



بنك بيروت
Bank of Beirut
Banking Beyond Borders

Annual Report 2012



ANNUAL REPORT 2012

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Chairman's letter

► Chairman's Letter



Sharp vision has led us to new heights.

► A 2012 Retrospective

Lebanon's financial sector remains resilient. Beirut continues to glow as a financial hub in the region owing to the fully convertible Lebanese pound and the free flow of capital and earnings into and out of the Lebanese economy. The majority of Lebanese banks already exceeds the capital adequacy ratio laid out by Basel III, which cushions them against risks, thus rendering them more robust than their MENA peers. Furthermore, the strength of Lebanon's financial services is the result of conservative bank management and regulatory guidelines that promote high bank reserve requirements and a low risk tolerance to bank ventures such as structured financial products.

In this context, Bank of Beirut has exemplified again its leadership role and this reputation directly reflected tangible figures for the 2012 fiscal year. With our assets recording a remarkable growth of 16.20% (USD 1.578 billion), to reach USD 11.307 billion, we outpaced by far our Peer Group average. This increase was attributed to a rise in the deposit base, which expanded by USD 1.433 billion (18.85%) to reach a level of USD 9.035 billion. Lending also grew by USD 406 million (13.04%) to USD 3.522 billion. Our trade finance registered for the fifth year in a row an undisputed number one ranking in Lebanon, with USD 6.337 billion in Letters of Credit opened in 2012, gaining a market share in excess of 30%.

Our strategy of diversification across revenue streams bore fruit, as foreign affiliates and local subsidiaries registered outstanding growth. Overall, the Group's net profit jumped 13.09% to reach USD 117 million. More importantly, the growth was shared by each and every entity within the Group: Bank of Beirut - Lebanon, 9.67%; Bank of Sydney Ltd, previously Beirut Hellenic Bank, 64.48%; Bank of Beirut (UK) Ltd, 14.23%; Bank of Beirut - Oman, 33.98%; Bank of Beirut - Cyprus, 29.67%; Beirut Life, 307.27%; BOB Finance, 227.25%; and Beirut Broker Co., 5.51%.

On the Risk Management side, liquidity levels reflected a ratio of 73.34% for total liquid assets to total liabilities, up from 71.35% the previous year while net Non-Performing Loans over Total Assets reached 0.19% by year-end 2012.

The cautious oversight of our equity has allowed us to maintain solid capitalization. Shareholders' equity rose in 2012 to USD 1.139 billion and produced a 10.07% Equity to Assets Ratio and a 13.1% Capital Adequacy Ratio.

We remain staunchly committed to our Shareholders; the figures show it: our Return on Average Common Equity was 16.67%, while the Return on Average Assets was 1.11%. Our Cost to Income Ratio was at 50.14% in spite of a growth in staff by 8.13% and the enlargement of our branch network by 6.67%. Our Common Share Market Price stands at USD 19.00, reflecting a Price to Common Earnings of 12. Dividend per Common Share is up to USD 0.475, a 10.15% rise on last year, and this reflects our confidence in the sustainability of our earnings.

We are thankful to each department: Global Markets, Commercial Banking, Retail Banking, as well as our international network who contributed to this exemplary performance New Delivery Channels and Internal Growth.

2012 saw the Bank expand its presence into the digital world. Mobile banking, consumer online banking, and corporate online banking provided new platforms whereby customers could bank conveniently and remotely. Using their smart phones, customers can now access their account balances, make transfers account-to-account and to BOB third party accounts, view checks, and order checkbooks. Online consumer users have the added functionality of transacting to third party accounts outside the Bank; making Standing Order payments; and viewing and initiating trade finance activities. Corporate online banking allows cash management and other transaction facilities with Pay Card accounts. These digital platforms are protected by robust security systems.

In the brick and mortar Bank, specifically in Lebanon, we inaugurated three branches in remote areas in an effort to offer customers in these areas quality products and services tailored to their needs. An additional branch in the Sultanate of Oman was opened, as was one at our subsidiary, Bank of Sydney Ltd, previously Beirut Hellenic Bank in New South Wales.

Numerous internal initiatives were completed, namely an organization overhaul of the Retail & Branches Division, as well as restructuring the Operations and Human Resources. The physical consolidation of these units, as well as the redefinition of the overarching goals and roles, has streamlined the flow of internal processes.

Beirut Life, our newest subsidiary, has added a life insurance option to our product suite.

Lastly, the Bank's new Learning Center has engaged several world-renowned training agencies to train our staff members in a broad variety of topics, ranging from sales and relationship management to credit and corporate risk.

► Looking Forward to 2013

Domestically, we will strive to continue playing a major role in the Lebanese banking sector. We foresee healthy, risk-managed growth in the corporate sector that includes traders, entrepreneurs and corporations with cross-border appetites and presence.

On the international level, there is unendless new ground to cover. In Oman, our market is promising, and we intend to make, in the near future, the transition to a full Omani Bank. Australia represents a huge market opportunity for the Bank of Beirut Group; one ambition is to see Bank of Sydney's Ltd, previously Beirut Hellenic Bank, balance sheet exceed our local balance sheet.

Ultimately, Australia and Oman epitomize the ability of our trade finance relationships to flourish and grow in investment-grade countries, as well as our success in conforming to and operating in some of the world's most stringent financial regulatory climates. We hope to perpetuate this motif of moving beyond borders in 2013. We owe every success to our Shareholders and Board of Directors for their unwavering support; to our employees, for their firm commitment; and certainly to our customers, for their longstanding fidelity.



Salim G. Sfeir
Chairman of the Board - CEO



A photograph of a sailboat on the water, viewed from a low angle. The sail is a light cream color with a grid of dark lines. A teal geometric overlay, consisting of several overlapping triangles, is positioned on the left side of the image. The text "Bank of Beirut at a glance" is centered within this overlay. The boat's deck is visible at the bottom, showing various equipment and a small white flag with the number 8. The water is dark and textured with white foam from the boat's wake.

Bank of Beirut at a glance

► Bank of Beirut at a glance

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

The first milestone in Bank of Beirut journey was its establishment as a commercial bank on August 19th, 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 present Chairman General Manager, Mr. Salim G. Sfeir. Since then, the Bank has embarked on an extensive expansion plan, to enhance its market position and leverage its expertise into local and regional markets. This expansion has been 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 banking institutions.

In 1997, a major turning point marked the Bank 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 2007, Bank of Beirut established an independent wholly owned specialized banking subsidiary, Bank of Beirut Invest s.a.l.

In 2009, international payment services company, Western Union, appointed Bank of Beirut as agent in Lebanon.

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 58 branches, 55 on-site ATM’s and 13 off-site ATM’s 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 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, Bank of Sydney Ltd, previously Beirut Hellenic Bank. With a network of sixteen branches located in Sydney, Melbourne, and Adelaide, Bank of Sydney Ltd is regulated by the Australian Prudential Regulatory Authority (“APRA”).

► Mission and Values

Integrity and trust are our guiding values. Trust is achieved by conducting stakeholders' personal and business transactions thanks to the highest ethical standards and in the strictest confidence.

We will constantly strive to recognize and satisfy evolving customers' needs and develop services and products tailored specifically to meet their requirements with a view to building long-lasting relationships. Bank of Beirut is dedicated to the continuous upgrading of services in order to offer its customers the highest level of excellence.

It is worth noting that the degree of our accomplishment depends, in large measure, on the quality and dedication of our staff, who constitute the Bank's most valuable asset. We shall ensure the satisfaction of our staff by establishing a congenial work environment and by providing them professional development opportunities.

Wherever our Bank is present, it will aspire to be a leading participant in the regional economic development of the community.

► Corporate Governance Guidelines

► 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 with the policies set forth by Banque du Liban, the Banking Control Commission and the Association of Banks in Lebanon.

Bank of Beirut Corporate Governance is driven by the Board of Directors' principal responsibility to act in good faith and with prudence while abiding by a set of values and standards that promote the stakeholders' interests.

► Governance Framework

Bank of Beirut faithfully operates under corporate governance policies and practices designed to ensure that the Bank 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 Committee, the Board Risk Management Committees and the Board Credit Committee, all of which are subject to continuous review and fine-tuning when 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 to Bank of Beirut; this responsibility is not limited to approving and overseeing the implementation of the Bank's strategic objectives, risk strategy, corporate governance and corporate values; but it also includes enforcing adequate, effective, and independent controls. The Board authority is presently vested in nine individuals, two of whom are Managing Directors while the remaining seven, are 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 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
- ▶ 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 aligning with the business objectives of the Bank
- ▶ Reviewing and recommending to the Board, on a yearly basis, the Internal Capital Adequacy Assessment Process (ICAAP) document
- ▶ Developing an internal risk management framework
- ▶ 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 any commercial credit request exceeding USD 1,000,000.

Fifteen other management committees, each functioning according to its own charter, focus on specific day-to-day operations of the Bank:

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. Investment Committee For Funds and Structured Products and Derivatives
14. Operational Risk management Sub-Committee
15. 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.

► Corporate Governance and Business Principles

Bank of Beirut has consistently operated under corporate governance policies and practices that are designed to ensure that the Bank's performance is always geared towards maximizing long-term shareholder value.

The Governance framework of the Bank is documented through the formally adopted "Corporate Governance Guidelines" and the Board and Management committees' Charters, which are subject to continual updating and refinement as the Board may deem necessary in view of adapting to its needs and to the expectations of depositors, regulators, investors and the markets generally.

The Board of Directors has overall responsibility to Bank of Beirut, including approving and overseeing the implementation of the Bank's strategic objectives, risk strategy, corporate governance and corporate values; and ensuring that adequate, effective, and independent controls are in place.

In bearing his share of the collective responsibilities of the board, each board member has a "duty of care" and a "duty of loyalty" to the Bank.

Under the direction of the Board, the Senior Management ensures that the Bank's activities are consistent with the business strategy, risk tolerance/appetite and policies approved by the Board.

In discharging its overall responsibilities, the Bank of Beirut Board of Directors:

- Approves the overall business strategy of the Bank, taking into account its long-term financial interests and safety
- Approves and oversees the implementation of the Bank's overall risk strategy and policy and approves the Bank's risk management framework
- Approves the compliance policy and the internal control systems
- Approves significant corporate actions, and recommends the General Meeting of Shareholders to pass the appropriate resolutions in this respect whenever needed
- Reviews regularly major policies and processes and controls with Senior Management and/or internal control functions
- Ensures that the control functions are properly positioned, staffed and resourced and carry out their responsibilities independently and effectively
- Ensures that related party transactions are performed at arm's length and approved by the Board and the shareholders in compliance with applicable laws and regulations
- Adopts a set of corporate values and a code of ethics
- Approves credit lines that exceed the internal lending limit

► Composition of the Board of Directors

Members of the Board of Directors of Bank of Beirut s.a.l. were elected by the General Assembly of Shareholders held on June 30, 2011 for a term expiring in 2013. During 2011, two new independent Board members were elected by the General Assembly of Shareholders, Mr. Antoine Wakim and Mr. Krikor Sadikian.

The Board of Director currently comprises nine members.

The majority of the Board members consists of non-executive/independent Directors; the criteria for the selection of new Directors include unquestionable integrity and character, successful professional background, and the ability and willingness to commit adequate time to the Bank.

► Compensation of Directors

The remuneration of executive management amounted to LBP1.39 billion (U.S. \$922 thousand) in 2011 (LBP 632 million in 2010) in addition to incentives linked to performance representing 6% of profit before tax.

Moreover, the Group accrues to executive management on a current basis for end-of-service indemnity.

► The Bank's Committees

The Bank's day-to-day activities are managed through various Committees, which have been established with specific missions, authorities and responsibilities.

The Bank has eighteen Committees including, among others, the Board Audit Committee, the Board Risk Committee, the Management Committee, the ALCO and the Credit Committee as more fully described below. The Board is fully apprised of all important decisions governing the Bank's overall operations as submitted and recommended by the various Committees.

► Board Audit Committee

The Board Audit Committee meets on a quarterly basis

► Members

Four independent non-executive Board of Directors members

► Main Functions

- Validate the Audit Charter developed by the Internal Audit Department, including the mission and scope of work, independence, responsibility and authority of Internal Audit function, as well as the reporting lines to the Board of Directors
- Review and agree on the annual Audit Plan (once a year)
- Agree on the appointment and remuneration of the Head of Internal Audit
- Agree on the Internal Audit budget and resources to support the necessary audit effort
- Assess the findings and recommendations brought forward by the Internal Audit Department
- Ensure the adequacy and the effectiveness of the Bank's internal control systems
- Ensure that internal control policies and procedures (including Anti-Money Laundering procedures) have been developed and revise the recommendations for their enhancement
- Assess the reliability and accuracy of the financial information reported to management and external users
- Ensure that a proper follow-up has been established to implement the Board of Directors' decisions, and that Management is monitoring the effectiveness of the internal control system
- Review, on a regular basis, the relationship between Management and Internal and External Auditors
- Discuss external auditors' findings as well as the conclusions and the recommendations raised in their reports
- Evaluate the external auditors' performance for the preceding fiscal year, and the review of their fees
- Review the Bank's compliance with legal and regulatory provisions, its articles of association, charter, and the directives established by the Board of Directors

► Board Risk Management Committee

The Board Audit Committee meets on a quarterly basis.

► Members

- Three independent non-executive Board of Directors members
- Deputy CEO

► Main Functions

- Formulate a strategy for the assumption of risk and the management of capital in order to be in line with the business objectives of the Bank
- Review and recommend the Board the Internal Capital Adequacy Assessment Process (ICAAP) document once a year at least
- Develop an internal Risk Management Framework and ensure that sound policies are implemented for the management of the 8-risk areas which are: credit, liquidity, market, operational, legal, strategic, business and reputation risks
- Manage the risks that are not covered by the ALCO or by the Credit Committee, such as, country risk, credit portfolio risk, operational risk, legal risk, reputational risk and strategic risk
- Ensure that adequate procedures are set for implementing all the Bank's activities and that they are applied to the entire group
- Ensure that the Bank is always in conformity with the Basel requirements
- Review regularly the progress in the risk strategy implementation and submit recommendations for remedial action in the event of any weaknesses in the application
- Review the annual report set by the Chief Risk Officer and addressed to the Board

► Board Credit Committee

The Committee meets on need basis depending on the number of commercial credit files exceeding USD 1,000,000.

► Members

- Chairman of the Board - CEO
- Deputy CEO
- 3 non-Executive Board of Directors members

► Main Functions

- Decides (for ratification) on all credit applications above USD 1,000,000 based on each customer's overview, including the existing facilities vs. proposed outstanding balances, conditions, securities, highlights on financials, account activity with BOB and briefing on customer's activities and needs for facilities in addition to Guarantors' net worth (where applicable)
- Delegates all or a part of its authorities to subcommittees (such as the Credit Committee)

► Management Committee

The Management Committee meets on a quarterly basis.

► Members

- Chairman of the Board - CEO
- Deputy CEO
- Director - Global Markets

- Chief Commercial Banking Officer
- Chief Administration Officer
- Chief Credit Officer
- Chief Risk Officer
- Chief Financial Officer

► Main Functions

- Sets the Bank's global strategic plan along with its corporate objectives
- Follows up on the action plans of all the Bank's Divisions and Departments
- Reviews the progress reports related to the Bank's ongoing projects
- Discusses any new projects, including mergers and acquisitions, partnership agreements, investments in companies or financial institutions, as well as the establishment of foreign banks and the opening of new branches
- Monitors the various Bank Committees and takes action, if required, in order to provide Senior Management with more effective monitoring of specific areas of operations

► Asset/Liability Management Committee (ALCO)

The Asset/Liability Committee meets on a weekly basis.

► Members

- Chairman of the Board - CEO
- Deputy CEO
- Director - Global Markets
- Chief Risk Officer
- Chief Financial Officer

► Main Functions

- Sets the Bank's financial objectives and follows up on the Bank's overall performance as compared to the budget and the Peer Group
- Reviews reports on liquidity risk, market risk and capital management
- Identifies balance sheet management issues such as, balance sheet gaps, interest rate gap/profiles, etc. that lead to under-performance
- Determines funding strategy and reviews deposit-pricing for the local market
- Reviews the liquidity contingency plan of the Bank
- Determines the Bank's investment strategy and the proprietary portfolio
- Monitors the compliance with approved regulatory ratios (mainly capital adequacy and liquidity)
- Manages the Bank's capital in terms of hedging (structural FX position), allocation, and level
- Reviews and evaluates the ICAAP and provides recommendations to the Board Risk Management Committee

► Investment Committee for Funds and Structured Products & Derivatives

The Investment Committee meets on a monthly basis.

► Members

- Director - Global Markets
- Head of Asset Management
- Chief Risk Officer
- Chief Financial Officer

► Main Functions

- Launching and marketing of:
 - Structured products (whether or not capital guaranteed) the return of which is usually linked to the evolution of a given index (interest rate, equity index, basket ...) linked (or not) to a deposit program or any other type of financial products
 - Structured Products or products derived from any securitization operations
 - Certificates and Securities generating returns derived from commercial papers, capital gains on (or dividends received from) stocks or coupons received on bonds
 - Funds whether closed or open-ended
- Following up on the performance of the structured products and the funds and ensuring that the Investments are in line with the Fund's own Investment Policy in terms of products, concentration, leverage, and risk/return profile
- Ensuring full transparency to the investors, providing a full detailed description of the products and financial instruments, with expected returns and returns calculation and the risks that investors are exposed to presenting a detailed term sheet with terms and conditions to be signed by the potential investors.

► Credit Committee

The Credit Committee meets on need basis, however files are usually signed through circulation.

► Members

- Chairman of the Board - CEO
- Deputy CEO
- Chief Commercial Banking Officer
- Chief Credit Officer

► Main Functions

- Decides on credit applications up to an aggregate limit of USD 1,000,000 based on the analysis and recommendations of the Credit Division and approves any excess over limits related to any commercial file
- Decides on the classification and rating of loans and approves the transfer of problematic accounts to the Loan Recovery Department
- Forms and delegates all or a part of its authorities to subcommittees, subject to the Board's approval, and compiles regular reports to the Board summarizing the issues reviewed and actions taken during each Committee meeting
- Approves, whenever requested, any commercial file related to foreign branches
- Oversees the administration and effectiveness of the Bank's credit policies through the review of such processes, reports and other information as it deems appropriate
- Ensures that the Bank's lending policies are adequate and that lending activities are conducted in accordance with applicable laws and regulations
- Monitors the performance and quality of the Bank's credit portfolio through the review of selected measures of creditworthiness, trend, or any other information deemed appropriate
- Approves target market(s) based on industry concentration and risk acceptance criteria and allocates lending resources among diversified activities

► Credit Committee for Financial Institutions

The Committee meets regularly to approve the files.

► Members

- Chairman of the Board - CEO
- Deputy CEO
- Chief Credit Officer
- Director - Global Markets

► Main Functions

- Approves on credit applications based on the study prepared by the Financial Analyst at Correspondent Banking and reviewed by the Credit Division
- Approves Bank and Financial Institutions files presented by overseas branches through the same channel
- Approves any excess over limits related to any bank limit provided it is temporary and specific to a given transaction
- Ensures the compliance with the relevant lending policies to Financial Institutions as approved by Credit Division and Risk Management as well as to applicable laws and regulations
- Monitors the performance and quality of the Bank's correspondents and the exposure of financial institutions through the review of selected measures of creditworthiness, trend or any other information deemed appropriate
- Approves target market(s) based on the quality of relationships to build business, business recurrence, geographic ties, culture, and risk acceptance criteria and allocates lending capacity among diversified activities

► Retail & Branches Banking Committee

The Retail Banking Committee meets at least twice per month.

► Members

- Chairman of the Board - CEO
- Deputy CEO
- Director - Retail and Branches
- Chief Risk Officer
- Manager - Branches Network
- Head of Product Development & Customer Management
- Head of Electronic Cards Business

► Main Functions

- Discusses the Retail Banking Division's annual business plan and ensures that it is in conformity with the financial objectives set by the ALCO and the strategic objectives established by the Management Committee
- Monitors the Retail Banking Division's performance as compared to the established budget and takes necessary measures to improve its performance
- Approves the launching of any new products or services or the amendment to existing products or services and approves the pricing of products
- Approves the targeting of customers with respect to corporate sales

► Human Resources Committee

The Human Resources Committee meets twice per month.

► Members

- Chairman of the Board - CEO
- Deputy CEO
- Chief Administration Officer
- Chief Risk Officer
- Manager - Human Resources
- Manager - Branches Network
- Head of Learning

► Main Functions

- Follows up on the implementation of the human resources strategic plan as approved by the Management Committee
- Reviews and approves any modifications related to employee key policies, including recruitment, training, education, time and attendance, dress code and conduct
- Reviews the Bank's HR systems on a regular basis
- Assesses and monitors any employee incentive plans and supports and facilitates the building of the Bank's culture
- Monitors the Bank's Talent Management and Succession Planning strategies of the Bank
- Monitors and orients the Bank's employee disciplining directives and policies and takes the final decisions in employee redundancy cases
- Reviews and approves the Bank's annual Training and Education budget

► Information Technology Committee

The Information Technology Committee meets at least once per month.

► Members

- Chairman of the Board - CEO
- Deputy CEO
- Chief Risk Officer
- Chief Financial Officer
- Chief Information Officer
- Head of Branch Operations
- Deputy Head of Administration

► Main Functions

- Reviews, monitors and where appropriate approves the Information Technology Strategy and ensures that it is aligned with the business strategy
- Reviews, evaluates and approves the annual Bank Master Plan taking into account the current and future needs of the business units and the objectives to be achieved, such as, maintaining competitive advantage
- Prioritizes all strategic projects according to a project investment dashboard that assesses each IT-related investment proposal, based on business budget, outcomes and priorities. The dashboard helps track approved investments over time. The metrics for the dashboard are selected by the committee

- Controls the preparation and implementation of the Master Plan. Ensures that the transition of projects to operational status is properly planned and managed, taking into account impacts on business and operational practices as well as existing IT systems and infrastructures
- Ensures that an IT culture of good governance, in the Bank, is implemented by getting from the IT management timely information proving that they comply with IT policies and procedures and conform with the Bank IT governance
- Monitors IT performance through appropriately developed Key Performance Indicators and Scorecards, which will assure the committee that the performance is in accordance with the Master Plan, particularly with regard to the Bank business objectives
- Ensures that the Information Technology decisions conform with BDL, BCC and other external obligations including BASEL II, IFRS, Sarbanes-Oxley, Anti-Money Laundering and other legislations and laws
- Evaluates benefits and risks of applying emerging technologies that may be adopted by the Bank
- Evaluate the technology risks through Key Risk Indicators, and makes recommendations, if any, pertaining to that area to the Bank Risk Committee
- Ensures adherence to, and when necessary, recommends modifications to information technology priorities, organization, and planning
- Ensures that IT policies and procedures are written, up-dated and are well implemented
- Ensures that an Information Security Management System is implemented according to the ISO 27001 standard
- Ensures that business continuity and disaster recovery plans are implemented and followed
- Approves and monitors the IT Department organization and decides on matters concerning the skills, deployment and advancement of technology specialists
- Approves any technology expenditure write-offs and any expenses in excess of US \$100,000

► Asset Recovery Committee

The Asset Recovery Committee meets on a monthly basis.

► Members

- Chairman of the Board - CEO
- Vice Chairman
- Deputy CEO
- Head of Loan Recovery
- Central Manager

► Main Functions

- Analyzes and decides on problematic loan strategy planning (whether commercial or retail) presented by the Loan Recovery Department
- Approves the transfer of files from the Loan Recovery Department to the Legal Department, with the intention of starting legal action
- Approves write-offs upon recommendations from the Loan Recovery Department, capital cancellation and rescheduling of Non-Performing Loans
- Analyzes statistical data relating to loan recoveries and follows up the evolution of the bad debt portfolio
- Approves waiving or reducing penalty interest commissions and/or legal fees upon cash settlement of loans
- Approves the foreclosing of assets in settlement of debts provided that no other feasible settlement proposal is available

► Real Estate Committee

The Real Estate Committee meets on a monthly basis.

► Members

- Chairman of the Board - CEO
- Vice Chairman
- Deputy CEO
- Central Manager
- Head of Real Estate Administration

► Main Functions

- Updates the foreclosed properties database and administration
- Follows up on the registration of foreclosed properties in the Bank's name
- Monitors the auction results of the foreclosed properties
- Approves the sale of foreclosed properties in terms of both pricing and credit conditions

► Foreign Affiliates Committee

The Foreign Affiliates Committee meets on a quarterly basis.

► Members

- Chief Financial Officer
- Manager - Internal Audit
- Head of Branch Operations
- Head of Financial Control Unit
- Business Coordinator at Chairman's office

► Main Functions

- Reviews and comments the Business Plans, budgets, financial statements and documents submitted by the affiliates
- Request the affiliates to take the appropriate remedial measures, and to verify their proper implementation in case of sub-par performance or any risk issue
- Proposes, when needed, the dispatch of a team to the affiliates with the intention of on-site assessment of their strategy, performance, results and risks
- Provides the parent company's Board with summaries of minutes of its meetings, accompanied with the quarterly report (business letter) to be submitted by each affiliate
- Ascertains that regulations are appropriate and implemented by the management of each affiliate

► Anti-Money Laundering (AML) & Counter Financing of Terrorism (CFT) Compliance Committee

The Committee meets on a monthly basis.

► Members

- A Nominee of the Chairman of the Board - CEO - to act in his stead: Chief Credit Officer
- Chief Administration Officer
- Chief Risk Officer
- Director - Retail and Branches
- Manager - Internal Audit
- Head of AML & Compliance Department

► Main Functions

- Reviews/Approves the AML Manual on implementing the provisions of the Law on Fighting Money Laundering and other applicable Central Bank of Lebanon rules and regulations
- Reviews/Approves a KYC form, containing the basic information about clients, in particular, those specified in Article 3 of BDL circular 83, for indicative purposes, but not exclusively, for customer identification by ensuring adequate financial and banking operational controls to avoid involvement in money laundering operations
- Ascertains the proper implementation and effectiveness of AML/CFT policies, procedures and regulations
- Reviews periodically policies, procedures and regulations related to combating money laundering and terrorism financing, and keeps these up-dated with modern methods and procedures
- Reviews/Approves a staff training programs on the methods of controlling financial and banking operations in accordance with the legal and regulatory laws
- Reviews the reports submitted by the AML & Compliance Department and Internal Audit on suspicious/unusual operations and high-risk accounts, regarding cash deposits/withdrawals, transfers, and assesses the link between these operations and commercial activities
- Comments on these reports and takes action by reporting suspicious cases to the Special Investigation Commission
- Monitors, when the operation exceeds ten thousand U.S. dollars or its equivalent, the adequacy of exemption procedures, whereby some-clients of high repute are exempt from completing the cash transaction statements, and determines the exemption ceiling by adapting it according to evolution of the client's financial situation

► Marketing Committee

The Marketing Committee meets on a biweekly basis.

► Members

- Chairman of the Board - CEO
- Deputy CEO
- Director - Retail and Branches
- Chief Commercial Banking Officer
- Manager - Marketing & Corporate Communications

► Main Functions

- Discusses the Marketing & Communication department annual business plan and ensures that it is in conformity with the financial and strategic objectives established by the Management Committee
- Follows up on the Marketing and Communication Performance as compared to the established budget and takes the necessary measures to improve the latter

- Approves the launching of any new initiative (be it brand and/or retail)/activity or the amendment of an existing Marketing and Communication campaign
- Approves the pricing of Marketing and Communication campaigns, whether related to the corporate brand and product and whether it is external and/or internal communication related

► Operational Risk Management Committee

The Operational Risk Management Committee meets on a quarterly basis.

► Members

- Chief Administration Officer
- Chief Information Officer
- Head of Head Office Operations
- Head of Branches Operations
- Head of Risk Management

► Main Functions

- Reviews and approves Operational Risk Management policies and guidelines across the Group
- Reviews and discusses Operational Risk Management incidents reports to coordinate the needed support to deal with risk occurrences and implement appropriate control measures
- Supports the implementation of new systems related to Operational Risk Management function, to improve the Operational Risk Management environment
- Coordinates major initiatives to enhance Operational Risk Management environment, ensuring that all guidelines and procedures are properly implemented

► Corporate Information security Committee

The Corporate Information Security Committee meets on a quarterly basis.

► Members

- Chief Administration Officer
- Chief Risk officer
- Chief Information Officer
- Head of Information Security Department

► Main Functions

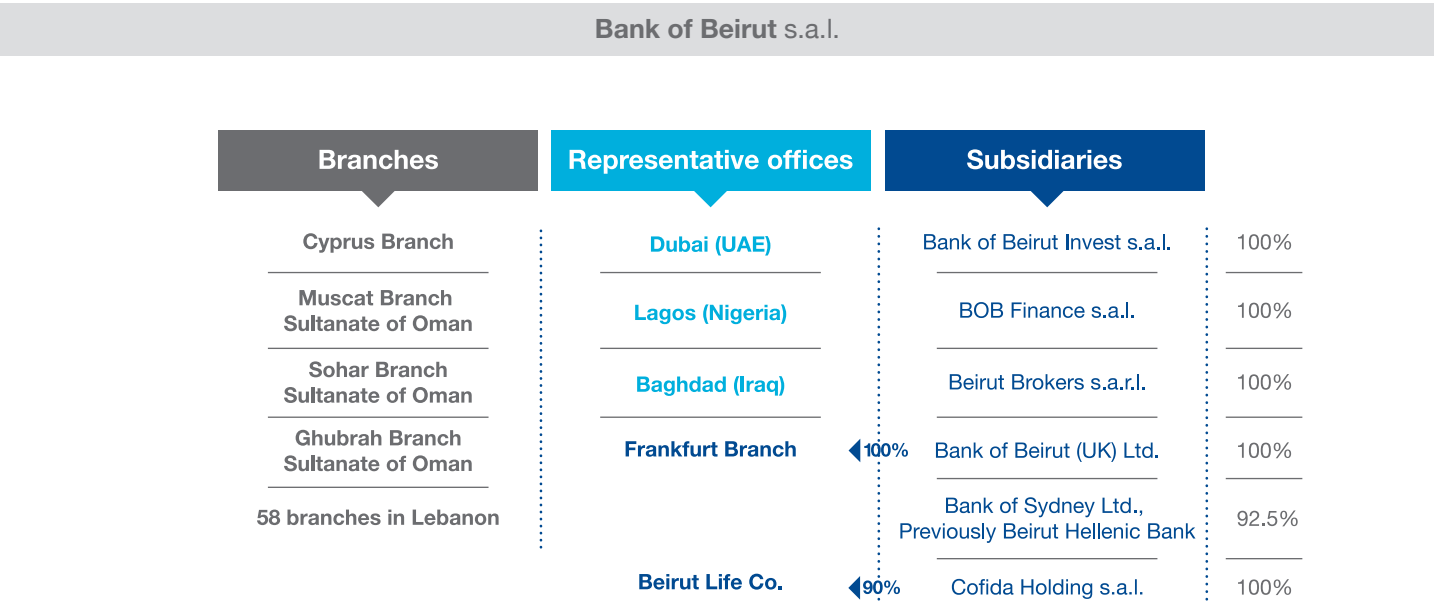
- Defines/reviews the scope of Information Security Management System (ISMS)
- Approves and thereafter supports the implementation of Information Security throughout Bank of Beirut Group
- Reviews and approves the Information Security policies across the Group
- Reviews and approves the Information Security strategy across the Group
- Ensures that the Information Security approach is aligned with the Bank's Business Strategy and makes recommendations on how to proceed as and when conflicts arise
- Monitors significant changes in the exposure of Information Assets to major threats
- Reviews and discusses Information Security incidents giving advice and guidance on how to deal with security breaches or control overrides
- Approves major initiatives to enhance Information Security Environment making sure that all guidelines and procedures are properly executed
- Ensures that all contracts are compliant with Information Security requirements and are properly implemented





The Group

► Organisational Structure



▶ Board of Directors

- ▶ **Mr. Salim G. Sfeir**
Chairman of the Board and CEO
- ▶ **Mr. Adib S. Millet**
Vice-Chairman
- ▶ **Mr. Fawaz H. Naboulsi**
Deputy CEO
- ▶ **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

▶ 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)
Bank of Sydney Ltd., (Previously Beirut Hellenic Bank Ltd.)
CEO: Julie Elliott

▶ 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
Chief 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
- ▶ **Qatar**
MOU Office
Doha Bank
Business Development Officer: Fareed El-Baba

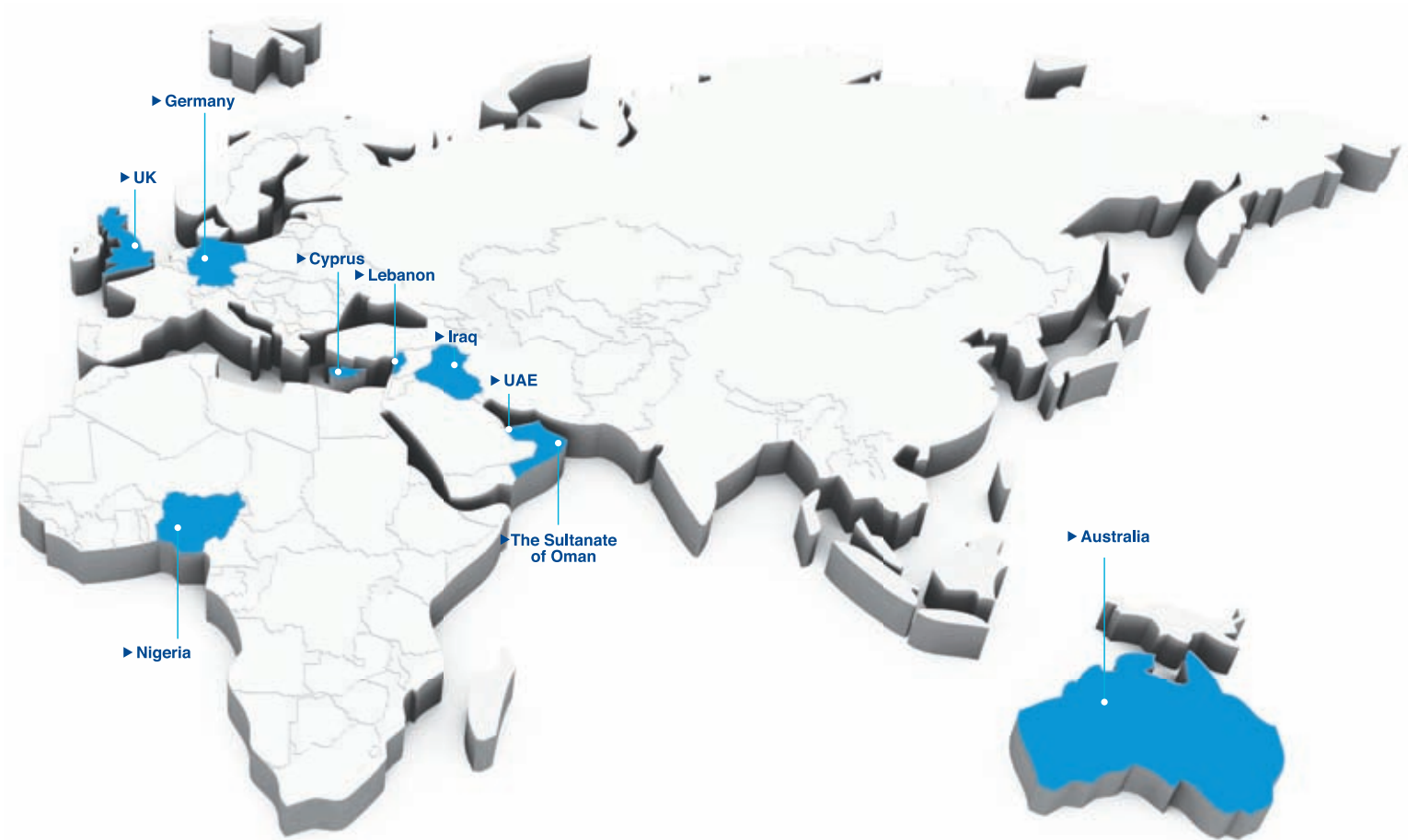




The Network

► 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.
- Bank of Sydney Ltd., Previously Beirut Hellenic Bank.
- 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 loan 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 brokerage 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 has developed a network of over 700 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 life insurance company offering a full array of the best conditions in life insurance services. Beirut Life's services provides the Bank key opportunities to access the Lebanese market still under-exploited in terms of insurance products. Beirut Life offers securities covering products, such as, retirement plans and life insurance plans, 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 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 bear calculated risks, deal with renowned reliable reinsurers and price our products fairly and competitively. But above all, we bond with our customers through transparent products, providing value for their money and outstanding service to better their own lives and those 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

► Bank of Beirut (UK) Ltd.

Bank of Beirut (UK) Ltd was incorporated in the United Kingdom in 2002 with a paid-up share capital of GBP 34.2 Million. Bank of Beirut s.a.l. owns 100 % of the share capital of Bank of Beirut (UK) Ltd.

Bank of Beirut (UK) Ltd is authorized and regulated by the Financial Services Authority (FSA) under authorization number 219523. The Bank is a member of the Financial Services Compensation Scheme and is subject to the jurisdiction of the Financial Ombudsman Service. Bank of Beirut (UK) Ltd is the only Lebanese owned bank with a full deposit taking licence to operate in the UK.

Bank of Beirut (U.K.) Ltd commenced its operations on December 9th, 2002 upon acquiring the entire business activities, assets and liabilities of the United Kingdom branch of Beirut Riyadh Bank S.A.L. The Bank had originally established a presence in London in 1981 as the London Branch of the former Beirut Riyadh Bank (subsequently acquired by Bank of Beirut s.a.l.).

In October 2009, a full service office was opened in Frankfurt. Operating as a branch of Bank of Beirut (UK) Ltd, Frankfurt office is the only branch of a Lebanese - owned bank in Germany. It holds a full banking license granted by the FSA in UK and the BaFin in Germany and primarily focuses on corporate trade finance and correspondent banking services.

► Bank of Sydney Ltd.

Bank of Sydney, formerly known as Beirut Hellenic Bank, launched on May 6th, 2013. The Board considered the Bank's future direction for over 18 months concluding with the rebranding of Bank of Sydney to reflect the vision of becoming the bank of choice to multi-cultural Australia. The Bank has customers and distribution channels across Australia as well as 16 branches in Sydney, Melbourne and Adelaide, offering customers relationship banking based on personal, flexible and competitively-priced services. Our team works closely with its customers in an effort to understand and meet their individual needs.

Bank of Sydney maintains a healthy loan-to-deposit ratio, a strong capital position and an enviable track record of outstanding credit quality allowing our customers added assurance and peace of mind. As an Australian deposit taking institution, the Bank is eligible for the Australian Government Deposit Guarantee. It boasts a highly experienced Trade Finance Division with an in-depth understanding of the Middle East and Mediterranean regions.





The background of the slide is a photograph of a ship's deck. In the foreground, a thick, white, braided rope is coiled in a circular pattern on a dark, weathered wooden grating. The background is a blurred view of the ship's deck extending towards the horizon under a bright, hazy sky. Overlaid on the left side of the image is a semi-transparent geometric design consisting of several overlapping triangles in shades of light blue, teal, and white. The text "Management discussion and analysis" is positioned within the white areas of these triangles.

Management discussion and analysis

► Introduction

Bank of Beirut s.a.l. ("BOB") is a full-fledged bank offering universal banking products and services covering Corporate, Commercial, Individual and Private Banking services to a diversified client base. The Bank has operations in Lebanon, Europe, Australia, the Middle East and Africa. The Bank was incorporated as a commercial bank on August 19th, 1963, under the name of "Realty Business Bank s.a.l.". The Bank is registered in the Beirut Commercial Register as No. 13187 and on the Banks' List at the Central Bank of Lebanon, as No. 75. The Bank's head office is located in Foch Street, Bank of Beirut Building, Beirut Central District, Lebanon.

The Bank is one of the leading banks in Lebanon. At the end of 2012, the Bank ranked sixth among Lebanese banks as per major banking aggregates, namely in Assets, Equity, Loans and Net profit.

The Bank, together with its banking and other subsidiaries, is engaged in a wide range of banking and financial activities in Lebanon and other Middle East countries, the United Kingdom, Germany, Cyprus, the United Arab Emirates, the Sultanate of Oman, Australia, Iraq and Nigeria. Through its operations in other countries, the Bank has been able to expand and diversify its income, assets and loan portfolio outside Lebanon and to widen the sources of its deposit base.

The Bank maintains one of the largest branch networks in Lebanon, with currently 58 branches, as well as one branch in Cyprus and three branches in the Sultanate of Oman ("Oman"). Bank of Beirut (U.K.) Ltd. the Bank's wholly owned subsidiary based in the United Kingdom has one branch in London and another in Frankfurt. Bank of Sydney Ltd., previously Beirut Hellenic Bank in Australia, the Bank's wholly owned subsidiary was acquired in early 2011 and currently operates 16 branches. The Bank also operates a representative office located in Dubai, United Arab Emirates, to service the Gulf region; a representative office located in Lagos, Nigeria to cater for West Africa; and a representative office located in Baghdad, Iraq. The Bank has currently four wholly owned subsidiaries in Lebanon, BOB Finance s.a.l., Bank of Beirut Invest s.a.l., Beirut Broker Company s.a.r.l., Cofida Holding s.a.l., the latter owning 90% of Beirut Life s.a.l.

► Basis of presentation

The following analysis highlights the Bank of Beirut consolidated performance for the year ended 31 December 2012, as compared to year 2011.

Financial information included in this annual report has, unless otherwise indicated, been derived from the Bank's audited consolidated financial statements as at and for the year ended December 31, 2012.

The Bank's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the International Financial Reporting Interpretations Committee and the regulations of the Central Bank of Lebanon ("CBL") and the Banking Control Commission ("BCC"), and include the results of the Bank and its consolidated subsidiaries. Deloitte & Touche and DFK Fiduciare du Moyen-Orient have audited the Bank's consolidated financial statements for the year ended December 31, 2012.

The consolidated financial statements of Bank of Beirut s.a.l. include the Bank's financial statements, its foreign branches (Oman & Cyprus) and enterprises controlled by the Bank (its subsidiaries).

The consolidated subsidiaries consist of the following:

Subsidiary	Country of incorporation	Year of acquisition or incorporation	Percentage of Ownership	Business Activity
Beirut Brokers Co. SARL	Lebanon	1999	100.00%	Insurance brokerage
Bank of Beirut (UK) Ltd	United Kingdom	2002	100.00%	Banking
BOB Finance SAL	Lebanon	2006	100.00%	Financial institution
Bank of Beirut invest SAL	Lebanon	2007	100.00%	Investment Banking
Cofida Holding SAL	Lebanon	2008	100.00%	Holding
Beirut Life SAL	Lebanon	2010	90.00%	Insurance
Bank of Sydney Ltd., previously Beirut Hellenic Bank	Australia	2011	92.50%	Banking

Unless otherwise indicated, all figures are expressed in LBP.

References to the Bank's peer group are to the Alpha Bank Group consisting of the 13 banks with total deposits in excess of USD 2.0 billion each, as determined by Bankdata Financial Services WLL (publishers of Bilanbanques).

► Year 2012 performance overview

Bank of Beirut demonstrated a very good performance in 2012 despite the notable slowdown in the local economy and the political turmoil in the region. Good progress has been witnessed 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 through activities in Lebanon and abroad.

The performance has been characterized by remarkable growth in all main financial indicators. 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 the Trade Finance line of business.

On consolidated basis, the Bank's total assets reached as at 31, December 2012 LBP 17,045 billion (USD 11.3 billion), growing by 16.20% year-on-year. The growth in size was mainly funded by the growth in deposits and in equity.

Description (LBP billion)	Balances		Growth	
	31-Dec-11	31-Dec-12	Amount	%
Total Assets	14,668	17,045	2,377	16.20%
Customers' deposits	11,461	13,621	2,160	18.85%
Loans to Customers	4,698	5,310	612	13.04%
Shareholders' Equity	1,579	1,717	138	8.74%
Net profit	156	176	20	13.09%

► Peer Group analysis

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

Description	Peer Group Share			Ranking	
	31-Dec-11	31-Dec-12	Variance	31-Dec-11	31-Dec-12
Total Assets	6.69%	7.17%	0.48%	8	6
Customers' deposits	6.24%	6.84%	0.60%	8	7
Loans to Customers	7.53%	7.70%	0.17%	7	6
Shareholders' Equity	8.68%	8.36%	-0.32%	5	6
Net profit	6.63%	6.96%	0.33%	6	6

On the other hand, Bank of Beirut has been able to achieve the following outstanding rankings as at 31, December 2012 within the peer group:

- Ranking 2nd in "Equity to Asset ratio", indicating the high level of capitalization
- Ranking 1st in loan portfolio quality ratios, namely "Gross doubtful loans to gross loans", "Net non-performing loans to gross loans" and "Loan loss reserves on doubtful loans", denoting the conservative management of the credit risk
- Ranking 1st in Letters of Credit exposure, with a peer group share of 28.82%, evidencing the leading position in Trade Finance business in the market

► Balance sheet management

The composition and size of the balance-sheet and contingent liabilities reflect the Board of Directors overall growth objectives and the risk appetite/tolerance for the group. The group strategy targets sustainable growth and good financial standing while adopting a conservative risk management framework and adequate corporate governance guidelines.

► Sources and uses of funds

► Sources of Funds

Description (LBP billion)	Balances		Growth		Breakdown	
	31-Dec-11	31-Dec-12	Amount	%	31-Dec-11	31-Dec-12
Due from banks and financial inst.	732	1,043	311	42.49%	4.99%	6.12%
Customers' deposits	11,461	13,621	2,160	18.85%	78.14%	79.91%
Liabilities under acceptance	457	411	(47)	-10.23%	3.12%	2.41%
Other borrowings	42.62	52	10	22.73%	0.29%	0.31%
Certificates of Deposit	227	47	(180)	-79.36%	1.55%	0.27%
Other liabilities & provisions	151	153	3	1.73%	1.03%	0.90%
Subordinated Loans	18	-	(18)	-100.00%	0.12%	0.00%
Shareholders' equity	1,579	1,717	138	8.74%	10.77%	10.07%
Total	14,668	17,045	2,377	16.20%	100.00%	100.00%

The main source of funds was generated from private customers' deposits which represented, at the end of year 2012, 79.91% of the funding sources, as compared to 78.14% at the end of 2011.

The customers' deposit base grew by LBP 2,160 billion in 2012 (+18.85%) while the Equity caption increased by LBP 138 billion (+8.74%) and its share slightly declined to 10.07% at end of December 2012, as compared to 10.77% at year-end 2011. The funding from banks and financial institutions increased during the year by LBP 311 billion to offset the decrease in Certificates of Deposit and other borrowings by LBP 180 billion.

► Uses of Funds

The Bank's strategy puts emphasis on the maintenance of high asset quality and a strong investment securities portfolio. While each entity of the group abides by the local regulations, and as part of the group risk management framework, the assets structure is subject to internal limits in terms of business lines, financial instruments, counter-party concentration and geographical distribution.

Description (LBP billion)	Balances		Growth		Breakdown	
	31-Dec-11	31-Dec-12	Amount	%	31-Dec-11	31-Dec-12
Cash and deposits at Central Banks	2,352	3,405	1,053	44.75%	16.04%	19.98%
Due to banks and financial inst.*	1,755	1,711	(45)	-2.54%	11.97%	10.04%
Loans and Advances	4,698	5,310	612	13.04%	32.03%	31.15%
Customers' acceptance liability	457	411	(47)	-10.23%	3.12%	2.41%
Investment securities	5,087	5,879	792	15.56%	34.68%	34.49%
Property and equipment	118	136	18	15.23%	0.80%	0.80%
Other assets	111	103	(9)	-7.77%	0.76%	0.60%
Goodwill	89	91	2	2.35%	0.60%	0.53%
Total	14,668	17,045	2,377	16.20%	100.00%	100.00%

* including loans to banks

The main utilization of funds was:

Loans to Customers

Growing by LBP 612 billion, a growth of 13.04%, the share of the loan portfolio represented 31.15% of total assets as at December 31, 2012, as compared to 32.03% at the end of 2011.

Cash & Central Banks

Increasing during the year by LBP 1,053 billion (+44.75%) and representing 19.98% of total assets as at December 31, 2012 as compared to 16.04% at year-end 2011.

Due to Banks and Financial Institutions

Decreasing slightly during the year by LBP 45 billion (-2.54%) and representing 10.04% of total assets as at December 31, 2012 as compared to 11.97% at year-end 2011.

Investment Securities

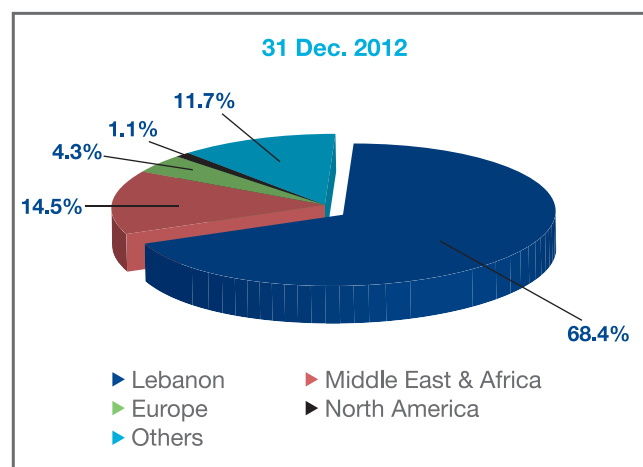
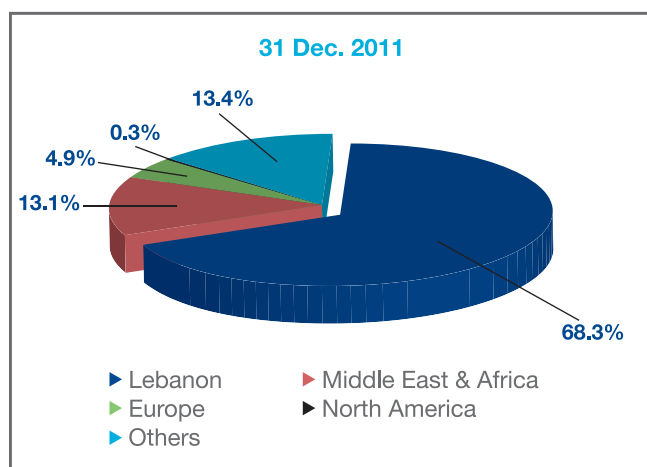
Increasing by LBP 791.6 billion (+15.56%) and representing 34.49% of total assets as at December 31, 2012 as compared to 34.68% at year-end 2011.

► Customers' Deposits

Constituting the main funding source, the consolidated deposits base increased during year 2012 by LBP 2,160 billion, a year-to-date growth of 18.85%.

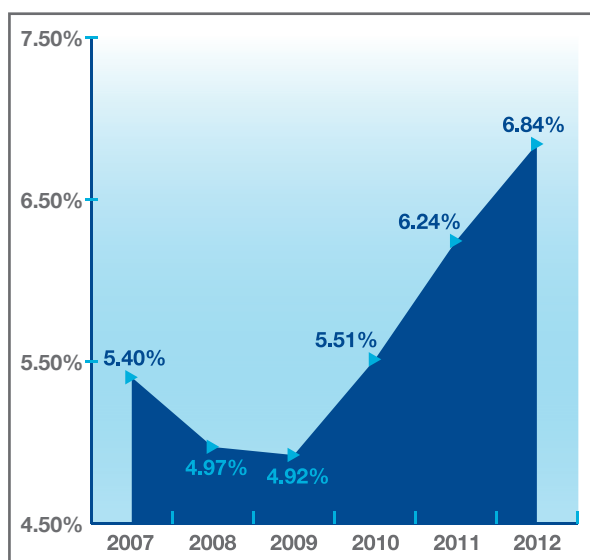
An analysis of customers' deposits by geographical area distribution reveals that the growth was largely contributed to Lebanon with a LBP 1,487 billion (+19.00%).

Entity (LBP billion)	Balances		Growth	
	31-Dec-11	31-Dec-12	Amount	%
Lebanon	7,829	9,316	1,487	19.00%
Middle East and Africa	1,500	1,978	478	31.87%
Europe	563	582	19	3.38%
North America	35	153	119	343.99%
Others	1,534	1,591	57	3.71%
Total	11,461	13,621	2,160	18.85%



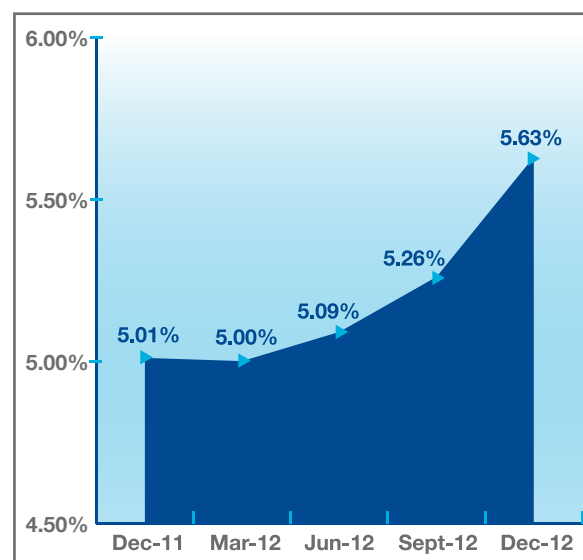
It is to be noted that the remarkable increase was reflected in Deposits booked in Bank of Beirut local branches by 21.92% for the year 2012, as compared to banking sector growth of 8.46%. On consolidated basis, the Bank has been able to increase its peer group share to 6.84% as at 31, December 2012 as compared to 6.24% as at 31, December 2011.

► Peer Group Share*:



* Peer Group: Alpha Group Banks presented on consolidated basis

► Local Market Share Evolution:



► Customers' Deposits by Type

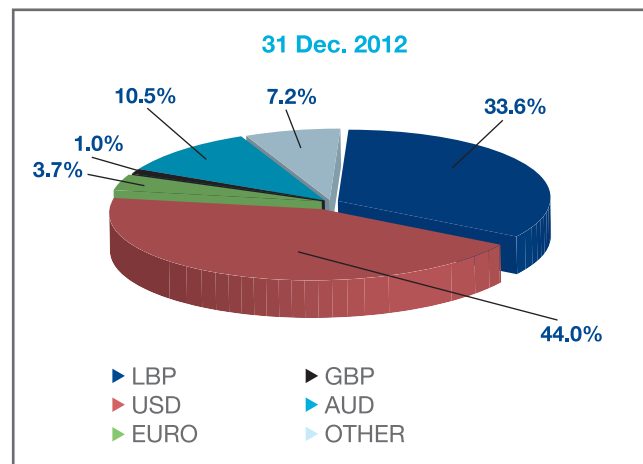
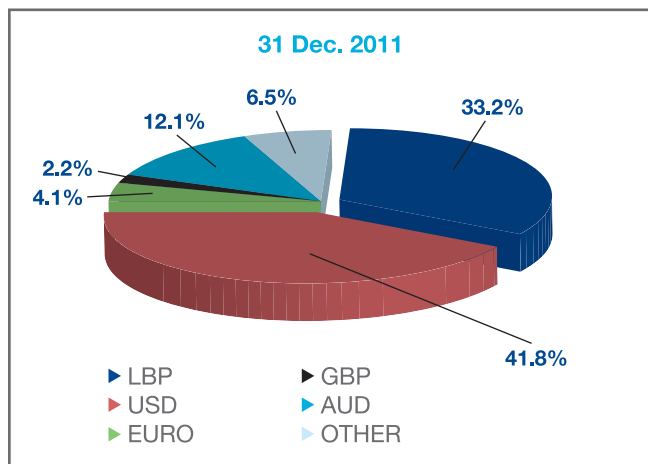
The breakdown of deposits has been relatively stable in 2012, with term deposits continuing to reflect the lion's share of 80.87% of total deposits as at December 31, 2012, as compared to 80.15% at year-end 2011.

Description (LBP billion)	Balances		Growth		Breakdown	
	31-Dec-11	31-Dec-12	Amount	%	31-Dec-11	31-Dec-12
Demand deposits	1,554	1,601	46	2.98%	13.56%	11.75%
Term Deposits	9,186	11,015	1,829	19.91%	80.15%	80.87%
Collateral against loans	460	679	219	47.60%	4.01%	4.99%
Margins on LC's	112	172	60	53.80%	0.98%	1.27%
Margins on LG's	39	49	10	27.07%	0.34%	0.36%
Other Margins	41	36	(4)	-10.18%	0.35%	0.27%
Accrued interest	69	68	(1)	-0.94%	0.60%	0.50%
Total	11,461	13,621	2,160	18.85%	100.00%	100.00%

► Customers' Deposits by Currency

The LBP denominated deposits augmented by LBP 774 billion in 2012, recording an annual growth rate of 20.34%, as compared to 10.91% by the peer group for the same period. On the foreign currency side, the USD continued to hold the largest share and registered a significant growth of 25.05% during 2012.

The dollarization rate stood at 66.39% at the end of year 2012, as compared to 66.81% at year-end 2011.



► Loans to Customers

The loans to customers' portfolio increased by LBP 612 billion in 2012, reaching LBP 5,310 billion, compared to LBP 4,698 billion at the end of year 2011.

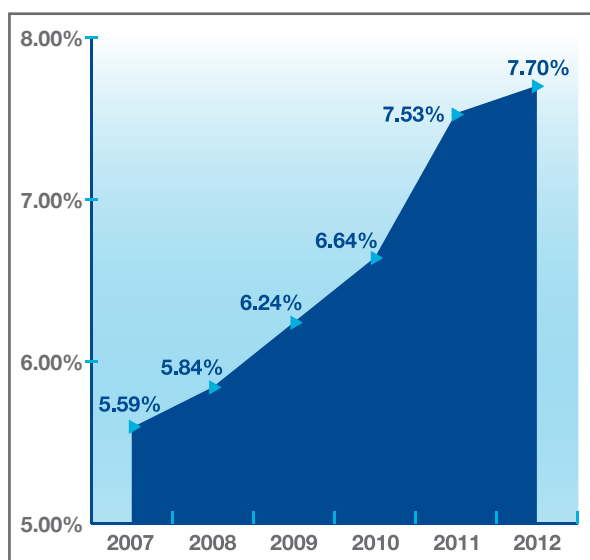
Entry (LBP billion)	Balances		Growth		Breakdown	
	31-Dec-11	31-Dec-12	Amount	%	31-Dec-11	31-Dec-12
Regular loans to customers	4,529	5,177	648	14.31%	96.42%	97.50%
Regular loans to related parties	155	123	(32)	-20.52%	3.30%	2.32%
Substandard loans (net)	15	14	(1)	-6.20%	0.31%	0.26%
Doubtful and bad loans (net)	15	19	4	29.47%	0.31%	0.36%
Allowance for collectively assessed loans	(16)	(23)	(7)	44.56%	-0.34%	-0.44%
Total	4,698	5,310	612	13.04%	100.00%	100.00%

The bank's year-on-year growth of 13.04% outperformed the 10.61% peer group growth rate achieved in 2012.

On consolidated basis, the Bank has been able to increase its peer group share to 7.70% as at 31/12/2012 as compared to 7.53% as at 31/12/2011.

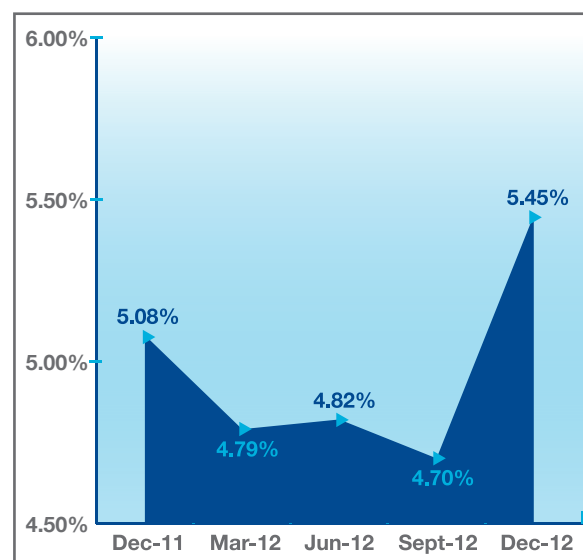
Domestically, the loan book in Lebanon's branches increased by 17.45% in 2012 as compared to Lebanese banking sector growth of 9.58%; consequently, the bank has been able to increase its market share from 5.08% at year-end 2011 to 5.45% at year-end 2012.

► Peer Group Share*:



* Peer Group: Alpha Group Banks presented on consolidated basis

► Local Market Share Evolution:



► Distribution by Type

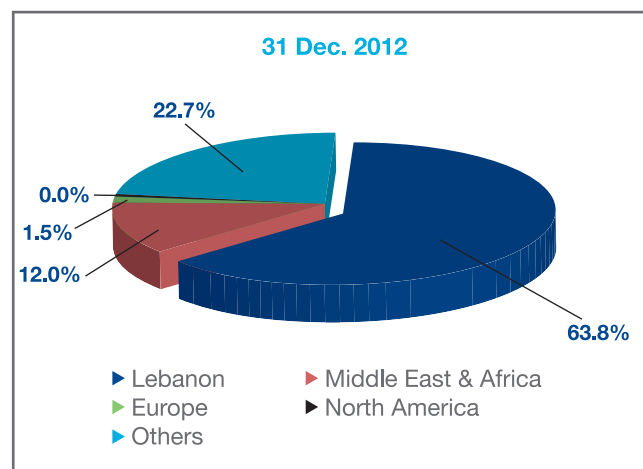
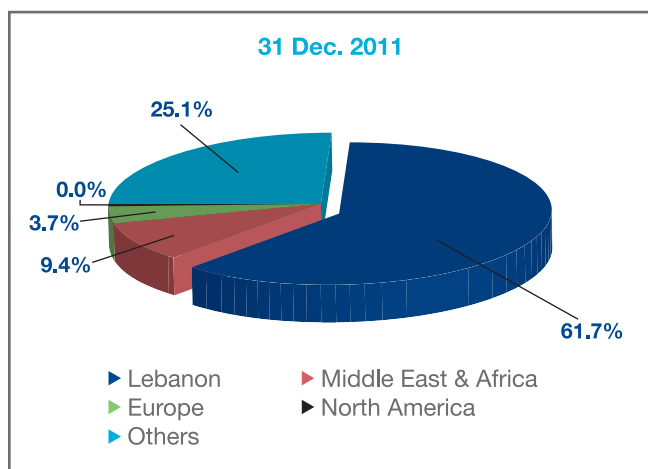
Description (LBP billion)	31-Dec-11			31-Dec-12		
	Gross	LLRs	Net	Gross	LLRs	Net
Regular loans	4,684	0	4,684	5,300	0	5,300
Retail	1,918		1,918	2,533		2,533
Corporate	2,766		2,766	2,767		2,767
Non-performing loans	110	(80)	29	119	(86)	33
Retail	8	(2)	5	15	(4)	11
Corporate	102	(78)	24	104	(82)	22
Collective Provisions		(16)	(16)		(23)	(23)
Total net loans	4,794	(96)	4,698	5,419	(110)	5,310

As reflected in the table above, the increase in the regular retail loan portfolio (including housing loans) represented the main driver of the overall growth, registering a 32.09% year-on-year growth.

This growth led the share of the net retail loans to total net loans to a healthy level 47.91% as at 31st, December 2012, as compared to 40.49% at year-end 2011.

► Distribution by Geographical Area

Description (LBP billion)	Balances		Growth	
	31-Dec-11	31-Dec-12	Amount	%
Lebanon	2,898	3,390	491	16.95%
Middle East and Africa	442	637	195	44.08%
Europe	176	80	(96)	-54.50%
North America	0	0	0	458.18%
Others	1,181	1,203	22	1.85%
Total	4,698	5,310	612	13.04%



► V- Investment Securities Portfolio

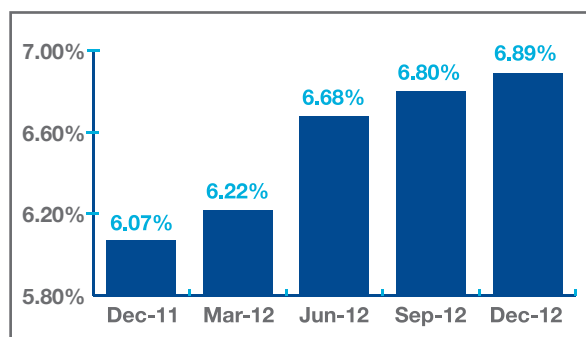
The Bank's securities portfolio, which consists of both fixed and variable income securities, increased by LBP 792 billion during 2012, an annual growth rate of 15.56%, to reach LBP 5,879 billion and representing 34.49% of total assets as at 31, December 2012.

Description (LBP billion)	Balances		Growth	
	31-Dec-11	31-Dec-12	Amount	%
Lebanese Government Bonds	1,206	1,753	547	45.35%
CD's issued by BDL	1,561	1,533	(28)	-1.77%
Lebanese Treasury Bills	1,489	1,600	111	7.47%
Private sector debt securities	681	815	134	19.74%
Foreign Government Treasury Bonds	28	53	25	91.22%
Unquoted equity securities	24	24	0	0.47%
Quoted equity securities and funds	16	17	1	4.87%
Accrued interest	83	84	0	0.42%
Total	5,087	5,879	792	15.56%

The share of Lebanese Treasury Bills and Government Eurobonds out of total securities increased notably from 52.97% as at December 31, 2011 to 57.03% as at December 31, 2012, while the share of fixed income securities placed with Central Banks decreased by 4.60%, to reach 27.22%.

The peer group share increased gradually during the year to reach 6.89% at the end 2012.

► Peer Group Share:



► Distribution by Classification

Following a conservative risk management approach, the share of Fair-Value through Profit and Loss (FVTPL) investment securities share decreased significantly to reach 9.01% as at 31, December 2012, as compared to 12.12% at year-end 2011. It is also to be noted the low level of equity instruments share out of the total investment securities portfolio, registered a low level of 0.70% as at 31, December 2012.

Description (LBP billion)	Balances		Growth		Breakdown	
	31-Dec-11	31-Dec-12	Amount	%	31-Dec-11	31-Dec-12
Debt instruments at Amortized Cost	4,468	5,345	878	19.65%	87.81%	90.92%
Debt Instruments at FVTPL	580	492	(87)	-15.05%	11.39%	8.37%
Equity instruments at FVTPL	37	38	1	2.08%	0.72%	0.64%
Equity instruments at FVTOCI	3	4	0	3.76%	0.07%	0.06%
Total	5,087	5,879	792	15.56%	100.00%	100.00%

Equity instruments / Portfolio	0.79%	0.70%
FVTPL instruments / Portfolio	12.12%	9.01%

► Fair Value of Debt Instruments Classified at Amortized Cost

Description (LBP billion)	31-Dec-12		
	Cost	Fair Value	Unrealized
Lebanese Treasury Bills	1,303	1,306	3
Lebanese Government Bonds	1,693	1,736	42
Certificates of Deposit issued by BDL	1,495	1,549	55
CD's issued by private sector	514	516	2
Financial private sector debt securities	264	263	(0)
Total	5,269	5,370	102

As shown in the table above, there is a significant unrealized profit on the amortized cost debt instruments, estimated to be around LBP 102 billion as at 31, December 2012.

► Property and Equipment

Description (LBP million)	Net Balances		Growth	
	31-Dec-11	31-Dec-12	Amount	%
Buildings	75,259	84,103	8,844	11.75%
Furniture	6,995	8,838	1,844	26.36%
Equipment	8,165	10,965	2,799	34.28%
Vehicles	363	286	(77)	-21.29%
Key Money	1,659	1,659	(0)	-0.01%
Installations and improvements	17,830	16,393	(1,437)	-8.06%
Advance on Capital expenditure	7,618	13,601	5,983	78.53%
Total	117,890	135,845	17,955	15.23%

As shown in the table above, the increase in "Properties and Equipment" (net of depreciation) was LBP 18 billion (+15.23%). It is to be noted that the share of "property and equipment" in total assets was around 0.80% as at 31/12/2012, as compared to 1.14% for the peer group.

► Profitability

► Overview

The consolidated net income (Equity holders of the Group) increased in 2012 by 12.84% to LBP 175.7 billion, as compared to LBP 155.7 billion for the year 2011.

This growth 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 “operating income” by 18.77% combined with the increase in total operating expenses by 19.30%, increase in credit risk allowances by LBP 9.1 billion, and the increase of income tax provisions by 16.79%.

Description (LBP million)	Amount		Growth	
	2011	2012	Amount	%
Interest income*	697,962	797,549	99,587	14.27%
Interest expense*	(448,878)	(502,268)	(53,391)	11.89%
Net interest income	249,084	295,281	46,197	18.55%
Net fee & commission income	95,354	112,401	17,047	17.88%
Other non-interest income	38,661	47,332	8,670	22.43%
Operating income	383,100	455,014	71,914	18.77%
Impairment losses	(3,058)	(12,140)	(9,083)	297.03%
Net operating income	380,042	442,873	62,831	16.53%
Operating expenses	(191,253)	(228,166)	(36,912)	19.30%
Profit before income taxes	188,789	214,708	25,919	13.73%
Income taxes	(32,728)	(38,222)	(5,494)	16.79%
Net profit	156,061	176,486	20,425	13.09%
Non-controlling interest	(346)	(781)	(435)	125.73%
Net profit (Equity holders)	155,715	175,705	19,990	12.84%

* including interest on financial assets & liabilities designated at FVTPL for better comparison

► Distribution of Net Profit by Entity of the Group

Entity (LBP million)	Year		Growth	
	2011	2012	Amount	%
Bank of Beirut - Lebanon *	113,531	124,509	10,978	9.67%
Bank of Beirut (UK) Ltd	14,197	16,218	2,021	14.23%
Bank of Beirut - Oman	6,555	8,783	2,227	33.98%
Bank of Beirut - Cyprus	2,501	3,244	742	29.67%
Bank of Beirut Invest	5,382	5,435	53	0.98%
BOB Finance	111	363	252	227.24%
Beirut Broker Co.	7,790	8,220	430	5.51%
Beirut Life	873	3,554	2,682	307.27%
Bank of Sydney Ltd., previously Beirut Hellenic Bank	3,450	5,674	2,224	64.48%
Cofida Holding SAL	455	458	3	0.57%
Income from a foreign associate	2,698	1,783	(915)	-33.91%
Less: tax on undistributed profits	(1,483)	(1,754)	(271)	18.28%
Less: Minority Share	(346)	(781)	(435)	125.73%
Consolidated (Group Share)	155,715	175,705	19,990	12.84%
Share of foreign entities	18.88%	20.32%	1.44%	

* after elimination of dividends received from local subsidiaries

All entities registered positive growth rates in profitability except for the share in profit of the foreign associate booked under the Equity Method. The share of net income booked in the foreign entities increased significantly from 18.88% in 2011 to 20.32% in 2012.

► Net Interest Income

Description (LBP million)	Year		Growth		Breakdown	
	2011	2012	Amount	%	2011	2012
Placements with Central Banks	14,626	64,615	49,989	341.79%	2.10%	8.10%
Placements with banks	25,431	30,913	5,482	21.56%	3.64%	3.88%
T-bills and Govn't Eurobonds	184,769	188,872	4,104	2.22%	26.47%	23.68%
CD's issued by the Central Bank of Lebanon	121,782	127,317	5,535	4.55%	17.45%	15.96%
Other fixed income securities	33,787	36,299	2,512	7.43%	4.84%	4.55%
Loans to customers	317,568	349,533	31,965	10.07%	45.50%	43.83%
Interest income	697,962	797,549	99,587	14.27%	100.00%	100.00%
Banks and Financial Institutions	8,160	10,399	2,238	27.43%	1.82%	2.07%
Customers' deposits	428,440	485,902	57,462	13.41%	95.45%	96.74%
Certificates of Deposit	10,022	5,245	(4,777)	-47.66%	2.23%	1.04%
Central Bank of Lebanon Soft Loans	1,166	-	(1,166)	-100.00%	0.26%	0.00%
Subordinated loans	1,089	722	(367)	-33.70%	0.24%	0.14%
Interest expense	448,878	502,268	53,391	11.89%	100.00%	100.00%
Net Interest Income*	249,084	295,281	46,197	18.55%		

* including interest on financial assets and liabilities designated at FVTPL

As reflected in the table above, the net interest income increased by 18.55% in year 2012. This was mainly due to the increase in interest income (+14.27%), combined with an increase in interest expenses by 11.89%.

The growth was contributed mainly by the interest from loan portfolio and from the Placements with the Central Bank of Lebanon.

Ratio	2011	2012	Variance
Interest income / average assets	5.23%	5.03%	-0.20%
Interest expense / average assets	-3.36%	-3.17%	0.19%
Interest Spread (net interest income / average assets)	1.86%	1.86%	0.00%
Interest income / average interest earning assets	5.61%	5.39%	-0.23%
Interest expense / average interest bearing liabilities	-3.98%	-3.71%	0.27%
Interest differential	1.64%	1.68%	0.04%
Yield on earning assets	5.61%	5.39%	-0.23%
Cost of earning assets	-3.61%	-3.39%	0.22%
Interest margin	2.00%	1.99%	-0.01%
Average interest earning assets / average assets	93.06%	93.39%	0.32%
Interest expense / Interest income	64.31%	62.98%	0.00%
Net interest income / Operating income	65.02%	64.89%	0.00%

► Non-Interest Income

Description (LBP million)	Year		Growth	
	2011	2012	Amount	%
Fee and commission income	108,406	126,832	18,426	17.00%
Fee and commission expense	(13,052)	(14,431)	(1,379)	10.56%
Dividends received	1,927	2,564	637	33.07%
Net Gain from investment securities	23,293	27,767	4,474	19.21%
Net Gain on sale of foreclosed assets	16,861	11,835	(5,026)	-29.81%
Share in profit of an associate	2,698	1,783	(915)	-33.91%
Foreign exchange gain	5,879	8,127	2,248	38.25%
Charge on Forward Contract	(12,074)	(7,234)	4,841	-40.09%
Other non-interest income	78	2,489	2,411	3091.41%
Total	134,016	159,733	25,717	19.19%

Ratio	31-Dec-11	31-Dec-12	Variance
Net non-interest income/average assets	1.00%	1.01%	0.00%
Non-interest income/Operating income	34.98%	35.11%	0.12%
Net commissions received/average deposits	0.93%	0.90%	-0.03%

► Other Operating Expenses

Description (LBP million)	Year		Growth	
	2011	2012	Amount	%
Staff expenses	116,362	127,888	11,526	9.90%
General operating expenses	64,516	86,651	22,134	34.31%
Depreciations and amortizations	10,375	13,627	3,252	31.35%
Total	191,253	228,166	36,912	19.30%

The main drivers behind the 19.30% year-on-year increase in the operating expenses could be summarized by the following:

- Staff count grew by 115 during the year, mainly to cater the opening of new branches in Lebanon and Oman, in addition to the official salary increase in Lebanon.
- The opening of 3 new branches in Lebanon, one in Australia and a new Head Office building in Oman, in addition to the increased IT investment (strategic new applications e.g. Core Banking, CRM, Online Banking, Mobile Banking, etc) and the advertising cost (including the re-branding and TV campaigns).

► Operating Efficiency

On the operating efficiency level, cost to income ratio increased slightly to 50.14% in 2012 from 49.92% in 2011, marginally higher than the peer group average of 47.84%.

Ratio	Unit	31-Dec-11	31-Dec-12	Variance
Cost ratios				
Staff expenses / operating Income	%	30.37%	28.11%	-2.27%
General Expenses / operating income	%	16.84%	19.04%	2.20%
Depreciation / operating income	%	2.71%	2.99%	0.29%
Cost to income ratio	%	49.92%	50.14%	0.22%
Cost to average assets	%	1.43%	1.44%	0.01%
Effective tax rate	%	17.34%	17.80%	0.47%
Operating efficiency				
Number of Staff	Count	1,414	1,529	115
Number of branches and banking units	Count	75	80	5
Staff per branch	Count	18.9	19.1	0.3
Average assets per average staff	LBP million	10,371	10,776	405
Average deposits per average staff	LBP million	7,954	8,523	568
Staff expenses per average staff	LBP million	90	87	(3)
Operating Income per average staff	LBP million	295	301	6
Net income per average staff	LBP million	121	120	(1)
Staff expenses/total operating expenses	%	60.84%	56.05%	-4.79%
Assets per branch	LBP million	195,574	213,058	17,484
Total Deposits per branch	LBP million	152,813	170,262	17,449
Operating Income per branch	LBP million	5,108	5,688	580
Net income per branch	LBP million	2,081	2,206	125

As signaled in the table above, the Bank has been able to preserve most of the operating efficiency indicators within good ranges.

► Profitability Indicators

Ratio	Year		
	31-Dec-11	31-Dec-12	Variance
Return on Average Assets (ROAA)	1.17%	1.11%	-0.06%
Return on Average Equity (ROAE)	10.58%	10.71%	0.13%
Return on Average Common Equity (ROACE) *	16.18%	16.67%	0.49%
+ Yield on earning assets	5.61%	5.39%	-0.23%
- Cost of earning assets	-3.61%	-3.39%	0.22%
= Interest margin	2.00%	1.99%	-0.01%
x Average interest earning assets / average assets	93.06%	93.39%	0.32%
= Interest Spread	1.86%	1.86%	0.00%
+ Net non-interest income / average assets	1.00%	1.01%	0.00%
= Asset Utilization Ratio	2.87%	2.87%	0.00%
x Net operating margin	40.74%	38.79%	-1.95%
o.w. Cost to income	49.92%	50.14%	0.22%
o.w. Credit Cost	0.83%	2.68%	1.85%
o.w. Other provisions	-0.03%	-0.01%	0.02%
o.w. Tax Cost	8.54%	8.40%	-0.14%
= Return on average assets (ROAA)	1.17%	1.11%	-0.06%
x Leverage (average assets/average equity)	9.62	9.62	0.56
= Return on average equity (ROAE)	10.58%	10.71%	0.13%

* calculated as common earnings / average common equity, excluding common earnings.

Return on Average Assets decreased slightly in 2012 to 1.11% from 1.17% in 2011, mainly due to the higher increase in assets; however, Bank of Beirut has been able to rank 4th among the peer group banks in this ratio as per Bankdata report as at 31 December 2012.

The return on average equity (ROAE) increased to 10.71%, while the return on average common equity stood at a comfortable level of 16.67%. Driven by a virtually stable net spread and non-interest ratio, the asset utilization ratio remained at the same level of 2.87%,

The Cost to Income ratio has been slightly increased to the level of 50.19%, from 49.92% in 2011.

► Peer Group Comparison

Ratio	BOB		Peer		
	2011	2012	2011	2012	Rank
Return on Average Assets (ROAA)	1.17%	1.11%	1.13%	1.10%	4
Return on Average Equity (ROAE)	10.58%	10.71%	13.07%	12.92%	8
Interest Spread	1.86%	1.86%	1.93%	1.93%	7
Net non interest income/average assets	1.00%	1.01%	1.04%	1.11%	4
Asset Utilization Ratio	2.87%	2.87%	2.97%	3.04%	7
Cost to income	49.92%	50.14%	47.84%	47.58%	7

► Calculation of Common Earnings

Description (LBP million)	Year		Growth	
	2011	2012	Amount	%
Consolidated net profit (Group share)	155,715	175,705	19,990	12.84%
Dividends on non-cumulative pref. shares	46,271	56,809	10,538	22.77%
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	-	0.00%
Preferred shares series "H"	3,708	14,246	10,538	284.21%
Common Earnings (group share)	109,444	118,896	9,452	8.64%

The common earnings (net profit attributable to common shareholders) recorded a positive growth of 8.64% after accounting for the preferred shares dividends.

► Calculation of Earnings per Common Share

Description (LBP million)	Year		Growth	
	2011	2012	Amount	%
Net profit for the year (group share)	155,715	175,705	19,990	12.84%
Less: Dividends preferred shares	(46,271)	(56,809)	(10,538)	22.77%
Common earnings	109,444	118,896	9,452	8.64%
Weighted average number of common shares	50,286,589	50,190,089	(96,500)	-0.19%
Effect of dilutive potential common shares	-	-	0	0.00%
Total weighted average No. of common shares	50,286,589	50,190,089	(96,500)	-0.19%
Basic Earnings per share	2,176	2,369	193	8.85%
Diluted Earnings per share	2,176	2,369	193	8.85%

The Basic Earnings per Common Share (EPS) increased to LBP 2,369 in year 2012, from LBP 2,176 for the year 2011. The increase is mainly due to the growing common earnings (+8.64%) and a slightly lower weighted average number of common shares (-0.19%). The conversion effect of series "G" Preferred Shares was excluded from the calculation of diluted earnings per share for the years 2012 and 2011 since their effect is anti-dilutive.

► Capitalization

The Bank's consolidated equity grew by LBP 138 billion, reaching LBP 1,717 billion as at 31 December 2012, an increase of 8.74% compared to 2011 year-end.

Description (LBP million)	Balances		Growth	
	31-Dec-11	31-Dec-12	Amount	%
Ordinary share capital	63,589	68,131	4,542	7.14%
Shareholders' cash contribution to capital	20,978	20,978	-	0.00%
Non-cumulative preferred shares	744,328	783,825	39,497	5.31%
Issue premium	232,108	232,108	-	0.00%
Legal reserve	66,584	80,205	13,621	20.46%
Reserve for general banking risks	86,681	107,590	20,909	24.12%
Special Reserves set-up from net release of provision for credit losses	6,899	5,722	(1,177)	-17.06%
Reserves restricted for capital increase	6,075	22,949	16,874	277.77%
Retained Earnings	176,342	195,281	18,940	10.74%
Owned buildings revaluation surplus	1,669	1,669	-	0.00%
Cumulative change in fair value of inves. securities at FVTOCI	299	348	50	16.57%
Regulatory reserves for assets acquired on satisfaction of Loans	5,196	5,244	48	0.92%
Revaluation of change in FV of forward contracts as hedging instruments	(1,440)	3,045	4,485	-311.50%
Treasury Shares	(9,304)	(11,408)	-2,104	22.61%
Net income for the year (equity holders of the group)	155,715	175,705	19,990	12.84%
Non controlling interest	24,160	25,438	1,278	5.29%
Currency translation adjustment	(716)	309	1,025	-143.19%
Total	1,579,164	1,717,140	137,976	8.74%

The growth in Equity was mainly derived from the increase in reserves and retained earnings (LBP 69 billion), the increase in preferred shares due to the issuance of USD 125 million series "I" to compensate the redemption of USD 100 million series "D".

With the achieved level of equity, Bank of Beirut was the bank that reflected one of the highest capitalization levels in its peer group, reaching the 2nd rank among the Alpha Group banks, with "equity to asset ratio" of 10.07% as compared to 8.64% for the peer group.

► Capital Structure

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

Share Type	Number of Shares		Growth	
	31-Dec-11	31-Dec-12	Amount	%
Common shares	50,467,400	50,467,400	-	0.00%
Preferred Shares Series "D"	4,000,000	-	(4,000,000)	-100.00%
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	-	0.00%
Preferred Shares Series "I"	-	5,000,000	5,000,000	
Total	68,837,400	69,837,400	1,000,000	1.45%

On 28th, December 2012, the Preferred Shares Series "D" have been redeemed, and a new 5 million shares Series "I" were issued as approved by the General Assembly.

► Preferred Shares Overview

Currently, the total issue values of the outstanding Preferred Shares stands at around USD 519.950 million, representing 45.65% of the total shareholders' equity. The main features of the outstanding Preferred Shares are as follows:

Description	Series "E"	Series "F"	Series "G"	Series "H"	Series "I"
Number of shares	2,400,000	3,000,000	3,570,000	5,400,000	5,000,000
Issue price per share	\$25.00	\$25.00	\$35.00	\$25.00	\$25.00
Issue size (USD 000's)	\$60,000	\$75,000	\$124,950	\$135,000	\$125,000
Dividend rate p.a.	8.00%	8.00%	6.75%	7.00%	6.75%
Non-Cumulative	Yes	Yes	Yes	Yes	Yes
Perpetual	Yes	Yes	Yes	Yes	Yes
Re-deemable	Yes	Yes	Yes	Yes	Yes
Convertible to Common Shares	No	No	Yes	No	No
Redemption price per share	\$25.00	\$25.00	\$35.00	\$25.00	\$25.00
Conversion exercise price	NA	NA	\$35.00	NA	NA
Redemption right holder	BOB	BOB	BOB	BOB	BOB
Conversion right holder			Holder		
Issue date	13-Nov-08	8-Jul-09	29-Sep-10	30-Jun-11	19-Nov-12
Closing date	30-Dec-08	18-Sep-09	29-Dec-10	28-Sep-11	28-Dec-12
First redemption exercise date	30-Dec-13	30-Dec-14	30-Dec-16	30-Dec-16	30-Dec-17
Conversion right exercise date			30-Dec-15		

The Board of Directors has resolved during its meeting held on September 4th, 2012 the full redemption of the USD 100 million Series "D" Preferred Shares. Following the Banking Control Commission's approval on October 5th, 2012, the General Assembly-held on December 28th, 2012 approved and ascertained the redemption.

On November 19th, 2012, the Extraordinary General Meeting resolved the issuance of Perpetual, Redeemable and non-Cumulative Preferred Shares Series "I" for a total issue value of USD 125 million with a dividend rate of 6.75%. Closing date of the issuance was on December 28th, 2012.

► 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.

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 Basel II requirements; taking into consideration the increasing risk weights applied on the exposure to Lebanese sovereign risk.

► Capital Adequacy Ratio under Basel II & III

Description (LBP billion)	Balances / Ratio		Variation	
	31-Dec-11	31-Dec-12	Amount	%
Common Equity (Net)	587,308	710,162	122,855	20.92%
Additional Tier 1 Capital (Net)	604,655	589,106	(15,549)	-2.57%
Net Tier 2 Capital	167,425	199,950	32,524	19.43%
Total Regulatory Capital	1,359,388	1,499,218	139,830	10.29%
RWA - Credit Risk	9,000,910	10,403,025	1,402,115	0
RWA - Market Risk	366,399	361,800	(4,599)	(0)
RWA - Operational Risk	565,771	679,856	114,085	20.16%
Total RWA	9,933,080	11,444,681	1,511,601	15.22%
Capital Adequacy Ratio	13.68%	13.10%	-0.59%	
Common Equity Ratio	5.91%	6.21%	0.29%	
Core Capital Adequacy Ratio	12.00%	11.35%	-0.65%	
Tier 2 Capital Adequacy Ratio	1.69%	1.75%	0.06%	

Under Basel II, the Capital Adequacy ratio stood at year-end 2012 at 13.10%, down from 13.68% as at 31, December 2011, as compared to the minimum required ratio of 10.00% and 10.01% as a result of the ICAAP approved by the Board Risk Committee and the Board of Directors.

Pursuant to Central Bank Decision No 10848 dated December 7, 2011 with respect to the application of Basel III regulation, all banks operating in Lebanon are required to gradually reach the following capital ratios:

Ratio	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15
Common Equity Tier 1 ratio	5.00%	6.00%	7.00%	8.00%
Tier 1 ratio	8.00%	8.50%	9.50%	10.00%
Total Capital ratio	10.00%	10.50%	11.50%	12.00%

As shown in the tables below, Bank of Beirut is already compliant with Basel III capital requirements, more specifically, with a common equity ratio of 6.21% (as compared to 5.00% minimum required).

Description (LBP million)	Minimum Regulatory*	Excess Capital
Common Equity	5.00%	137,928
Tier 1 Ratio	8.00%	383,694
Total CAR	10.00%	354,750

* as at 31/12/2012

► Share Information

► Common Share Performance

Indicator	Unit	31-Dec-11	31-Dec-12	Variance
Common Share market price	LBP	29,246	28,643	(603)
Common Equity book value (1)	LBP billion	789	877	88
Common Share book value	LBP	15,625	17,367	1,742
Market Capitalization (end of period)	LBP billion	1,476	1,446	(30)
Market Value added	LBP billion	687	569	(118)
Market Value added/Market capitalization	%	46.57%	39.36%	-7.21%
Basic EPS / Common Share market price	%	7.44%	8.27%	0.83%
Price to common earnings - P/E Ratio (2)	Times	13.44	12.09	(1.35)
Price to common book value - M/B Ratio	Times	1.87	1.65	(0.22)
Price to assets	%	10.06%	8.48%	-1.58%

(1) Including the common earnings of the year (2) Calculated as basic earnings per share / Common Share market price

The Common Share market price decreased slightly by LBP 603 (USD 0.40) during the period, reflecting a negative growth of 2.06%. Consequently, the market capitalization stood at around LBP 1,445 billion (USD 959 million), and the “price to book value” decreased to 1.65 times as compared to 1.87 at the end of year 2011. The “price to assets” ratio stood at a very healthy level of 8.48%, one of the lowest on the market.

► Dividends

The Ordinary General Meeting of Shareholders resolved, during its meeting held on 12 April 2013, a cash dividend per Common Share (DPS) at the level of LBP 716, higher by 10.15% over last year Dividend per Share. The year 2012 DPS upgraded the dividend yield to 2.50% as compared to 2.22% in 2011.

Description (LBP million)	Balance / Ratio		Variation	
	31-Dec-11	31-Dec-12	Amount	%
Dividend per Common Share (DPS)	650	716	66	10.15%
Total Dividends on Common Shares	32,804	36,135	3,331	10.15%
Total Dividends on non-Cumulative Preferred Shares	46,271	56,809	10,538	22.77%
Total Dividends (Common and non-Cumulative Preferred)	79,075	92,943	13,869	17.54%
Dividend yield per Common Share (DPS/Price)	2.22%	2.50%	0.28%	
Common Share dividend payout ratio (% on common earnings)	29.97%	30.39%	0.42%	
Common Share dividend payout ratio (% of net profit after tax)	21.02%	20.47%	-0.55%	
Total dividend payout ratio (Net Profit)	50.67%	52.66%	1.99%	

► 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 liquidity position of the Bank is managed on a daily basis by the Treasury Department and the liquidity risks are consistently measured, monitored, and scrutinized by the Risk Management Department.

Ensuring low liquidity risk is shown 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 2011 while the loan to deposit ratio decreased slightly to the level of 38.98%.

Ratio	31-Dec-11	31-Dec-12	Variance
Loans in LBP to deposits in LBP ratio	22.57%	20.81%	-1.75%
Loans in FCY to deposits in FCY ratio	50.14%	48.18%	-1.96%
Loans to deposits ratio	40.99%	38.98%	-2.00%
Deposits (LBP) / Assets (LBP)	88.65%	89.09%	0.44%
Deposits (FCY) / Assets (FCY)	73.79%	75.95%	2.16%
Deposits / Assets	78.14%	79.91%	1.78%
Investment securities portfolio/Total Assets	34.68%	34.49%	-0.19%
Investment securities FVTPL/Total Invest. securities	12.12%	9.01%	-3.10%
Total Liquid Assets (LBP) / Total Liabilities (LBP)	87.52%	91.38%	3.86%
Total Liquid Assets (FCY) / Total Liabilities (FCY)	63.93%	64.78%	0.85%
Total Liquid Assets / Total Liabilities	71.35%	73.34%	2.00%

▶ Asset Quality

The Bank's assets comprise mainly liquid assets (primary liquidity and investment securities) which represented 64.51% of total assets as at 31, December 2012, as compared to 62.69% at year-end 2011.

Loans to customers represented 29.02% as at December 31, 2012 as compared to 28.43% at the end of the previous year.

▶ Assets Composition

Description (%)	BOB		Peer	
	31-Dec-11	31-Dec-12	31-Dec-11	31-Dec-12
Cash and deposits at Central Banks	16.04%	19.98%	16.79%	19.98%
Due to banks and financial inst.	11.97%	10.04%	12.68%	11.73%
Loans and Advances	32.03%	31.15%	28.43%	29.02%
Customers' acceptance liability	3.12%	2.41%	1.09%	0.75%
Investment securities	34.68%	34.49%	38.18%	35.88%
Property and equipment	0.80%	0.80%	1.15%	1.14%
Other assets	0.76%	0.60%	1.27%	1.15%
Goodwill	0.60%	0.53%	0.40%	0.35%
Total	100.00%	100.00%	100.00%	100.00%
Liquid assets/Assets	62.69%	64.51%	67.65%	%67.59
Loans / Assets	32.03%	31.15%	28.43%	%29.02
Fixed Assets / Assets	0.80%	0.80%	1.15%	%1.14
Goodwill / Assets	0.60%	0.53%	0.40%	%0.35

► Loan Portfolio Quality

The net “Non-Performing Loans” balances recorded a moderate increase in 2012 by LBP 3.4 billion.

Description (LBP million)	Balances		Growth	
	31-Dec-11	31-Dec-12	Amount	%
Gross NPLs	109,631	119,074	9,443	8.61%
Unrealized interest	(60,149)	(54,528)	5,621	-9.34%
Specific provisions	(20,181)	(31,863)	(11,682)	57.88%
Net NPLS	29,301	32,683	3,382	11.54%

The increase was mainly derived from the growth of the gross balances (LBP 9.4 billion), which was counterbalanced by the increase in the Loan Loss Reserves by LBP 11.6 billion.

It is to be noted that Bank of Beirut has been ranked 1st among peer group banks as at 31, December 2012 in the following ratios:

- Gross doubtful loans to gross loans
- Gross non-performing loans to gross loans
- Net doubtful loans to gross loans
- Loan loss reserves on doubtful to doubtful loans

► Classification of Loans

Description (LBP million)	Balances		Growth	
	31-Dec-11	31-Dec-12	Amount	%
Regular loans	4,684,287	5,300,424	616,137	13.15%
Substandard Loans	14,728	13,816	(912)	-6.20%
Gross balances	20,970	18,447	(2,523)	-12.03%
Unrealized interest	(6,242)	(4,549)	1,693	-27.12%
Impairment allowances	-	(82)	(82)	
Doubtful Loans	14,572	18,867	4,294	29.47%
Gross balances	88,661	100,627	11,966	13.50%
Unrealized interest	(53,907)	(49,979)	3,928	-7.29%
Impairment allowances	(20,181)	(31,781)	(11,600)	57.48%
Collective Provisions	(16,004)	(23,136)	(7,132)	44.56%
Total Net Loans	4,697,584	5,309,971	612,387	13.04%

► Fair Value of Collateral Received Against Loans to Customers

Loans to Customers (LBP million)	Net Exposure	Fair value of Collateral Received							Coverage Ratio
		Pledged funds	1st Degree Mortgaged	Dept Securities	Bank Guarantees	Vehicles	Others	Total	
Regular Loans	5,177,249	320,223	3,768,084	70,914	57,853	157,644	364,999	4,739,718	91.55%
Substandard	13,816	49	7,567	-	-	1,505	1,484	10,604	76.76%
Doubtful	18,867	-	8,992	-	-	170	1,180	10,342	54.82%
Collective Provisions	(23,136)	-	-	-	-	-	-	-	0.00%
Total	5,186,796	320,272	3,784,643	70,914	57,853	159,319	367,662	4,760,664	91.78%

As shown in the table above, the fair value of collaterals received as at 31, December 2012 represent 91.78% of the net exposure.

► Loan Portfolio Quality Ratios

Ratio	31-Dec-11	31-Dec-12	Variance
Regular Loans / Gross Loans	97.71%	97.80%	0.09%
Gross Substandard Loans / Gross Loans	0.44%	0.34%	-0.10%
Gross Doubtful Loans / Gross Loans	1.85%	1.86%	0.01%
Gross NPLs / Gross Loans	2.29%	2.20%	-0.09%
Net Substandard Loans / Net Loans	0.31%	0.26%	-0.05%
Net Doubtful Loans (after specific LLRs) / Net Loans	0.31%	0.36%	0.05%
Net NPLs (after specific LLRs) / Net Loans	0.62%	0.62%	-0.01%
Unrealized Interest on substandard / Gross Substandard	29.77%	24.66%	-5.11%
Specific Loan Loss Reserves on doubtful / Gross Doubtful	83.56%	81.25%	-2.31%
Specific Loan Loss Reserves on NPLs / Gross NPLs	73.27%	72.55%	-0.72%
Total LLRs / Gross NPLS	87.87%	91.98%	4.11%
Net NPLs / Total Assets	0.20%	0.19%	-0.01%
Net NPLs / Total Shareholders' Equity	1.86%	1.90%	0.05%
Collective provisions / Net Loans	0.34%	0.44%	0.10%

► Sovereign Risk

The sovereign risk ratios registered a slight increase during the period. The total sovereign exposure (Treasury and Central Banks) to total assets reached 48.41% as at December 31, 2012 as compared to 44.84% as at 2011 year-end. The main driver was the increase in the exposure to Lebanese Government Eurobonds.

Ratio	31-Dec-11	31-Dec-12	Variance
Treasury Bills (LBP) / Assets (LBP)	34.70%	31.14%	-3.56%
Lebanese Government Eurobonds / Assets (FCY)	11.62%	14.72%	3.10%
Total Exposure to Lebanese Treasury / Assets	18.37%	19.67%	1.30%
Due from Central Banks (LBP) / Assets (LBP)	39.55%	45.55%	6.00%
Due from Central Banks (FCY) / Assets (FCY)	21.06%	21.49%	0.43%
Due from Central Banks / Assets	26.47%	28.74%	2.27%
Total Sovereign Exposure (LBP) / Assets (LBP)	74.25%	76.69%	2.44%
Total Sovereign Exposure (FCY) / Assets (FCY)	32.68%	36.21%	3.53%
Total Sovereign Exposure / Assets	44.84%	48.41%	3.57%



2012 Achievements





Trade Finance

► Undisputed Leader in Trade Finance

Bank of Beirut in 2012 was Lebanon's undisputed leader in the provision of trade finance services for the fifth year running and earned new trade finance accolades from the International Finance Corporation (IFC).

► Ranked First in Trade Credit Issuance

Opening USD 6.337 billion in Letters of Credit for commercial and trade customers in 2012, Bank of Beirut accounted for 28.82 percent of all LCs issued by Alpha banks. Being number one on the Lebanese market in issuance of Letters of Guarantee and stand-by Letters of Credit as well as Documentary and Commercial Letters of Credit demonstrates the Bank's outstanding role in serving vital needs of Lebanese trade and commerce.

► IFC: Bank of Beirut is Best in Supporting Regional Trade

The World Bank Group's International Finance Corporation recognized Bank of Beirut's exceptional contribution to facilitating of regional trade in the Middle East and North Africa under the IFC's Global Trade Finance Program (GTFP) in October 2012. At its Annual Meeting, the IFC honored the Bank with the award of being the "Best GTFP Issuing Bank in Middle East and North Africa Regional Trade". The USD 5 billion GTFP, which the IFC launched in 2006, extends and complements the capacity of banks to deliver trade financing by providing risk mitigation in new or challenging markets.

Digital Innovation



► Three Digital Innovations

The expansion of its Digital Banking Services is a development priority for which Bank of Beirut advanced via three important innovations in 2012. It introduced new mobile banking, new online platforms for consumer and corporate banking, and added new functionality to its core banking system. The digital innovations expand the Bank's competitiveness domestically and internationally.

► Mobile Banking

The Bank in 2012 launched its iMobile banking application, or app, that provides its customers with easy access from handheld and Smartphone devices on basis of an enhanced security architecture. The app was developed to work on the iPhone, Android, and Blackberry platforms. It allows the Bank's customers to perform various banking operations from their mobile devices, such as checking account balances, transferring funds, and requesting check books. The iMobile app includes a geographic locator service displaying Bank of Beirut branches and ATMs on a map. Most importantly, the app's advanced security architecture safeguards data and prevents illicit use of data and of the app itself.

► Online Banking Platforms

In parallel to the introduction of iMobile services for customers on the move, Bank of Beirut launched new Online Banking Platforms that provide retail and corporate clients with highly secure access to their personal or business accounts. Bank of Beirut Online Banking now facilitates immediate access to perform urgent banking business within minutes from office or home computers. Online Banking operations, available to corporate and retail customers, include funds transfers between a customer's accounts and other customer accounts at Bank of Beirut, local and international wire transfers, and check book ordering, among other operations.

► Core Banking Expansion through BankFusion

To enhance its core banking system, Bank of Beirut in 2012 adopted the Misys BankFusion Universal Banking platform. Purchased from UK-based banking software specialist, Misys, the platform provides our financial experts with superior flexibility to continuously develop new products that serve our customers in full conformity with international regulatory standards.

Integrating the BankFusion platform with the Bank's existing applications, the Bank enables automation of operations across all its divisions. The new system facilitates larger transaction volumes while lowering transaction costs. Using the new system already helped Bank of Beirut management to capitalize on new market opportunities and optimize operational efficiency. These improvements are of great support to the Bank's operations and the BankFusion system is a strategic constituent within Bank of Beirut's program of expansion into new markets.

A photograph of a sailboat on the ocean at sunset. The sky is filled with orange and yellow clouds, and the sun is low on the horizon. The sailboat is white with a wooden deck and is moving through the water, creating a wake. A geometric overlay of semi-transparent triangles in shades of orange, yellow, and teal is positioned on the left side of the image.

HR Learning

► Growing Our Human Capital

Bank of Beirut's highly skilled employees represent our core competitive advantage in all the markets we serve. In 2012, the group added 115 new staff mainly in conjunction with opening four new branches in Lebanon and a new head office in Muscat for Bank of Beirut (Oman). With our employee count of 1,529 individuals at the end of 2012, Bank of Beirut has long given strategic attention to developing our human resources.

As part of the strategy to develop its human resources, Bank of Beirut established the Learning Center in 2012. The Center is designed to coach staff members in relevant fields of study for their career and skills development. It offers three core curricula of training for:

- Client-facing Roles
- Branch Management
- Commercial Banking Teams

The curricula adhere to international standards and have been approved by the Bank's Senior Management. Participation in the Learning Center's training programs is mandatory for all employees and successful participants receive certificates.

With the creation of the Learning Center in 2012, Bank of Beirut reinforced its strategic emphasis on developing our talent with in-depth knowledge and skills. Special attention in the initial programs was given to investing in sales teams at all levels of the organization. This investment was reflected in enhanced performance of sales teams from the get go and is an example for the Bank's meticulous focus on continuous development of superior service quality.





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
961 1 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

- **Ballouneh**
Ballouneh Main Internal Road,
Adel Geryes El-Haddad Bldg.,
Kesrouan, Mount Lebanon
Temporary Mobile: 961 3 278646 - 345983
961 70 186386

- **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., Tchaghllassian 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, Moumneh 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.
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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
Grueneburgweg 2, 60322 Frankfurt
Tel: +49 69 915067710
Fax: +49 69 915067799
www.bankofbeirut.de

► Australia (16 branches)

Bank of Sydney
(Previously Known as 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



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