj Al Qabail
 P.O. Box: 487, Postal Code: 322, Sohar, Sultanate of Oman
 Tel: + 968 26750636 | 86
 Fax: + 968 26750676

Representative Offices

- ▶ **United Arab Emirates**
Bank of Beirut Dubai Representative Office
 Emirates NBD premises,
 Al Wasl Road, Jumeirah,
 Learning & Development Entrance, 1st Floor
 P.O. Box: 93800 Dubai, United Arab Emirates
 Tel: +971 4 4053292 | 3 | 4 | 5
 Fax: +971 4 3445976
- ▶ **Nigeria**
Bank of Beirut Representative Office (Nigeria) Ltd.
 5 Alfred Rewane Street (formerly Kingsway Road)
 Ikoyi, Lagos, Nigeria
 Tel: +234 1 4612688 | 9 , +234 1 4622589
 Mobile: +234 803 3671134
 Fax: + 234 1 4612689
- ▶ **Iraq**
Bank of Beirut Baghdad Representative Office
 Baghdad, Iraq
 P.O. Box: 3284
- ▶ **Qatar**
MOU Office
 Doha Bank
 Grand Hamad Avenue
 Tel/Fax: + 974 44257584
 Mobile (office): + 974 55767135