

# Investors'

## Newsletter



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### Bank of Beirut Bulletin

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#### ▶ Beirut Hellenic Bank New Branches' Opening

Mr Salim Sfeir, Chairman and General Manager of Bank of Beirut-the major shareholder in Beirut Hellenic Bank (BHB), visited Melbourne, Sydney and Perth in October to meet BHB customers and business leaders.

Mr. Sfeir, along with his accompanying delegation and Mr. James Wakim, CEO of Beirut Hellenic Bank visited different branches of the Bank, and all events were attended by hundreds of customers and community members.

Dinners with potential and existing International Trade clients were also held in Sydney, Melbourne and Perth to encourage the growth of this very important business, and promote networking with high value customers and business associates who could assist in attracting more International Trade Business for both Beirut Hellenic Bank and Bank of Beirut.

This visit included officially opening of new branches of Beirut Hellenic Bank

in Sydney's **Parramatta, Burwood and Marrickville suburbs, and Brunswick in Melbourne.**

Meanwhile, BHB has announced the appointment of Steven Pambris as the company's new Deputy CEO Steven Pambris. Mr Pambris spent 37 years working for Westpac (formerly Bank of New South Wales) and has held numerous roles across the banking spectrum.





## Opening of New Branch in Rabieh

Bank of Beirut celebrated the inauguration of its new branch in Rabieh, in the presence of the Chairman – General Manager of the Bank Mr. Salim Sfeir, the President of Rabieh Municipality Mr. Issam Chammas, and a large number of the Bank’s executives and leading figures of the region.

In his speech delivered for the occasion, Mr. Sfeir stressed on the importance of the Bank’s presence in this typical region, highlighting that: «The inauguration of the new branch embodies Bank of Beirut’s commitment to be wherever its clients are and provide its customers with the best services and financial conditions, to facilitate their projects and future plans.»

It is worth mentioning that Rabieh branch is the 55<sup>th</sup> branch to join Bank of Beirut local network, noting that the

Bank had previously inaugurated four other branches in Ghazir, Dhour El Choueir, Baskinta and Chehabieh.

Through its Rabieh branch, Bank of Beirut contributes to the development of the region, and offers its citizens quality products and services tailored to their needs and capabilities, proving once more to be at the service of its clients, wherever they are.



© Bank of Beirut - Rabieh Opening Branch

## University Students Scholarship

In line with its Corporate Social Responsibility and its endeavors and strategy to promote education and support the young talents, Bank of Beirut delivered scholarships worth USD18000 to the winning students of the 3D University Account 3rd draw, held on October 28, 2011 under the supervision of the Lebanese National Lottery, in the framework of the “U for Youth” Program, conceived by the Bank following a fruitful Affinity relationship it has initiated five years ago with major universities in Lebanon, such as LAU, USEK, USJ, NDU, and AUST.

**Six students from various Lebanese universities won valuable scholarships with Bank of Beirut “UforYouth” Package.**

Bank of Beirut conveyed the Bank’s deep commitment to education, and its determination to support and guide the youth in their academic and career path, offering them flexible university and post-graduation loans tailored to their needs and capabilities, a highlight of the “U for Youth” package role, noting that Bank of Beirut offers 12 scholarships yearly to the holders of the 3D University Account.





## ► 2011 Stock Performance

In a period when all banks with exposure to MENA's conflict region showed slumps in their share prices, Bank of Beirut share price proved another resilient 4th quarter hovering around and closing the year 2011 at USD19.4, up by 4.3% from USD18.6, closing price of the year 2010.

The major positive factor is that Bank of Beirut has minimal exposure to the conflict countries, especially Syria. On November 11<sup>th</sup>, Lebanon and other Arab countries enforced economic sanctions on Syria, which included a ban on transactions with Syria's central bank, and on financial and commercial transactions with the Syrian government. The Lebanese banking sector is directly affected by these sanctions as seven Lebanese banks operate in Syria. Notwithstanding that the trade between Lebanon and other Arab countries is affected, as Syria is the sole land gateway for Lebanese goods to reach the Arab region. Listed banks with direct exposure have lost

up to 37% of their share value during 2011.

Apart from low overseas country risk, another key factor for its resilience was bank's stable strong quarterly results showing net profit in the first nine months remained flat (+0.2% y-o-y), despite difficult economic conditions in the country. Nevertheless, assets, deposits, and loans rose significantly (+19.8%, +26.5%, and +46.3% y-o-y respectively).

Overall, the year 2011 is considered the worst second year for Beirut Stock Exchange in a decade, as a triple whammy of domestic political turbulence, regional upheaval and global economic woes drove Gulf investors away from Beirut stocks. In the last quarter, the market had a little reprieve after Lebanon paid on November 30<sup>th</sup>, his part USD32million to the STL through the Association of Banks in Lebanon. The index edged up by 4.5%\* before closing the year down by around 20%.



Pricing source: Bloomberg

## ► 2011 Financial Year Results

Bank of Beirut unaudited financial statements as at 31 December 2011, recorded a remarkable growth in all major financial indicators:

The Bank's total assets reached USD9.7billion, increasing by 21.7% compared to 2010

Customers' deposits and certificates of deposits stood at USD7.7billion, with an increase of 27.4%.

Loans to customers stood at USD3.3billion as at 31 December 2011, witnessing a year-on-year increase of 41.5%.

Consolidated net profits for year 2011 amounted to USD103.2million, up by 2.4% compared to year 2010 while the bank's shareholders' equity increased by 15.3% to reach USD1.05billion.



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