

Summary Term Sheet - Series "G" Preferred Shares

The Offering:	The Bank is offering 3,570,000 Series "G" Non-Cumulative Convertible Redeemable Preferred Shares (the "Shares" or the "Preferred Shares") for eligible investors.
Issuer:	Bank of Beirut SAL (the "Bank").
Type:	Tier 1 Non-Cumulative Convertible Redeemable Preferred Shares, having a par value of LBP1,200 per Share (Lebanese Pounds One Thousand Two Hundred).
Issue Price / Subscription Price	<p>US\$35 (United States Dollars Thirty Five) per Share, of which the equivalent of LBP1,200 (US\$0.7960) shall represent the par value of each Share, and the balance, which will be maintained in U.S. Dollars, shall constitute an issue premium (the "Issue Premium").</p> <p>It is expected that, subject to abidance by the thresholds set by the Central Bank of Lebanon ("CBL"), the aggregate Issue Price, consisting of the par value and the Issue Premium in excess thereof, will qualify to constitute Tier One Capital.</p>
Issue Size:	US\$124,950,000 (United States Dollars One Hundred and Twenty four Million and Nine Hundred and Fifty Thousand).
Governing Documents:	Law n. 308/2001, CBL Decisions and the resolutions of the Extraordinary General Meeting of the Bank's Shareholders held on 29 September 2010 as amended by the resolution of the Extraordinary General Meeting of the bank's shareholders held on 11 November 2010 which resolved the issuance and determined the terms and conditions of the Series "G" Preferred Shares.
Ranking:	Series "G" Preferred Shares shall rank (i) pari passu to Series "C", "D", "E" and Series "F" Preferred Shares issued by the Bank in respect of the right to receive dividends and the right to receive payments out of the assets of the Bank upon any voluntary or involuntary liquidation, dissolution or winding up of the Bank; (ii) senior to the Bank's common shares in respect of the aforementioned rights; and (iii) subordinated to the Bank's other creditors.
No listing:	The Series "G" Preferred Shares will not be listed on the Beirut Stock Exchange or on any other regulated stock exchange.
Eligible Investors:	Any persons other than (i) a U.S. citizen; (ii) the Chairman General Manager, the Deputy General Manager, the members of the Issuer's Board of Directors and the spouse and minor children of such persons, as provided for in article 2, paragraph 3 of the Law n. 308/2001; and (iii) any person to whom it is not allowed to be offered or to own the Preferred Shares.
Minimum and Maximum Subscription :	<p>Subscription shall be only in Units, with a minimum subscription of one Unit, and each Unit consisting of 100 Shares. i.e., US\$3,500 = 1 Unit / US\$7,000 = 2 Units / US\$10,500 = 3 Units.</p> <p>Subscription cannot exceed a maximum of 157,500 Preferred Shares (i.e., 1,575 Units) per investor, representing an amount of US\$5,512,500 (United States Dollars Five Million Five Hundred Twelve Thousands and Five Hundred). For the purpose hereof, shall be considered as one same investor: (i) the husband, wife, ascendant and descendants that are dependent, (ii) the group of companies in which one physical person owns the majority of the voting rights, or in which one of the companies (the mother company) owns the majority of the voting rights of, or exercises the powers of management and control over the other companies (the subsidiaries) which are, either directly or indirectly, under the permanent supervision of the mother company, and (iii) a group of companies comprised of two or more companies that do not meet the conditions set forth in (ii) here above, but in which each company owns a stake of not less than 20% of the other companies' capital.</p>
Preferential Rights of Series "C", "D", "E" and "F" Preferred Shares:	Holders of Series "C", Series "D", Series "E" and Series "F" Preferred Shares issued by the Bank shall have a preferential right to subscribe to Series "G" Preferred Shares, pro rata respectively to their participation in the Bank's capital.
Conversion Rights:	<p>The Series "G" Preferred Shares may, at their holder's option, be converted, only on the Conversion Date (as defined hereafter) on a one-to-one basis into the Bank's common shares at no additional cost to the holder of such Preferred Shares other than the Issue Price per Preferred Share already paid by such holder; provided that no distributions shall be payable in respect of the converted Series "G" Preferred Shares with respect to the year during which such Series "G" Preferred Shares are converted into common shares.</p> <p>The Conversion Date will be the date falling on the fifth anniversary of the Closing Date,</p>

	<p>or if such date is not a Business Day, the immediately following Business Day.</p> <p>The Closing Date shall be the date of the Bank's Extraordinary General Meeting of Shareholders that will verify the validity and ascertain the payment of the capital increase related to the Offering, provided that the Bank shall have obtained the approval of the Central Bank of Lebanon on the capital increase related to the Offering following the resolving of such increase by the Bank's Extraordinary General Meeting of Shareholders.</p> <p>Each holder of Series "G" Preferred Shares wishing to exercise his conversion option (whether in whole or in part), must notify the Bank in writing his irrevocable intent to do so within a period of not less than 60 Business Days prior to the Conversion Date. Such conversion shall be subject to the prior approval of the Central Bank of Lebanon for those shareholders whose participation (i) already equals or exceeds, through the holding of common shares prior to the conversion, 5% of the Bank's total common share capital and/or, (ii) would, pursuant to the conversion, equal or exceed 5% of the Bank's total common share capital. Holders of Series "G" Preferred Shares who fail for any reason to notify the Bank their decision to convert their Preferred Shares as mentioned herein will irrevocably and finally lose such conversion option.</p>
<p>Maturity Tenor Redemption:</p>	<p>Perpetual, subject to call option at the discretion of the Bank as defined hereinafter. The Bank shall have the right, in its sole discretion, but subject to abidance by the ratios and regulations of the CBL and the Banking Control Commission ("BCC"), to redeem on each Redemption Date (as defined hereinafter), all or part of the Series "G" Preferred Shares (but not less than 25% of the total number of such Shares, on pro rata basis between the Series "G" Preferred Shareholders). "Redemption Date" shall mean (i) for the first time, the last Business Day of the financial year during which falls the 6th anniversary of the Extraordinary General Meeting of the Bank's Shareholders which will ascertain the validity and payment of the capital increase by virtue of which the Shares are issued; (ii) the corresponding Business Day every year thereafter; and (iii) any date determined by the Bank after the date of issuance of the Preferred Shares, in case of occurrence of any event the result of which is to prevent the Bank from booking the value of the Preferred Shares as Tier One capital or from keeping the Issue Premium in foreign currency. To exercise its call option, the Bank shall, at least 60 Business Days prior to the Redemption Date, inform all holders of Shares by way of publication in two local newspapers of its firm and irrevocable intent to redeem all or part of the Preferred Shares, as the case may be. Should the Bank exercise this call option, holders of the Series "G" Preferred Shares will be obliged to transfer their Shares to the Bank, and the Bank, in exchange thereof, shall pay to the holders, on the Redemption Date, a consideration equal only to the Issue Price of the redeemed Shares, i.e. US\$35 per Preferred Share (the "Redemption Price"), irrespective of any increase in the value of such Preferred Share, but without prejudice to the right of the holders to receive the distribution payments for the Redemption Year as more fully described here below, and any Annual Dividend that the General Meeting of the Bank's Shareholders has resolved to distribute but that has not been actually paid yet. Following the redemption of the Preferred Shares, the redeemed Preferred Shares will be cancelled and the Bank's Extraordinary General Meeting of Shareholders will take all necessary measures to keep the Bank's capital unchanged, and to amend the Bank's by-laws accordingly. For the avoidance of doubt, it is clearly understood that the Bank has no obligation whatsoever to purchase or redeem the Preferred Shares.</p>
<p>Dividend:</p>	<p>The Series "G" Preferred Shares shall earn an annual dividend (the "Annual Dividend") equal to 6.75% per annum of the Issue Price, provided that (i) there are enough Declared Net Profits to allow the payment of such Annual Dividend; (ii) the Bank is in compliance with all ratios imposed by the CBL and the BCC; and (iii) the Bank's Ordinary General Meeting of Shareholders resolves the distribution of the Annual Dividend. It is the intention of the Board of Directors to declare annual distributions in respect of the Preferred Shares, subject to availability of sufficient net income for the concerned financial year, and to recommend to the Bank's Ordinary General Meeting of Shareholders that it resolves such distribution; it is being noted that the General Meeting must resolve such distribution when sufficient Declared Net Profits are available, unless a legal or regulatory reason prevents said distribution.</p> <p>For the purpose hereof, "Declared Net Profits" shall mean the Bank's audited unconsolidated net profit, as approved by the Ordinary General Meeting of the Bank's Shareholders, after tax and after deduction of the legal and statutory reserves and all reserves required by the CBL and the BCC applicable regulations. Without prejudice to the above mentioned conditions required for the payment of the Annual Dividend, if the Declared Net Profits for any relevant year are not sufficient to allow the payment of all amounts that are due with respect to the outstanding preferred shares of various series issued by the Bank and then outstanding, the Bank's General Meeting of Shareholders may resolve the distribution to the holders of such preferred shares, including the</p>

	holders of Series "G" Preferred Shares, the available Declared Net Profits, on a pro rata basis between the holders of the preferred shares of all series then outstanding.
Dividend Payment:	Payment of the Annual Dividend, if and when resolved by the Bank's General Meeting of Shareholders, shall be made annually within a period of 15 days following the date of the relevant Ordinary General Meeting of Shareholders during which (i) the Bank's annual audited accounts for the relevant financial year are approved; and (ii) the Annual Dividend distribution is resolved. The Annual Dividend of 6.75% being stated for a full fiscal year, it shall be adjusted, on a pro rata basis of the relevant period, for the fraction of year during which the issuance of the Preferred Shares occurs. In case of redemption of the Series "G" Preferred Shares as described above, the Annual Dividend due to the holders of such Preferred Shares for the year during which redemption occurs (the "Redemption Year") shall be paid during the year following the Redemption Year, within a period of 15 days following the date of the Ordinary General Meeting of Shareholders during which (i) the Bank's annual audited accounts for the Redemption Year are approved; and (ii) the corresponding Annual Dividend distribution is resolved. Any remaining dividends after the payment of the Annual Dividend (and after payment of the distributions due on the Series "C", "D", "E" and Series "F" Preferred Shares issued by the Bank) shall be shared on a pro rata basis exclusively among the holders of the common shares of the Bank. Annual Dividend distributions are subject to withholding tax, currently at the rate of 5%. The tax on distribution will be borne by the holders of Series "G" Preferred Shares and withheld from the Annual Dividend distributions, as per the applicable laws and regulations. If, however, the above-mentioned 5% tax rate is increased further to a change in the applicable laws and regulations or the interpretation thereof by the relevant governmental authorities, the Bank will bear any additional tax that would become due as a result of such increase beyond the current rate of 5%.
Dividend not Cumulative:	The right to payment of the Annual Dividend on the Series "G" Preferred Shares shall not be cumulative. If for any reason the Annual Dividend is not declared and/or if its distribution is not resolved, or if the amount of the Annual Dividend declared and paid is less than 6.75% of the Issue Price, the holders of Series "G" Preferred Shares will not be entitled to subsequently receive such Annual Dividend or the balance thereof, in whole or in part as the case may be, whether or not funds are or subsequently become available.
Liquidation Preference:	In the event of a dissolution, winding-up or liquidation of the Bank, each holder of Series "G" Preferred Shares shall be entitled to receive out of the assets of the Bank, in priority to any payment to the holders of the Bank's common shares, an amount equal to the Issue Price multiplied by the number of Series "G" Preferred Shares held by such holder of Series "G" Preferred Shares, in addition to any Annual Dividend, if any, the distribution of which has been decided by the Bank's General Meeting of Shareholders, but the payment of which has not actually been effected yet.
Restrictions on Payment of Dividends to Common Shares:	So long as any Preferred Shares of Series "C", "D", "E", "F" and/or "G" shall be outstanding, the Bank shall not declare or pay any dividend upon its common shares during any fiscal year, unless and until all distributions in respect of the Preferred Shares have been made, for each Series in accordance with its terms and conditions.
Restrictions on the Participation to the Bank's Reserves:	Without prejudice to the rights devolving on the Preferred Shares as specifically mentioned herein, holders of Series "G" Preferred Shares shall not be entitled to participate to the Bank's reserves or to benefit from any distributions resulting from the capital increase of the Bank by way of conversion of the Bank's reserves and/or retained earnings into capital.
Restrictions on Participation to the Bank's Capital Increases:	Holders of Series "G" Preferred Shares shall have the right to maintain their pro rata equity holding in the Bank's capital in any subsequent offering of preferred shares by participating to such offering, should the Bank issue such securities. However, holders of Series "G" Preferred Shares will not have any preferential right to subscribe to capital increases of the Bank, when such capital increases are made by way of issuance of common shares.
No Voting Rights:	Holders of the Preferred Shares do not have the right to participate in discussions or to vote at the Bank's General Meeting of Shareholders, except in the cases specifically mentioned in the Law n. 308/2001, and taking into consideration that the Annual Dividend due on the Series "G" Preferred Shares is not cumulative.
Registrar:	Midclear SAL
Financial Advisor:	Bank of Beirut Invest s.a.l.
Legal Advisers to the Bank:	Soumrani Lawyers & Legal Counsels

Auditors:	Deloitte & Touche
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