



بنك بيروت  
Bank of Beirut  
Banking Beyond Borders

# Investors' Newsletter

Q4 Report for Year 2014



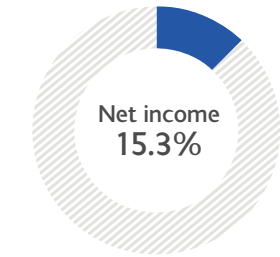
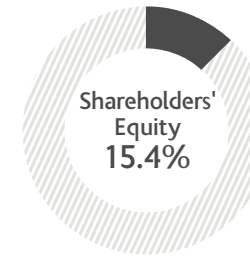
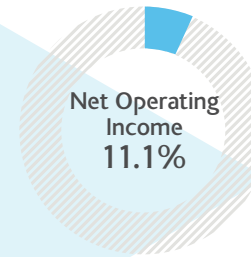
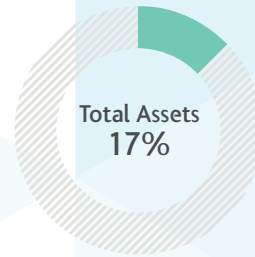
## ▶ Q3 2014 Financials

Across the first three reported quarters of 2014 the focused execution of our strategy has delivered solid results. At end Q3 total assets increased year on year by more than 17% to USD13.9Billion. Loan and advances to customers stood at USD3.9Billion, also a 17% year on year increase.

Our total operating income for the first nine months of 2014 increased 11.4% to USD286.4million compared with the same period of 2013.

The bank's net operating income for the first nine months of 2014 increased 11.1% to USD276million compared with the same period of 2013.

Bank of Beirut net income for the same reporting period has grown to USD123.19Million, up by 15.3% as compared to end September 2013. This strong performance produced significant value for our stakeholders with shareholders' equity reaching USD1.76Billion as at end of Q3 2014, an increase of 15.4% as compared to end of Q3 2013.



## ▶ New Preferred Shares Issue

Bank of Beirut increased its Tier1 capital by issuing 3,000,000 Series J preferred shares for a total issuance of USD75Million.

The preferred shares are noncumulative, perpetual and subject to a call option by the bank. The issue price is USD25 per share of which LBP1,350 (USD0.9) is par value and the remaining USD24.1 constitutes the issue premium. All shares will be listed on Beirut Stock Exchange.

The series J Preferred Shares carry an annual dividend rate of 6.5% of the issue price adjusted on a prorata basis, while the annual payment is contingent on the availability of sufficient declared net profits, among other factors. The dividends will be paid net of a 5% withholding tax.

## ▶ New Fund

Bank of Beirut is pleased to launch a new (LBP) lira denominated investment fund "BOB LBP Growth Fund" offering you the opportunity to invest in your local currency and optimize your returns.

The new fund will invest, like the previous ones, in fixed income instruments and in securities issued by the Lebanese Republic, the Central Bank of Lebanon and the Lebanese Alpha group Banks. The fund is "open-ended" (unlimited life) will consist of two investment classes:

- Accumulation shares with no dividend payout, all being reinvested automatically, and
- Income shares through which dividends are paid on quarterly basis

It is a conservative investment that targets a return of around 1% above the Average Rate paid on fixed term deposits.

Entry fees of 0.50% of the investment are charged upfront upon subscription, with no exit fees. The redemption will be monthly, effected on the prevailing Net Asset Value (NAV) of the disbursement date.

In addition to this upcoming "BOB LBP Growth Fund", Bank of Beirut manages a number of investment funds with total assets exceeding USD500Million, in both denominations, LBP and USD.

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**"BOB LBP Growth Fund"**  
Stay conservative in today's uncertain markets, invest in our funds



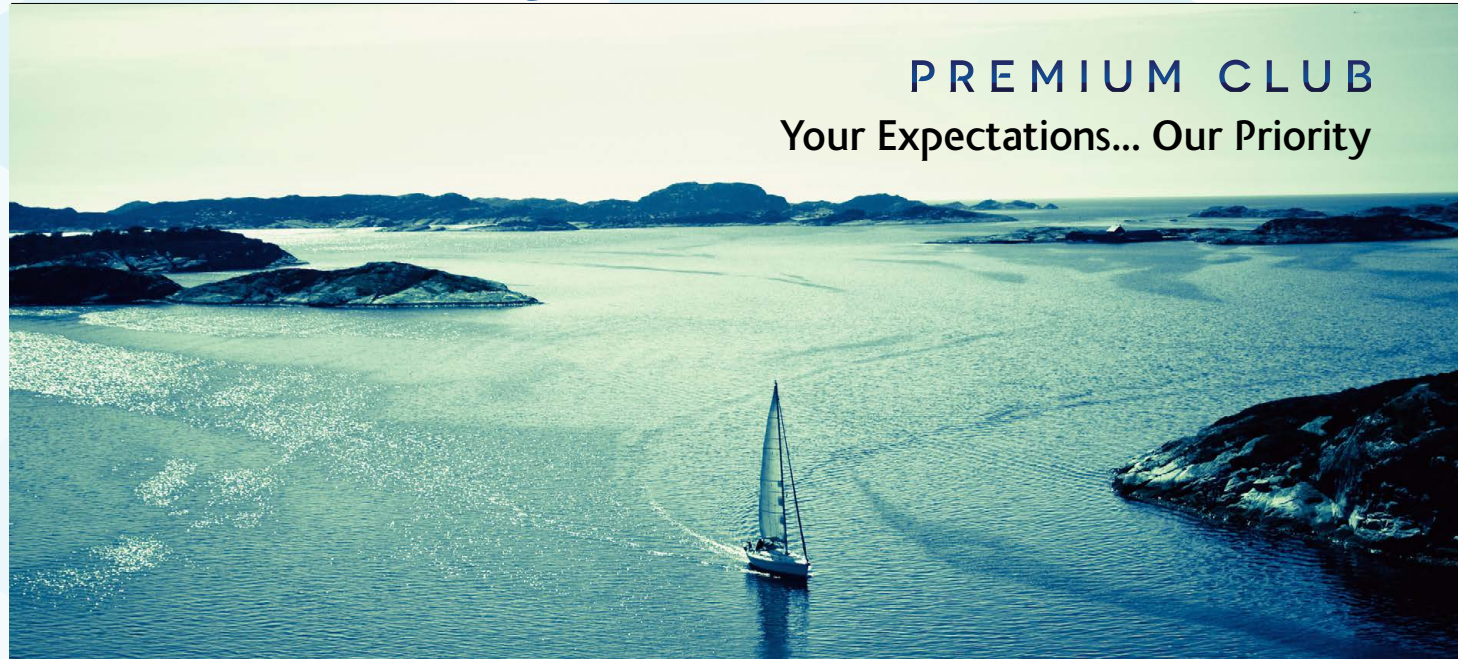
## ► 2014 Awards

Thanks to your votes, trust and support; Bank of Beirut has been granted 3 awards at "Banker Middle East Levant Product Awards 2014"

**Best SME Card, Best Customer Loyalty Program & Best Premium Banking Service**



## ▶ Best Premium Banking Service



“Your Passport  
to a World  
of Infinite  
Privileges”



### Welcome to the fine world of Bank of Beirut Premium Club

Because your expectations are our priority and because you deserve nothing less than the best, Bank of Beirut brings you today the Premium Club, a new service line developed for our most distinguished clients and designed to offer you preferential treatment, carefully selected benefits and high level priority. Indulge in a world of distinctive experiences and special privileges.

Enjoy a vast range of delightful offers and investment opportunities. Pamper yourself with a premium banking treatment.

Join Bank of Beirut Premium Club today, take advantage of our worldclass services provided by some of the most talented and handpicked relationship managers... feel truly exclusive.



## ► Best SME Card



“Business Expenses Made Easier”

Whether you're a small, medium business seeking to manage your cash flow or a large corporation looking for a better way to manage your business expenditures, Bank of Beirut offers the right choice for you: the Visa Business Card. This card is a convenient and efficient payment option, which allows you and your employees to make business-related purchases easily.

Linked to your corporate account, the Visa Business Card can be used for everyday purchases—from office supplies to travel and entertainment payments—while keeping your personal expenses separate from your business expenditure.

Providing both debit and credit options, Bank of Beirut's SME Card comes packed with a set of benefits and offers substantial privileges, including specialised travel and accident insurances, Priority Pass membership with access to more than 500 business lounges worldwide and additional automatic enrolment in the Bank of Beirut Cash-Back rewards programme.



## ▶ Best Customer Loyalty Program

1<sup>st</sup> Bank to offer CASHBACK<sup>®</sup>  
on most Financial Operations.

**CASHBACK<sup>®</sup>**  
**On Everything**

### Redeeming Your Points



#### Cash

Systematically credited into your account.

#### Megabytes

Systematically added to your 3G Mobile account.



#### Talk time

Systematically added to your Alfa/Touch Account.

While available loyalty schemes only offer points on card transactions and give you air miles, petrol or other incentives, Bank of Beirut offers CashBack on most financial operations including cards, systematically redeemed on a monthly basis.

**Get Rewarded... Get CashBack on everything!**

The more Bank of Beirut Products and Services you use, the more rewards you get. Use our calculator to see how quickly your Loyalty Points can add up [http://www.bankofbeirutcashback.com/Corporate/en/Point\\_Collection](http://www.bankofbeirutcashback.com/Corporate/en/Point_Collection)  
The accumulation of 2,000 points for the 1<sup>st</sup> time will trigger a systematic monthly redemption into your account.



## ▶ Oman New Branch Opening



### Contacts:

#### Bank of Beirut

The Walk Branch - Oman  
The Wave, the Walk Mall,  
First Flr, facing Axa Insurance  
Tel.: 00968 24283444

Contact email:  
MAIMamari@bankofbeirut.com.lb  
[www.bankofbeirut.com.om](http://www.bankofbeirut.com.om)

**The new Bank of Beirut Branch at The Walk – an upmarket mall in The Wave, Muscat – opened its doors on Wednesday, the 22<sup>nd</sup> of October.**

This expansion will help facilitate the accessibility of clients to the multiple services and products offered by the bank. It also emphasizes the growing commitment to Oman and the determination to support and participate in the rapid growth and development of the Sultanate's financial sector. Starting with a single branch in Oman, **Bank of Beirut now has four branches, in Shatti al Qurm, Al Ghubra, Sohar and The Wave**, with a staff of 120 employees, 95% level of Omanisation, and a double digit growth from year to year.

*“Every new branch helps to make financial services more accessible to more people, both Omanis and expatriates.”* Commented Mr. Ramy Zambarakji, Managing Director, Bank of Beirut, Oman. *“It helps catalyse small business growth, creates new jobs and contributes to the overall economic health of the community. This*

*branch reinforces our commitment to serving the needs of our customers as a banking partner who understands and supports their financial aspirations.”*

The bank's expansion plan in Oman involves providing the market with the latest banking products and services, enhancing its experience on the existing client relationships in the Sultanate, primarily in trade finance and project finance. The bank provides trade financing for Omani firms through lines of credit and preexport facilities and by providing direct loans to the industrial sector, participating thus to the Sultanate's growth; noting that this year's project finance portfolio of the bank in the country was over OMR 60 million.

To nurture the spirit of entrepreneurship and foster selfemployment, Bank of Beirut grants attractive loans and incentives for the establishment of SMEs in light industry, agriculture, computer technology and tourism sectors.

## ► New Festive Campaign



### Festive Campaign

Aiming to reward its cardholders, Bank of Beirut launched its new “**Festive Campaign**” from December 1<sup>st</sup>, 2014 till January 31<sup>st</sup>, 2015 allowing its loyal customers to win valuable prizes.

Every time a Bank of Beirut card is used at points of sale for an amount of USD 1,000, its cardholder gets two chances to enter the draw and win valuable gifts. An extra chance is granted for every additional USD 500 spent.

### Gifts

- 10 iPhone6
  - 10 iPad Air 2
  - 3 travel packages to Thailand
  - 2 Jewelry “Baume & Mercier” watches
- \*Many immediate valuable gifts for high spenders!

### Welcome Bonus Campaign

Customers using their Bank of Beirut Credit Card for the first time are rewarded with 5,000 Cash-Back points for the first \$500 spent. They may benefit from this offer till end of May 2015.

► Use your Bank of Beirut cards and win valuable prizes





## About Us

### Corporate Data (As at 30/09/2014)

Company Name

Bank of Beirut s.a.l

Establishment Date

August 19, 1963

Market Capitalization

USD 1,028 Million

Ticker

BOB.BY

Number of Branches

82

Number of Employees

1721

### Share Data

### Board Membership (As at 30/09/2014)

Salim G. Sfeir - Chairman & CEO

Fawaz M. H. Naboulsi - Deputy CEO

Adib S. Millet - Vice Chairman

Antoine A. Abdel Massih - Member

H.E. Anwar M. El Khalil - Member

Emirates NBD Bank P.J.S.C. represented by **Mrs. Loubna Kassem** - Member

Rashed Al Rashed - Member

Antoine Y. Wakim - Member

Krikor S. Sadikian - Member

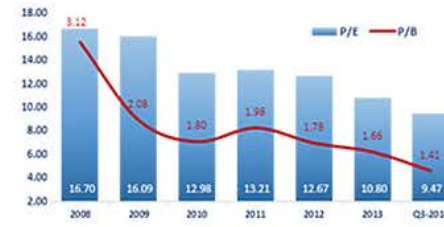
### Profitability Metrics



### Market Indicators



### Valuation Metrics



### Consistent Dividend Policy



### Contact us:

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