



بنك بيروت
Bank of Beirut
Banking Beyond Borders

2013 Investors' Newsletter



We are Stepping Into our Second Fifty Years!!!



Our first fifty years were great indeed... They witnessed our birth, our first steps, our expansion, and here we are at our maturity age.

...We were born in the very heart of the capital and have witnessed since then, new horizons and new prospects with Salim Sfeir, his team and the five-branch banking institution.

Banking beyond Borders is our motto... it has led us to the land Down Under: Bank of Sydney, our subsidiary in Australia enjoys a network of 16 branches located in the vibrant multicultural cities of Sydney, Melbourne and Adelaide, and regulated by the Australian Prudential Regulation Authority ("APRA").

50 years were spent on strengthening our grip, on stretching over 5 continents with a presence in AAA countries like Australia, Germany and the UK. During these 50 years, Bank of Beirut, the leading asset manager in Lebanon, ranked number 1 in trade finance for 3 consecutive years and strengthened its corporate governance. It is worth noting that Bank of Beirut is the only Western Union agent and satisfies the biggest number of needs.

2013 has witnessed more than one single event, the birth of the next generation Automated Teller Machines with instant cash and check deposit (CCDM) providing customers with the most flexible universal banking access, the name launch of Bank of Sydney in Melbourne, the STP award for 2012 for Bank of Beirut's excellent

delivery of commercial payments and financial transfers, the opening of the B-Smart virtual Branch and the IT award among the 7 Alpha Banks. Moreover, thanks to its Young Achievers Program (YAP), Bank of Beirut has landed "Best CSR Initiative".

On the other hand, Misys, the global leader in financial services software, announced in December 2013 that Bank of Beirut is expanding its business and has successfully gone live on Misys Sophis VALUE.

Our 50 following years now will see us continue our development, strengthen our transparency policy, expand in the digital world and it will definitely see us dive into the futuristic world of the online banking and mature within our smart branches.

► Q3 2013 Financial Results

Bank of Beirut unaudited net profits up to the third quarter of 2013 marked year on year increase of 17.58% per cent to reach USD92.49Million, compared to the same period last year

Assets rose by 13.19% to USD11,570Million during the same period of 2013. Net loans rose 11.41% to USD3,553Million, 80% of which were in foreign currencies. Debt instruments (including holdings of Eurobonds and Treasury Bills) rose 18% to reach USD4.4Million at the end of Q3 2013.

Total deposits climbed 13.42% compared to same period last year to USD9.141Million of which 65% were in foreign currencies, and accounted for 79% of the bank's consolidated assets, while shareholders' equity increased 7.41% to USD 1,159Million.

Net interest income was up 16% to USD144Million, and the net operating income increased by 12% year on year, to reach USD243Million for the period ended September 30, 2013, while the operating expenses increased by a slower pace of 10% during the same period, which resulted in the growth of the financial revenues of the Bank by USD15Million, a growth of 16% compared to same period last year.

According to Bankdata Financial services for September 30, 2013, the Bank remains the leader in the Trade Finance activity among its peer group with a market share of more than 29.11% of Alpha Banks, and is ranked the 2nd in the Equity/Assets ratio that indicates its strong capitalization, with maintaining solid liquidity positions and the highest ratio of coverage of NPLs through provisions.

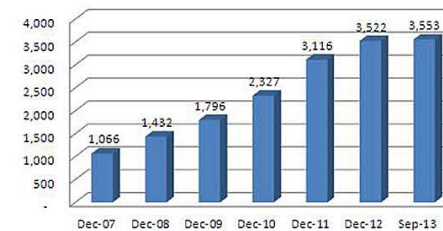
► Total Assets



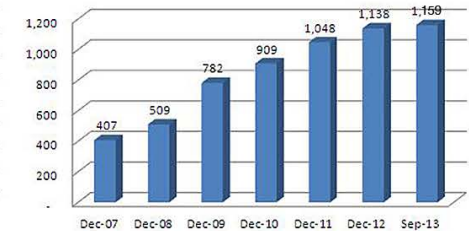
► Customer's Deposits



► Loans to Customers



► Total Equity



► Digital Year Par Excellence



"B Smart" opens 24 / 7 with a customer service representative to assist visitors between 8:00 am and 10:00 pm.

► Smart Branch

Bank of Beirut, with its "B Smart", is going Beyond Borders in Banking; the Bank's global focus is on 'Digitization'. Through its offerings, state-of-the-art equipment and smart devices, "B Smart" is placing Bank of Beirut in the leading position in this area.

Aiming at providing the best to our customers and working mainly on optimizing their time, we multiplied our online services within a protected and safe platform. We are heading towards the smart branches, a self-service branch featuring most banking operations.

Our first virtual branch "B Smart", located at FOCH head office, opened its doors on December 16th, 2013. "B Smart" is not a normal virtual branch it is the only branch in Lebanon to offer you, apart from the normal banking operations, the following:

Going Beyond Borders with "B Smart" means going beyond the normal 8 - 5 schedule and reaching 24 / 7, with a customer service representative to assist visitors between 8:00am and 10:00pm.

Going Beyond Borders with "B Smart" means opening an account and receiving on the spot an anonymous deposit card.

Going Beyond Borders with "B Smart" means being able to connect to our Call Center with simulation and a video call.

In a nutshell, "B Smart" offers you a more than full banking experience via its virtual branch.

► 1st Digital Bank Profile in Lebanon

We know and believe that history sets the milestones and the roots...

We also believe in development and modernization and in the digital world that helps us save our green forests and our great legacy, the Earth, to hand on our children.

Bank of Beirut is always on the move... in constant development. We have stepped into the digital world and launched our Digital Bank Profile on October 10th, 2013. It only took our free app. a couple of days, to shoot upwards and rank 1st in the business category and 36th in all categories.

This new and unique app. that can be downloaded from any portal or tablet is our way to celebrate our first 50 years as a Bank in a green way without the usage of paper or printing. This digital innovation with its significant pictures and lively videos and historical texts relate the main milestones of our Bank.

We are determined to satisfy our clients' needs and this cannot be reached without us knowing your profile, your demands, and your wants; and without you knowing our history, our vision, and our achievements.

Our 50 first years are detailed in Building Bank of Beirut interactive app.; the subsequent years, will follow...

We encourage you to download the app. from Google Play or App. Store or use the QR code

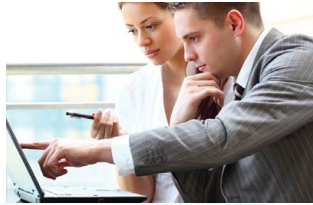


▶ Internet, Internet, Internet Everywhere...

The Internet has become the solution to a lot of problems in our everyday and professional lives. Through the Internet Bank solution, Bank of Beirut has been able to attract more than 1200 corporate clients enrolled to date and has become the leading cash management provider to companies in Lebanon by providing a number of products like: **the pay card solution and the electronic payroll services.** Bank of Beirut is one more time going beyond borders by creating comprehensive tailor-made solutions to offer its clients a new unparalleled customer experience.

One Click is all you need to Bank!

With our Business Online Banking, you have immediate and nonstop access to your business accounts, you can perform your urgent banking transactions in no time,



you can delegate authorities to subordinates/staff and still maintain full control over transaction authorization/approval, you can transfer money between accounts, you can wire money locally or internationally... in just a click.

We, at Bank of Beirut, know that time is money and is therefore the essence of business.

Port Bills Homebound

Bank of Beirut has introduced a new procedure for the settlement of Beirut Port bills. All cash transactions will be converted from paper to quick and easy electronic payments. Now the customer will thus be able to pay his bill any time and Beirut Port will be notified instantly about all the settled payments.

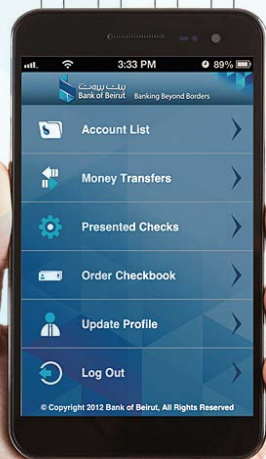


The Solution!

A pay card solution was customized specifically for NGOs supporting refugees in Lebanon to help them save time and cost while keeping track of all the allocations and expenditures made by each individual. It consists of distributing pay cards that can be used on selected POS machines only to purchase food and other goods. Refugees can neither use those cards on ATMs to withdraw money nor make payments on other POS machines. Banking Beyond Borders... Banking in Beirut and Banking in Oman just the same...



With its great success in the Lebanese market, Bank of Beirut will also launch its cash management services in Oman.



▶ iMobile & Online Banking

As of the first month of the year, Bank of Beirut started innovating and going deeper into the digital world, it launched **iMobile** to be downloaded from Apple Store. This application is not limited to one brand; it is available on Apple, Android and BlackBerry phones.

iMobile is an advanced Mobile Banking solution allowing Bank of Beirut customers to perform various operations, such as balance checking and transfer of funds, through their mobile.

iMobile encompasses several banking functionalities such as:

- > Account balance inquiry
- > Statement of account inquiry
- > Inter account transfers (same client / all currencies)

- > Transfers to third party within the bank
- > Uncollected cheque list
- > Cheque book request, and much more.



It includes as well a geographical data location showing all Bank of Beirut branches and ATMs locations on the map.

iMobile is built on an enhanced security architecture that safeguards data and prevents any misuse, of both the physical data and the application.

In parallel, with the aim to offer more banking convenience to our customers, Bank of Beirut widened the pool of its online services to include corporate and consumer online banking and mobile banking within a very secure and safe platform.

► Pioneer and Leader

Bank of Beirut has proved to be a pioneer and a leader in its field; pioneer in venturing into new markets, and leader in ranking first among its peers. Bank of Beirut is treading on new grounds, it is landing in countries where no Lebanese bank has ever been and it has started to make an impact.

“Best CSR Initiative”

The Banker
June 2013



Best CSR Initiative

In June, 2013, and competing with 68 regional branches, Bank of Beirut received “best CSR Initiative” Award from The Banker, banking industry magazine, in recognition of the Young Achievers Program (YAP) and the new talents and creativity it has helped and sponsored.

The YAP project, which started 2 years ago, has been able to focus on the ingenuity of the young people and motivate them to stand out, make a difference and shine in the society. Check out YouTube for views of the achievements.

“1st in Super Affluent Net Worth Specific Services in Lebanon”

Euromoney Private
Banking Survey
Feb 2013



Super affluent net-worth specific services

In February 2013, Bank of Beirut took the lead in super affluent net-worth specific services according to Euromoney Private Banking and Wealth Management Survey, and was granted Zawya Funds Ranking Award for its outstanding performance in 2012 following Zawya’s listing of two Bank of Beirut’s funds as the best performing over 3 years (October 2011).

It is important to highlight that Euromoney’s Private Banking Awards, which include 60 countries, are considered the most prestigious in wealth management and finance; the winners are selected by a jury of worldwide prominent specialists in private banking. Moreover, the Euromoney results and awards assist stockholders find the finest institutions to manage their wealth, and help the institutions have an added value for their businesses.

“Outstanding Performance” 2012

Zawya Funds Monitor
2013



Outstanding Performance

In May 2013, Bank of Beirut received Zawya Funds Ranking Award for its “Beirut Golden Income Fund II” outstanding performance in 2012. This prize confirms the Bank position as a prime bank with a solid reputation and attracting high-net-worth investors.

Bank of Beirut’s excellent performance in Asset Management has led it to the pole position of Fund Management in both US Dollar and Lebanese Pounds. Let us note that to be eligible, a fund must have a three-year track record and it must be equal or greater than USD 5 million. Furthermore, the Ranking Methodology of Zawya is performed on an annual basis and abides by strict and stringent rules.



► Cash Back: Our New Loyalty Scheme

Our **CashBack** Loyalty Program has already been launched.

Not only does **CashBack** Loyalty Program help you accumulate points very easily with the simple usage of any Bank of Beirut credit or debit card, opening an account, activating an online mobile account, getting a loan, domiciliating a salary, signing or sending transfers, but it also grants you points when increasing the number of products with Bank of Beirut.

4 different choices are put forward for point redemption: Cash, Talk time, Lotto, Megabytes. With as few as 1,000 points, you can choose to **CashBack** your money; you might prefer to substitute the points with extra minutes on your mobile account; you could indulge yourself with a Lotto grid; or you can very simply swap the points with extra megabytes to let your mobile 3G account last longer.

CashBack is a unique new concept in the banking world. **CashBack** holds the signature of Bank of Beirut.

To calculate your points, click on:



► 1st Bank to offer CashBack on most financial operations

- | | | |
|------------------|----------------------------------|------------------------------------|
| ► Personal Loan | ► Winner Account opening | ► Outgoing Transfers |
| ► Car Loan | ► Winner Account monthly charges | ► Online/Mobile Banking Activation |
| ► Consumer Loan | ► Salary Domiciliation | ► Online Transfers |
| ► Education Loan | ► Incoming Transfers | ► Cards usage |

CASHBACK On Everything



Cash

Systematically credited into your account.

Lotto Grids

Systematically offered.



Talk time

Systematically added to your Alfa/Touch Account.

Megabytes

Systematically added to your 3G Mobile account.



About Us

Corporate Data (As at 30/09/2013)

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

1604

Network (As at 30/09/2013)



Share Data (As at 30/09/2013)

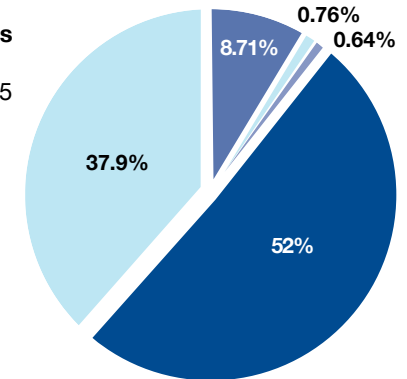
> Number of shares and shareholders

Number of shares: 50 467 400

Number of common shareholders: 415

> Shareholder Composition

- Bank and Financial Institution
- Not BoB Client
- Treasury shares
- Company
- Individual



Board Membership (As at 30/09/2013)

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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