



بنك بيروت
Bank of Beirut
Banking Beyond Borders

Investors' Newsletter

Q2 Report for Year 2013

Q1 2013 Growth Indicators

Bank of Beirut unaudited net profits in the first three months of 2013 marked year on year increase of 19.36% to reach USD26million, compared to the same period last year. Assets rose by 15.71% to reach USD11.06billion as at March 31, 2013. Net loans rose 10.93% compared to the same period last year and amounting to USD3.44billion at end of Q1 2013, 81.6% of which were in foreign currencies. Debt instruments (including holdings of Eurobonds and Treasury Bills) to 4.17USDbillion.

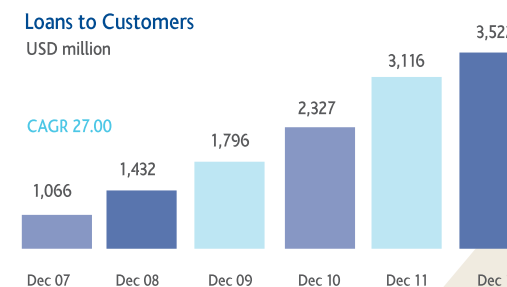
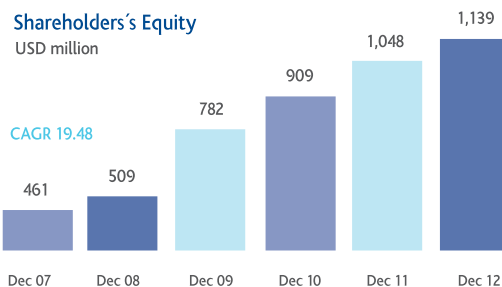
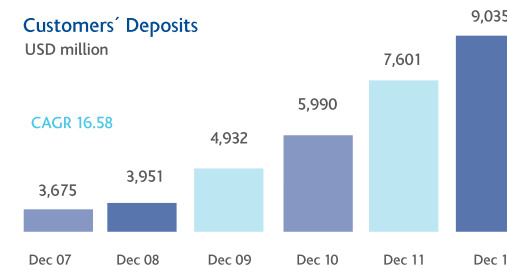
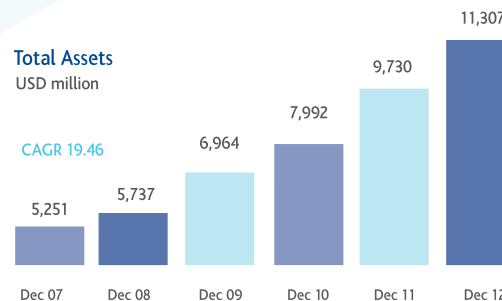


Total deposits climbed 16.41 percent to USD8.73billion of which 64.75% were in foreign currencies, and accounted for 78.1% of the bank's consolidated assets, while shareholders' equity increased 8.24% to USD1.16billion. Net interest income was up 22.3% to USD42.9million, and net commissions reached USD18.9million.

Year 2012 Financials Review

Worth noting that Bank of Beirut registered a very good performance in year 2012, the bank's activity has been growing at a faster rate in both domestic market as well as countries of presence.

The bank total asset reached around USD11.31Billion as at 31 December 2012, this increase in the balance sheet size was mainly funded by the increase of customers' deposit which attained USD9.04Billion. Loan portfolio reached USD3.52Billion while shareholders' equity reached USD1.14Billion. Yet, Bank of Beirut ranking has been able to improve during 2012 to rank sixth in terms of total assets, net income, total loans and total equity. Bank of Beirut is still the leader in trade finance activity with the first ranked in terms of LCs volume, according to Bank Data Financial Services.



► Presenting Bank of Sydney, our rising star in Australia



Bank of Beirut is pleased to announce the rebranding of its Australian subsidiary Beirut Hellenic Bank Ltd which is now relaunched under its new name, Bank of Sydney Ltd, an inspiring new start for all of our stakeholders.

Bank of Sydney is one of the best capitalized banks in Australia with a Capital Adequacy Ratio of 23% and has achieved a 31% increase in net profit in 2012 as a majority owned subsidiary of Bank of Beirut. In addition, on the back of a very high liquidity ratio as well as competitive products, the Bank is well positioned to present a convincing choice for customers demanding flexible and tailored banking services.

Nicholas Pappas, Chairman of Bank of Sydney, said: "The launch of Bank of Sydney today reflects our serious ongoing commitment to providing a locally relevant, responsive and exceptionally flexible service for multicultural Australia. Our connection to the community, nimbleness and size allows us to provide a more personable, responsive and competitive service to all customers – whether an international firm, a small local business or retail customer."

Coming to market in full strength, Bank of Sydney operates 16 branches across Sydney, Melbourne and Adelaide. The bank

accompanies its market entry with the announcement of its Everyday Saver Account.

This market-leading product combines the convenience of an everyday account with the benefits of a savings account, earning customers 4.00% p.a. interest on balances up to USD50,000.

Bank of Sydney aims to continue to significantly grow its customer base across the country and will build upon its good position in key cities.

"Sydney is an economic powerhouse, a globally recognized destination with a vibrant multicultural community. These qualities align with our own goals to be Australia's leading relationship driven bank where every customer is provided with a highly personalized, flexible and top quality service," Mr. Pappas said.

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▶ Bank of Beirut Invests in Advanced Technology

In an ever-changing banking environment, demands for a nimbler response to customer requirements, reduction of risk while lowering operating costs continue to impact the way we conduct business today.



> Moving to a New Growth Platform with Bank Fusion Universal Banking (BFUB)

Within this framework, Bank of Beirut inked a contract with Misys, the global provider of financial application software and services for Banking and Capital Markets, whereby the Bank selected a state-of-the-art technological solutions comprising Misys BankFusion Universal Banking (BFUB), TI Plus and Sophis RISQUE to make its operations more efficient, deliver enhanced customer service and provide high-quality trade services to its corporate clients.

The solutions proposed are set to help us as a bank to differentiate ourselves within the markets we serve and achieve significant economies of scale through centralized resources. The BFUB new soCware will be rolled out both domestically over the next 2 to 3 years followed by the worldwide implementation in the UK, Germany, Cyprus, Oman and Australia. Across many areas, our priorities have been reshuffled to focus on the BFUB strategic high-level project requiring a higher degree of skills, directions, discipline and organization. Currently, we are gearing up our dedicated seasoned professionals towards the successful implementation of the new Core Banking.



> Online Virtual Channels and Smart ATMs

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.



Moreover, we are continuously enhancing our smart ATM network and features to become a self service branch concept with cash and check deposit solutions, 9GH including phone bill payment for mobile lines providers... a strategic move aiming at optimizing our customers' time.

> IT Maturity Assessment Study

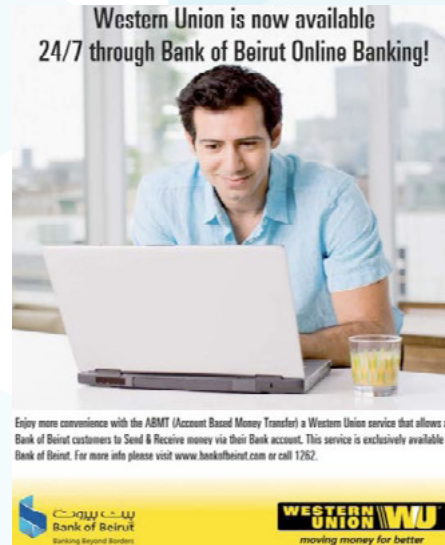
Within the IT Maturity assessment study conducted between CapGemini and the Association of Banks in Lebanon, Information Technology at Bank of Beirut was highly rated among the 7 Alpha Banks. This assessment validates that our IT turnaround strategy is tracking well in achieving international standards and service excellence of our innovative implementation of this application was more than significant to the Bank.



▶ Bank of Beirut Invests in Advanced Technology

A new milestone to add to our Online Banking: As of May 9th, 2013 a service has been launched with BoB Finance and Western Union: the Western Union - ABMT (Account Based Money Transfer) through Bank of Beirut's Consumer Online Banking.

This service will allow all our Consumer Online Banking customers to send/receive money transfers from /into their accounts through Western Union. This service is exclusively available at Bank of Beirut and we are the first bank in the Middle East to offer this solution.



Enjoy more convenience with the ABMT (Account Based Money Transfer) a Western Union service that allows all Bank of Beirut customers to Send & Receive money via their Bank account. This service is exclusively available at Bank of Beirut. For more info please visit www.bankofbeirut.com or call 1292.

> Bank of Beirut's Cash Management Services surpasses the 800 clients benchmark...

Following the successful launch of the first comprehensive internet Bank solution for its clients, Bank of Beirut added building blocks to its product capabilities. The successful pay card solution and the electronic payroll services are making a difference in the market.

Today an excess of 800 companies are benefiting from these services making Bank of Beirut the leading cash management provider services to commercial clients in Lebanon. Bassam Lteif, Transaction Banking Manager describes cash management's aim to maximize clients' working capital while minimizing costs by offering value-added

solutions for working capital management for both the corporate and institutional clients. "In today's highly competitive marketplace, efficient management of working capital is important for the well-being of a corporate. The two major aspects of a corporate's working capital are Accounts Receivables and Accounts Payables..."



Through an array of unmatched services bank of Beirut has been able to attract a big number of new corporate relationships from various competitors via customized cash management solutions, providing Bank of Beirut with large amounts of float and recording one of the largest retail deal in the last few years "Cash Management increases loyalty of customers, generates additional income streams and provide substantial leads to grasp the retail business of the company.

Pioneering these services in Lebanon has created yet another competitive advantage for the bank while granting our clients accessibility and convenience..."

Today's product suite include the flagship product Business Online Banking and the two additional services Business Pay Cards Solution and Electronic Payroll processing in addition to the Business Collection services.

With the upcoming additional product suite under development, Bank of Beirut will no doubt earn an even more solid ground on the commercial banking segment Comprehensive solutions are being tailored to large institutions thus creating a new unparalleled customer experience for these clients.



About Us

Corporate Data (As at 31/03/2013)

Company Name
Establishment Date
Shareholders' Equity
Market Capitalization
Ticker
Number of Employees

Bank of Beirut s.a.l
August 19, 1963
USD 1.16 Billion
USD 959 Million
BOB.BY
1549

Network (As at 31/03/2013)



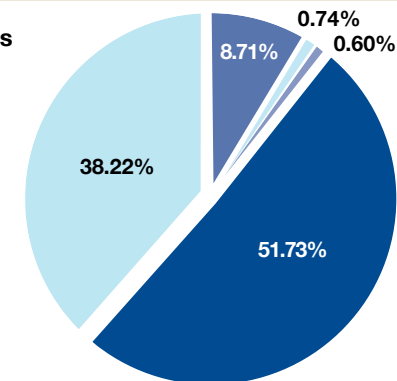
Share Data (As at 31/03/2013)

> Number of shares and shareholders

Number of shares: 50 467 400
Number of shareholders: 372

> Shareholder Composition

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



Member of the Board (As at 31/03/2013)

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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