



بنك بيروت
Bank of Beirut
Banking Beyond Borders

Investors' Newsletter

Q3 Report for Year 2015



Top Message

To Our Shareholders

«In 2014, we extended our consistent track of creating exceptional value for our shareholders and our stakeholders.»



2014 was a vintage year for the Bank of Beirut Group

We extended our consistent track record of creating exceptional value for our shareholders and our stakeholders. Our profitability hit an all-time high of USD 176 Million a 20.9% increase over the previous year. Assets grew by almost 10% reaching USD 14.915 Billion and dividends increased by 4.77%.

Beyond the headline numbers we also improved the quality of our earnings and our balance sheet. I am very pleased to report to you that nonperforming loans over total assets were a mere 29 basis points or put another way 99.71% of our loans are performing A Stellar result. In 2014 our cost to income ratio was all the more impressive taking into account that we opened new branches and actually increased our worldwide workforce by more than 7%

These successes are a direct outcome of our revenue

income and geographical diversification strategy 2014 was a banner year for awards too.

Our customer centric banking philosophy yielded awards for Best premium banking service. Banker Middle East recognized our fidelity program as the best in the Levant. We can also be proud of having the best SME cards in our region. Understanding the importance of consistently delivering secure innovative and relevant technology we implemented a full suite of innovations in 2014 from 24/7 high-tech HD walls, smart ATMs with leading edge user experiences “smarter” cards and more. Turning to Corporate Social Responsibility, we have kept and increased our pledge to support education. In 2014 we renewed our engagement with humanitarian and social initiatives working with 75 NGOs and charitable foundations in Lebanon including key cultural initiatives aimed at preserving the unique heritage of the Lebanese people

Our achievements have been a team effort. It is truly an honor to lead the Bank of Beirut Group and to work with such fine men and women internationally. While we have clearly executed well we will seek continuous improvement and in order to do this we will infuse train and grow our pool of talented people.

We have always placed great value on strong and enduring relationships with our customers supported by the principles of prudent banking

We have momentum, we have a differentiated plan, we have the resources and we have the resolve to drive Bank of Beirut forward in 2015 and in the years to come.

Thank you.
Salim G. Sfeir

[Chairman's Message](#)

[Annual Report 2014](#)

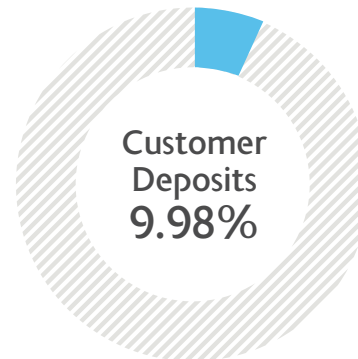
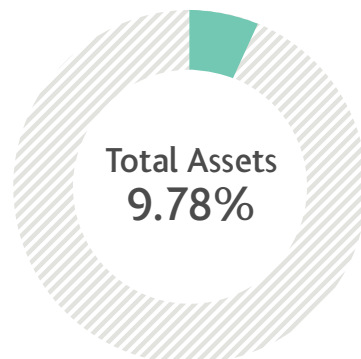
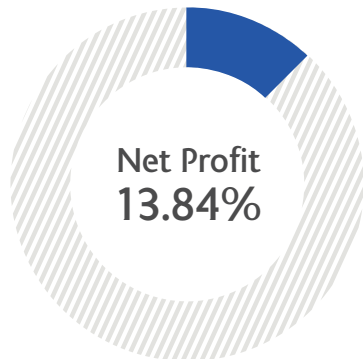


► S1 2015 Financial Results Overview

Bank of Beirut recorded a net profit of USD 89 Million in the first six months of 2015, an increase of 13.84% compared to the same period of 2014.

Bank of Beirut is one of the few Lebanese banks that have achieved double digit profit despite the difficult economic conditions in the country and turmoil in neighboring Syria. Total bank assets in the first six months also surged by 9.78% to reach LBP 23,197 Billion, while customer deposits jumped by 9.98% to reach LBP 17,423 Billion. Total loans and credit lines in the same period also rose by 2.67% to reach LBP 6,243 Billion.

Bank of Beirut, which has a capital of more than LBP 105 Billion, is the only Lebanese bank with a presence in Australia, where there is a large Lebanese community.



▶ Bank of Beirut among the Top 1000 commercial banks in the World

In its 2015 survey of the Top 1000 commercial banks in the world, The Banker magazine included nine Lebanese banks on the list, up from eight banks last year. The rankings are based on Tier One capital at year end 2014.

The Banker indicated that it changed its methodology this year and started to use the disclosed Tier One capital for banks that began implementing the Basel III framework. It noted that Basel III has clarified the rules about capital calculations, which previously varied widely across banks and jurisdictions.

The aggregate Tier One capital of the nine Lebanese banks totaled USD 12.69 Billion at the end of 2014, constituting a rise of 12.1% from USD 11.3 Billion end-2013. In comparison, the Tier One capital of the Top 1000 banks grew by 4.3% year-on-year, while that of the banks in the Middle East rose by 7.2%.

Bank of Beirut's Tier One capital reached USD 1.2 Billion at the end of 2014 and accounted for 9.5% of the aggregate Tier One Capital of the nine Lebanese banks included in the 2015 survey.

Bank of Beirut ranked in the 570th place globally.

The cumulative pre-tax profits of the nine Lebanese banks reached USD 2 Billion in 2014, up by 9% from the preceding year, and compared to a 7.8% increase in the gross earnings of the Top 1000 banks. The ratio of pre-tax profits-to-Tier One capital of the Lebanese banks reached 16.1% in 2014, down from 16.6% a year earlier, and compared to 14.37% for the Top 1000 banks. The nine Lebanese banks accounted for 0.18% of the Tier One capital of the Top 1000 banks, for 0.15% of their total assets and for 0.2% of their aggregate pre-tax profits.

They also accounted for 4.7% of the Tier One capital of banks in the Middle East, for 7.1% of their total assets and for 5.4% of their aggregate per-tax profit





► Banker Middle East Industry Awards 2015

Bank of Beirut has been rewarded three well-deserved awards from the Banker Middle East Magazine. Bank of Beirut, the only Lebanese bank to earn this triple recognition, won a series of awards as “Best Commercial Bank in Lebanon” and “Best Transaction Bank in the Levant”. However, the “Best banker for the year 2015 in the MENA Region” award has been conferred to Dr. Salim G. Sfeir, Bank of Beirut Chairman-CEO. This further endorses its primary leading position in the local, regional and international banking circles.

Commenting on this triple recognition, Bank of Beirut Chairman, gratified by these triumphs declared, “We are proud to receive these coveted accolades and our never-ending efforts are boundless.” Thanking Banker Magazine for its confidence, Dr. Sfeir stated, “These rewards will only increase our motivation to accomplish our mission by boosting our determination with the intention of realizing new heights in accomplishing superior successes in the future.”

It is worth noting that the Banker Middle East awards, which are regarded as genuine recognition of financial excellence in the Middle East region, aim at rewarding those financial and banking institutions recording superior performance.



► Success knows no limit with our SMEs loan

Bank of Beirut proudly launched its new B Business package in an effort to pursue its ongoing support to the local Small and Medium enterprises through providing them with the funding required to expand and develop their industry. Bank of Beirut B Business Package offers you all what you need to make the most of business opportunities. It contains a full suite of financing options, award winning cash management solutions and capability-building trainings, ensuring that you grow your business and maximize your potential while enjoying a great customer experience.

Bank of Beirut B Business package offers you diversified financing options so that you get funding the way it is best suited to your business. It is offered to you through 3 bundled products with a total facility ranging from USD 20,000 till USD 100,000; for example if the total facility is USD 100,000 it will be distributed over 3 bundled products as follows:

1. Term Loan of up to USD 85,000 being 85% of the total facility granted over 6 years

- Amount: From USD 17,000 to USD 85,000
- Loan period: Up to 6 years
- Grace period: 3 months

2. Advance Account - A current account with an overdraft facility up to USD 10,000 being 10% of the total facility granted.

- 0% interest rate
- Free Business Debit Card
- Free 100 cheque book pages per year
- Unlimited domiciliation of utility bills

3. Free Business Credit Card with a limit up to USD 5,000 revolving being 5% of the total facility granted

You may also benefit from:

- Reduced transaction fees through our award-winning Cash Management products.

- Tailored training workshops developed in collaboration with AMIDEAST to offer you the tools you need to grow your business.
- Bank of Beirut E-way: The Best way to go global and sell your products and services worldwide through your website and Mobile App.
- Bank of Beirut Point of Sale (POS) connected to land line/Wi-Fi/GPRS.

With the launch of this new Industrial Loan Bank of Beirut firmly consolidates its position as a solid supporter and contributor to the Growth of the Lebanese industry & economy

Required Documents

- B Business Application Booklet
- Copy of ID Card
- Statement of Accounts for the past year
- Legal documents of the Company
- Financial statements for the past 2 years (or other sources of income)
- Proof of Business location
- Tangible security
- Other documents upon request

More Info

To grow your business with our B Business Package, apply now at any Bank of Beirut branch and learn more via our contact center by contacting 1262, 24/7

How to Apply

You can apply now on [our website](#)



► Gefinor Smart Branch Opening

Bank of Beirut has digitally expanded by the opening of its “Gefinor B-Smart”, being an integral part of Gefinor branch occupying its old location.

With the same working hours as all Bank of Beirut branches, this B Smart will be permanently attended by Gefinor branch’s sales team with the same working hours as all Bank branches from 8AM to 5PM in addition to one “Helper” ensuring daily permanence till 8:00 pm Monday through Saturday, offering the following services: Selling any of the bank’s products and services, account opening and instant issuance of a temporary debit card, free access to e-banking services (online banking, mobile banking, e-loan applications etc.), full function Smart ATM providing traditional and advanced services (Cash/Cheque deposit, Withdrawals, tuition fee payment, mobile top ups, card-less services etc.)

With our digitization strategy, Bank of Beirut is becoming a pioneer in keeping abreast with the latest state-of-the-art technologies.

Through our new smart branches, the bank’s ultimate objective is to reach-out to clients’ private sphere dominated today by all types of digital practices Innovation and digitization are the two main ingredients Bank of Beirut is leveraging to smart Banking Beyond Borders. One year ago, Bank of Beirut opened its first B-Smart branch in Foch downtown offering the luxury of opening an account and receiving a debit card on the spot even on a Sunday, paying your university tuition fee at night, transferring funds in the evening. A customer service representative is ready to help you from 8a.m. to 10p.m. 7 days a week.

In its pursuit to create a new interaction model that is more aligned with its customers’ lifestyle and time constraints, Bank of Beirut has added to its B-Smart network branches in Kfardebian and Notre Dame de Secours-Jbeil



► Baabda Branch Opening

In the framework of its strategy that aims at strengthening its growing expansion in Lebanon and worldwide, Bank of Beirut recently unwrapped a new branch located in Baabda.

By expanding its branch network, Bank of Beirut 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. It also emphasizes the bank's growing commitment to its origin country and its determination to support and participate in the development of the Lebanese financial sector.



► Business Continuity

Bank of Beirut has a duty to provide customers with 24/7 banking services in one way or another, be it through ATM, call center, online banking, branch or head office services. We as employees are responsible to ensure that this duty is well performed and that security is considered when performing it.

A business disaster is that point in time after the cause where we can no longer provide our customers with the minimum level of service they need and expect. Business continuity planning involves mitigation of risks and the proactive preparation for the resumption of business operations to prevent a business disaster. Business continuity is not the responsibility of individuals or specific support functions alone; on the contrary it involves everyone: business heads & employees.

Business continuity planning is everyone's responsibility, it is the insurance policy that provides business survival and protects all stakeholder interests during contingency situations.

A business continuity and disaster recovery committee has been established with the support of executive management. This committee has members from across Bank of Beirut's divisions and departments. The committee has regular meetings to improve and review business continuity controls, and meets frequently during contingency situations.

A business continuity program has been established by the information security department with coordination from all support functions; this program has resulted in business continuity plans for all critical Bank of Beirut business entities both in Lebanon & abroad.



About Us

Corporate Data (As at 31/12/2014)

Company Name	Bank of Beirut s.a.l
Establishment Date	August 19, 1963
Market Capitalization	USD 1Billion
Ticker	BOB.BY
Number of Branches	90
Number of Employees	1732

Network (As at 31/12/2014)



Comprehensive IR Services

Bank of Beirut offers a comprehensive suite of services to strengthen our clients' connection to the investment community & to enhance their assessment



Board Membership (As at 31/12/2014)

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 **Loubna Kassem**

Rashed Al Rashed - Member

Antoine Y. Wakim - Member

Krikor S. Sadikian - Member

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