



بنك بيروت
Bank of Beirut
Banking Beyond Borders

Investors' Newsletter

Q1 Report for Year 2014



► Year 2013 Performance



Bank of Beirut demonstrated a very good performance in 2013 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 between activities in Lebanon and abroad.

The performance was 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 Trade Finance line of business.

On consolidated basis, the Bank's total assets reached as at 31 December 2013 LBP20,528Billion, growing by 17.81% year-on-year. The growth in size was mainly funded by the growth in deposits, interbank funding & equity. Deposits increased by 15.4% to become LBP15,545Billion as at 31 December 2013. Equity also increased by 7.70% to become LBP2,297Billion as at end of 2013.

The consolidated net profit increased by 8.21% as compared to year 2012. Net profit became LBP219Billion as at 31 December 2013 thanks to the growth in the business activity, the efficient management of interest rate margins, the high commission base and effective cost containment policy, and the consistent increase of the non interest base revenues.

Description (LBP Billion)	Balances		YOY Growth (*)	
	31-Dec-12	31-Dec-13	Amount	%
Total Assets	17,424	20,528	3,104	17.81%
Customers' deposits	13,471	15,545	2,074	15.40%
Loans to Customers	5,217	5,722	505	9.68%
Shareholders' Equity	2,133	2,297	164	7.70%
Net profit	202	219	17	8.21%

► Improvement in Ranking

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

Description	Year 2013 Growth		BOB Group Share		BOB Ranking	
	BOB	Peer	2012	2013	2012	2013
Total Assets	17.81%	10.13%	7.22%	7.72%	6	6
Customers' deposits	15.40%	9.87%	6.67%	7.01%	7	6
Loans to Customers	9.68%	15.61%	7.40%	7.02%	6	6
Shareholders' Equity	7.70%	8.19%	10.11%	10.06%	5	5
Net profit	8.21%	-0.13%	7.78%	8.47%	5	5

On the other hand, Bank of Beirut has been able to achieve the following outstanding rankings as at 31st December 2013 within the peer group:

- > Ranking 1st in **“Equity to Asset ratio”**, outlining the high capitalization level.
- > Ranking 1st in loan portfolio quality ratios, namely **“Gross doubtful loans to gross loans”**, **“Gross NPLs to Gross Loans”**, **“Net Doubtful Loans to Gross Loans”**, **“Loans loss reserves on NPLs to NPLs”** denoting the conservative management of the credit risk.

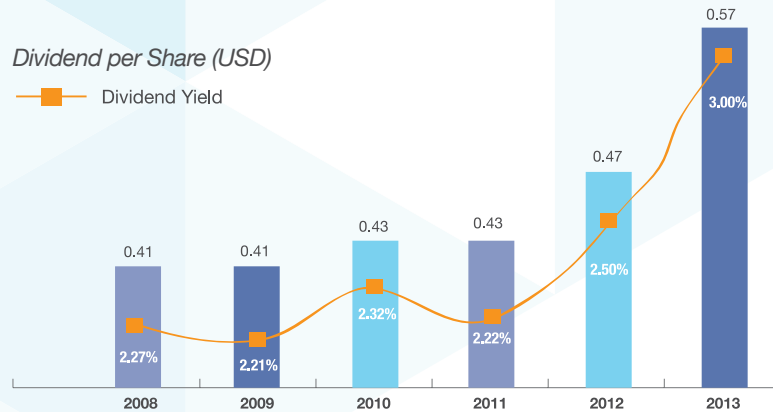
- > Ranking 1st in **Letters of Credit Exposure**, with a peer group share of 29.57%, evidencing the leading position in the Trade Finance business in the market.
- > Ranked 2nd in **Total Assets Growth** in 2013
- > Ranked 3rd in **Total Deposits Growth** in 2013
- > Ranked 3rd in **Return on Average Assets**



► Profitability & Dividends

► Dividend for Common Shares

The Ordinary General Meeting has resolved, during its meeting held on 4 April 2014, the distribution of LBP859 (USD0.57) dividend per common share, which is higher by 19.97% over the last year Dividend per Share. The year 2013 Dividend per Share (DPS) will boost the Dividend Yield to 3.00%, as shown in the chart below:



► Dividend for Preferred Shares

The distribution of dividends on Preferred shares is detailed below:

- Series "E": 8.00% of issue price (US\$2.0000 /share)
- Series "F": 8.00% of issue price (US\$2.0000 /share)
- Series "G": 6.75% of issue price (US\$2.3625 / share)
- Series "H": 7.00% of issue price (US\$1.7500/share)
- Series "I": 6.75% of issue price (US\$1.6875 /share)

* All above dividends payments are subject to a 5% tax deduction as per regulations.

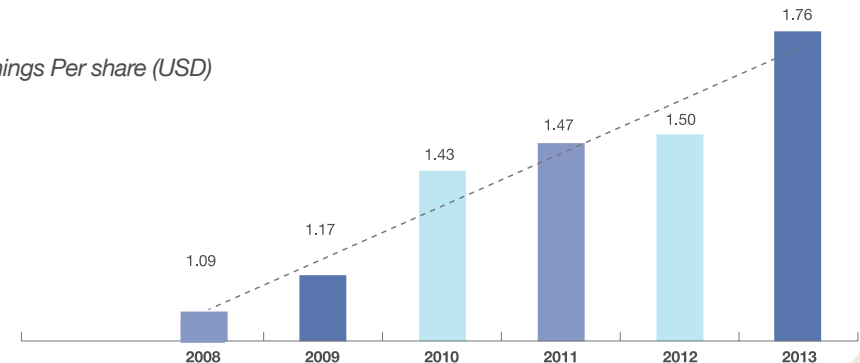
► Earnings Per Share

The Basic Earnings per Common Share (EPS) increased to LBP2,653 in year 2013, from LBP2,260 for the year 2012. The increase is mainly due to the growing common earnings (+17.31%) and a slightly lower weighted average number of common shares (-0.08%).

Description (LBP Million)	Years		Growth	
	2012	2013	Amount	%
Consolidated Net Profit (Group Share)	170,241	189,028	18,787	11.04%
Less dividend on non-cumulative pref. shares	56,809	55,961	-848	-1.49%
Common Earnings	113,433	133,067	19,635	17.31%
Total weighted average No. of com. Shares	50,190,859	50,151,838	-39,021	-0.08%
Basic Earnings per Share	2,260	2,653	393	17.40%

The Earnings per share has witnessed a continuous positive growth during the last 5 years as shown in the chart below:

Earnings Per share (USD)



► 2013 Awards



► E-Learning Award

To build employees' skills and competencies and increase its return on investment, Bank of Beirut has been offering online courses through its e-Academy for a year now. Not intended to replace the traditional instructor-led courses, e-Learning offers complementary material to be taken at one's own time and pace. It offers specialized courses ranging from sales process, to quality service and leadership. Though it is optional, e-Learning includes a compulsory course that all bank employees have to take: Anti-Money Laundering.

The academy offers awards to trigger motivation among its internal community; thus, the 2013 e-learning Achievement Award went to Chiah Branch Management and Staff for their commitment to continuous learning and it also recognized 3 employees, from different branches, who scored 100%!

In its turn, and thanks to all the effort deployed on education and learning, Bank of Beirut received the IQuad E-Learning Start-Up of The Year Award in March at the Crossknowledge Academy Annual Conference, in Paris.

► IFC Award

Best Issuing Bank Partner for 6 consecutive years!!!

With the silver sponsorship of Bank of Beirut, the IFC's 6th Annual Trade Partners Meeting was held in Lisbon last February.

Created in the 1950s, the International Finance Corporation (World Bank Group), the largest organization of its kind, includes 184 member countries and is based on 5 core values excellence, commitment, integrity, teamwork, and diversity.

Bank of Beirut was a silver sponsor of this year's Meeting, which involved 350 representatives from 56 countries;

and not only was it recognized, for the sixth consecutive year, as the Best Issuing Bank Partner in the Middle East and North Africa in 2013 but it also ranked among the 25 financial institutions acknowledged as IFC's best partners in trade and supply chain finance for 2013.

The main topics of February's meeting were related to building cross-border banking networks, developing innovative solutions for agribusiness and commodity finance, and enhancing global value chains by financing SMEs.



About Us

Corporate Data (As at 31/12/2013)

Company Name	Bank of Beirut s.a.l
Establishment Date	August 19, 1963
Market Capitalization	USD 959 Million
Ticker	BOB.BY
Number of Branches	81
Number of Employees	1617

Network (As at 31/12/2013)



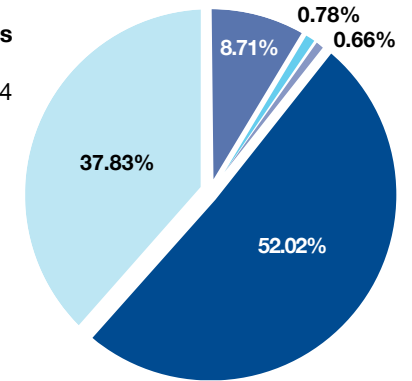
Share Data (As at 31/12/2013)

> Number of shares and shareholders

Number of shares: 50 467 400
Number of common shareholders: 414

> Shareholder Composition

- Not BoB Client
- Bank and Financial Institution
- Corporation & Organization
- Individual
- Treasury shares



Board Membership (As at 31/12/2013)

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 **Khaled Bin Kalban** - Member

Rashed Al Rashed - Member

Antoine Y. Wakim - Member

Krikor S. Sadikian - Member

Contact us:

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