

# Investors'

## Newsletter



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Bank of Beirut

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### ▶ Bank of Beirut Bulletin

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### ▶ New Core Banking System

In a decisive step to spur product innovation and market expansion, bank management has chosen to replace its existing core banking system with BankFusion Universal Banking.

A product of Misys, BankFusion provides the flexibility for the bank's financial experts to continue to develop innovative financial products while meeting international regulatory standards. Migrating to this new system is crucial for Bank of Beirut's com-

petitiveness domestically and internationally.

The system's integrated solutions will help bank management to capitalize on new market opportunities, optimize its operational efficiency, deliver unparalleled customer service, and offer state-of-the-art services to its corporate clients.

Ultimately, the Misys BankFusion system will facilitate Bank of Beirut's strategic expansion into new markets.

### ▶ New Preferred Shares Issue

Bank of Beirut is Offering a new Series "I" of Preferred Shares, Perpetual, Non-Cumulative, listed Redeemable:

**Build up Period:** 28/12/2012  
**Issue Size:** USD100,000,000  
**Issue Price:** USD25  
**Min. Subscription:** USD2,500  
**Dividend:** 6.75% per year\*

*\*Subject to withholding tax, currently at 5.00%*

### ▶ Redemption Preferred Shares Series "D"

On September 4, 2012, the Board of Directors of Bank of Beirut passed a resolution to redeem all Series "D" Preferred Shares at their issue price. Bank management has scheduled the redemption for December 28, 2012. The date marks the five-year anniversary of the issuance closing date of the Series "D" Preferred Shares.

### ▶ Deposit Campaign

Bank of Beirut is offering new Fix Term Deposits on Fresh Funds for a period of 3 months

Deposit Values (USD)	Annual Rates	Deposit Values (LBP)	Annual Rates
100,000 to 250,000	4.50%	100,000,000 to 500,000,000	6.75%
250,000 to 500,000	4.75%	500,000,000 to 1,000,000,000	7.00%
500,000 to 1,000,000	5.00%	>1,000,000,000	7.25%
> 1,000,000	5.25%		

## ► More Hours to Serve Customers

Long known as a pioneer in innovative financial products, Bank of Beirut is now a pioneering Lebanese bank in offering extended operating hours at a number of its branches.

Nine branches across Lebanon (Ghazir, Kaslik, Kfardebian, Hamra-Sidani, Aoukar, Dekwaneh, Dhour El Choueir, Rabieh and Baskinta) will now serve customers until 7:00 PM on Thursdays and Fridays and the bank's prominent ABC branch will welcome customers until 10:00 PM everyday, including Sundays and holidays.

As evidence of Bank of Beirut's strong commitment to superior customer service, these extended hours will also enhance the Bank's competitive edge over other retail banks in Lebanon.

## ► Optimized Personal Online Banking

Bank management has launched a new Personal Online Banking platform to further optimize its popular home banking service.

With the new Personal Online Banking platform, key services previously reserved for in-bank consultation are now only a click away. The powerful but user-friendly interface allows customers to transfer funds domestically and internationally, manage cash flows, and make financial trades, among a number of other new options.

Recognizing the importance of convenience for its customers, the bank is pleased to release this cutting-edge update.



## ► Q3 2012 Financial Results

Bank of Beirut's Total Assets on consolidated basis reached USD10.2Billion as at 30/09/2012 compared to USD8.9Billion, one year earlier, an increase of USD1.3Billion and a growth of 14.63% Year on Year. Noting that loans and advances to customers stood at USD3.4Billion as at 30/09/2012 and the Shareholder's equity exceeding USD1Billion.

Customer's deposits reached at the end of Q3-2012 USD8Billion, an increase of 17.2% (USD1.1Billion) from 30/09/2011.

Net profit for the period ended September 30/09/2012 reached USD78.7Million (USD76.1Million for the same period in 2011).

Worth mentioning, Bank of Beirut global network reached 79 branches worldwide (57 branches in the local market and 22 branches worldwide out of which 16 branches in Australia).

Description (USD million - Consolidated basis)	Balances			YOY Growth	
	30-Sep-11	31-Dec-11	30-Sep-12	Amount	%
Total Assets	8,918	9,730	10,222	1,304	14.63%
Customers' Deposits	6,831	7,550	8,008	1,177	17.22%
Total Loans to customers	3,023	3,291	3,418	395	13.06%
Investment Securities	3,218	3,375	3,721	502	15.61%
Shareholders' Equity	1,017	1,048	1,079	62	6.13%
Net Profit of the period	76.1	103.3	78.7	3	3.42%
Number of local branches	55	55	57	2	3.64%
Number foreign branches	20	20	22	2	10.00%
Number of staff	1,366	1,414	1,500	134	9.81%

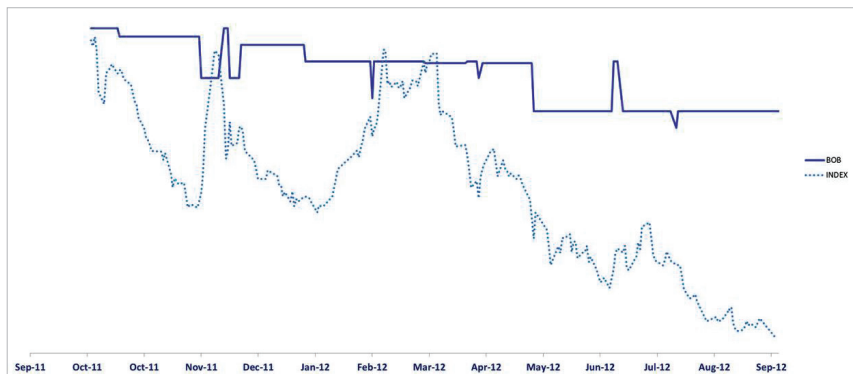
## ► Q3 2012 Stock Performance

During the third quarter of 2012, regional instability as well as fears of a global economic slowdown have contributed to the shallow performance of the Beirut Stock Exchange.

Within this declining context, Bank of Beirut's common share price has shown stability throughout the year closing the quarter at USD19 not far from its all-time high of USD20 hit a year ago.

On the other hand, with respect to the bank's listed preferred shares, the performance was notably positive. The Series "H" hit its 52-week high of 26.3 on 26 September, ending the quarter at 25.7, up 2.8% above issue price with the other listed preferred shares, Series "D" and "E" also ending the quarter at 26.0 (up 4%) and 25.8 (up 3.2%) respectively.

The stable performance of Bank of Beirut's listed shares was mainly supported by the fact the bank's risk exposure to conflicted regions is minimal, as noted by previous reports from the rating agencies along with its continuing conservative strategy and expansion in highly rated countries.



The above chart shows performance of each, relative to its price as of 30/09/2011



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## ► Planting the Flag for CSR

Bank of Beirut was proud to sponsor the Hike of Hope initiative of SOS Children's Village in September.

The initiative was designed to both raise funds for the important work of the Lebanese Association of SOS Children's Village and to raise wide awareness for personal responsibility. The Bank's generous contribution helped to fund the charity hike of five young men from Lebanon who

scaled Europe's highest peak, Mount Elbrus.

After a grueling hike, the five men proudly planted the flag of Bank of Beirut at the peak. Never has Bank of Beirut's commitment to corporate social responsibility been more visible than at 5642 m above sea level.

