

Investors'

Newsletter



بنك بيروت
Bank of Beirut

Banking Beyond Borders
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Bank of Beirut Bulletin

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New branches' OPENING

Two new branches recently joined Bank of Beirut network, which currently counts 55 branches. All two branches located in **Baskinta**, and **Ghazir** were inaugurated by our Chairman General Manager Mr. Salim Sfeir, in presence of eminent figures and executives from the Bank.

Wishing our Bank further expansion and success Beyond Borders.



© Bank of Beirut - Baskinta branch opening

Bank of Beirut New CD

Bank of Beirut introduced CD on Fresh Deposits and Rollovers from CD number 02/2010 which will mature on October 31, 2011 detailed as follow:

- **Build up Period:** Until November 4, 2011 (Closing date)
- **Issue Date:** November 10, 2011
- **Maturity:** 18 Months
- **Currency:** USD
- **Minimum:** USD100,000
- **Interest Rate:** 4.40% p.a
- **Interest payments:** Every 3 Months



▶ Bank of Beirut Chairman's Cup

Dubai to Muscat Race will be held from 14-25 November and Bank of Beirut will be presenting the winning boat with the "Bank of Beirut Chairman's Cup" Race that will start from Muscat on Sunday 27-1 December, with a prize giving lunch at Khasab.

▶ Bank of Beirut Capital Increase

Bank of Beirut has recently raised its capital to LBP86,735,124,000. This increase, resolved during the extraordinary general meeting of the Bank held on 30/06/2011, follows a private placement of 5,400,000 Series "H" Non-Cumulative Perpetual Redeemable Preferred Shares, for a total of USD135,000,000.

The new Preferred Shares are all listed on Beirut Stock Exchange with an issue price of USD25 per share, and a 7% coupon rate.

"Through its capital increase, Bank of Beirut ensures strengthening its position on the local as well as the international markets."

▶ New Fixed Deposits in LBP

Starting November 1st 2011 till December 1st 2011, Bank of Beirut S.A.L. will be offering a Fixed Term Deposit in LBP for Fresh Funds only as per the following:

- > 3 Month Term Deposit at a rate of 6.60% p.a, interest paid at maturity
- > 9 Month Term Deposit at a rate of 6.70% p.a, interest paid at maturity
- > or 9 Month Term Deposit at a rate of 6.55% p.a, interest paid Quarterly into a separate account

taking into consideration that the minimum deposit amount is of LBP50,000,000 and the maximum deposit amount is of LBP1,000,000,000

Special account Benefits:

Clients will be allowed a facility of up to 40% in the same currency before final maturity with a minimum spread of 5.00% on the LBP deposit and they will be offered a bank savings book.





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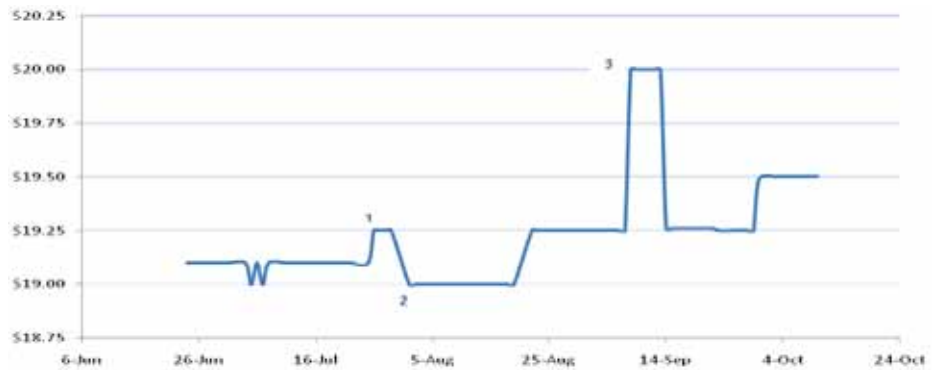
► Q3 2011 Stock Performance

The 3rd quarter of 2011 had several surprising news affecting Lebanese stock market especially the banking sector. The major event occurred on July 19th when Moody's changed its outlook to negative from stable for four Lebanese banks, including Bank of Beirut. However, the bank's share price was resilient and showed an increase of 0.8% to USD19.25 from USD19.10 on July 26th (1). The price was supported by the fact that Moody's focused on MENA's political conflict and its effect on Lebanese banks' subsidiaries, mainly in Egypt and Syria. However, the agency noted that Bank of Beirut's exposure is substantially low in the conflict region. In August, while foreign equity markets tumbled after United States losing its 'triple-AAA' credit rating from S&P, and Europe continuing to battle

its debt crisis and sovereign downgrades, the Lebanese index had its downward slump of 2.8% to 1280 from 1317. Bank of Beirut share price decreased by 1.6% to USD19 from USD19.25 (2), but closed the month unmoved at USD19.25.

During September and despite the dismal performance of the exchange's heavyweight stocks, there was an encouraging positive trend achieved by Bank of Beirut share price, when the bank entered the league of billionaires after its market capitalization crossed USD1billion for the first time in its trading history. The share price returned its pace upwards reaching its peak of USD20 on September 8th (3). Share price closed at USD19.49 at the end of the quarter.

Pricing Source: Bloomberg



Pricing source: Bloomberg

► Q3 2011 Financial Results

Bank of Beirut unaudited financial statements as at September 30, 2011 recorded a remarkable growth in most financial indicators and stability in profit, whereas the Net Income reached USD76Million for the period ended September 30, 2011.

The main following financial indicators, as compared to same period last year, recorded an increase in:

- > **Total Assets for USD1.5Billion, a growth rate of 19.8%**
- > **Customers' Deposits & CDs for USD1.5Billion, a growth rate of 26.5%**
- > **Loans to Customers by USD957Million, a growth rate of 46.3%**
- > **Shareholder's Equity by USD143Million, a growth rate of 16.3%**