

## Company Profile

# Moody's Global Banking

May 2008

## Banque Bemo SAL

Beirut, Lebanon

### Analyst Contacts:

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### Company Overview

Banque Bemo sal (Bemo) has total assets of LBP1,192 billion (USD791 million) as at end-December 2007 and market shares of 1.29% in loans and 0.8% in deposits within the Lebanese banking system. The bank operates as a "boutique bank" targeting a niche market of prime customers in private banking and corporate finance.

Bemo is currently present in Lebanon with eight branches and four ATMs. It also has a branch in Limassol, Cyprus and one in the Free Zone Damascus, Syria. It is estimated that more than 70% of the bank's earnings currently derive from corporate banking activities. Bemo has a separate business function 'Banking in Syria' that specialises in serving its Syrian clients. Moody's estimates that around 71% of the bank's earnings come from Lebanon, with the remainder mostly from the Syrian market.

Being part of a larger group spread in Europe, the Middle East and the Gulf region, Bemo is a Lebanese joint stock company with a partial listing on the Beirut stock exchange. Its controlling shareholder is Sharikat Al Istismarat Al Oropia Lil Sharek Al Aousat (Holding) S.A.L. (Istismarat), a local bank holding company. Istismarat's major shareholder and the founder of Bemo is the Obegi group. Other shareholders of Istismarat include prominent industrialists in Lebanon.

This report, exclusively provided to you by Moody's, presents a convenient summary of as reported, publicly available information. The information is not adjusted for Moody's analytic purposes. For Moody's Ratings, Opinion and Analytics on this company, please [\[Click here\]](#). To access the latest Moody's Credit Opinion on this company, please [\[Click here\]](#).



**Moody's Investors Service**

## Banque Bemo SAL

## December 2007 Financial Highlights (as Reported)

Note: The financials presented below are those reported by the entity and are not adjusted for Moody's analytic purposes. For Moody's generated ratios on Banque Bemo sal, please see <Banque Bemo sal page on moodys.com>.

## Banque Bemo sal

LBP million	31-Dec-07*	31-Dec-06	31-Dec-05	% change 2007	% change 2006
Local Currency/US\$, Period end	1507.5	1507.5	1507.5	-	-
Total Assets	1,192,547	1,068,687	998,748	11.59	7.00
Total Capital	110,091	108,356	71,548	1.60	51.45
Tier 1 Ratio	15.85	19.83	11.56	-20.07	71.54
Net Income	12,012	10,576	7,744	13.58	36.57

\* Unaudited

## Business Activities

Bemo operates as a "boutique bank" targeting a niche market of prime customers in private banking and corporate finance. It is estimated that more than 70% of the bank's earnings currently derive from corporate banking activities.

The bank's principal banking activities consist of:

- (i) Private Banking / financial advisory to both corporate and individual clients, providing access to capital and money markets
- (ii) Corporate Banking, which, in conjunction with the Financial Advisory Unit, extends credit facilities to leading corporate clients
- (iii) Personal Banking, which includes such services as personal loans, with a focus on personalised service
- (iv) Trade Finance, which encompasses the issuance of letters of credits, letter of guarantees, and other forms of documentary credit to commercial and trading entities to finance their needs in imports, exports and business projects

The bank's international exposure has been traditionally based on the Syrian offshore banking market. Bemo draws a portion of its income from Syrian residents through providing them with trade finance services. A dedicated division is in place to serve this market segment.

Moody's estimates that more than 71% of the bank's earnings come from Lebanon, with the remainder mostly from the Syrian market.

## Distribution Capacity and Market Share

Bemo is currently present in Lebanon with eight branches and four ATMs. It also has a branch in Limassol, Cyprus and one in the Free Zone Damascus, Syria. Both offshore branches play a significant role in servicing Syrian customers in trade finance, but also in personal banking services.

Bemo is a small player in the Lebanese banking sector with market shares of 1.29% in loans and 0.8% in deposits.

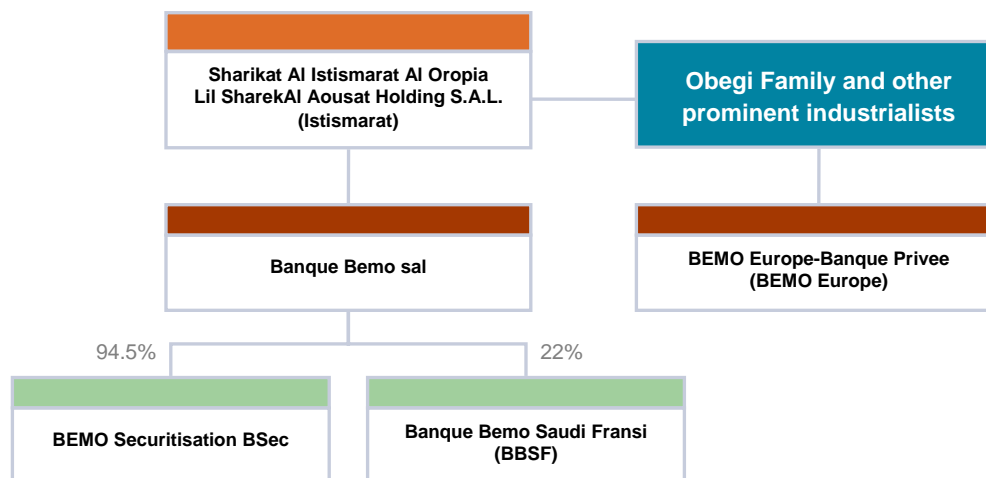
## Banque Bemo SAL

## The Bank's Market Shares in % of Total Sector:

Source (Bilanbanques 2007)	2004	2005	2006
Loans and Advances	1.18%	1.25%	1.29%
Deposits from customers	0.80%	0.84%	0.79%
LC opening per year	3.19%	3.48%	2.92%

## Ownership and Structure

The diagram below depicts the structure of Banque Bemo and its holding company



Bemo's controlling shareholder is Sharikat Al Istismarat Al Oropia Lil Sharek Al Aousat (Holding) S.A.L. (Istismarat), a local bank holding company. Istismarat's major shareholder and the founder of Bemo is the Obegi group. Other shareholders of Istismarat include prominent industrialists in Lebanon.

The bank's main subsidiary is BEMO Securitisation (BSec), which is focused on securitisation. In 2003, it also developed a joint venture in Syria with Banque Saudi Fransi called Banque Bemo Saudi Fransi (BBSF). Bemo currently owns 22% of BBSF, which is one of the leading commercial banks in Syria. BEMO Europe-Banque Privee (BEMO Europe) is Bemo's sister bank, a private bank based in Paris with a branch in Luxembourg. The ties with this sister bank allow for cross referrals and exchange of services.

The bank is about to open a new international activity channel through its joint venture company with ODDO et Cie, a leading investment services company based in Europe. The joint venture's objective is to sell European investment opportunities to institutional entities and high-net-worth families in Gulf countries. A significant part of this activity will lead to the referral of customers to services provided by Banque BEMO's private banking and financial advisory unit. The joint venture will be operational in early 2008. It is owned by Banque BEMO SAL (25%), Banque pour l'Europe Meridionale (25%) and ODDO et Cie (50%).

## Banque Bemo SAL

## Ownership Structure

Shareholders	Country of Origin	Shares in Capital
Sharikat Al Istismarat Al Oropia Lil Sharek Al Aousat (Holding) sal	Lebanon	55.74%
Banque Saudi Fransi	Saudi Arabia	10.00%
Banque de l'Europe Méridionale - Paris	France	7.25%
Fertitrust sa	Luxembourg	3.12%
Obegi Group sa	Luxembourg	0.68%
Mr. Henry Yordan Obegi	Lebanon	0.06%
Mr. Pierre Georges Khoury	Lebanon	0.06%
Dr. Ara Ohannes Hrechdakian	Lebanon	0.03%
Sheikh Issam Mohamad Kheiri Kabbani	Saudi Arabia	2.98%
Mr. Riad Béchara Obegi	Lebanon	0.03%
Mr. Jean Victor Hajjar	Lebanon	0.03%
Mr. Georges Béchara Obegi	Lebanon	0.06%
Emir Karim Samir Abillama	Lebanon	0.03%
Other Shareholders	-	19.93%

<sup>a)</sup> It is estimated that about 65% of Banque Bemo is held by the Obegi family both directly and indirectly

## Company Management

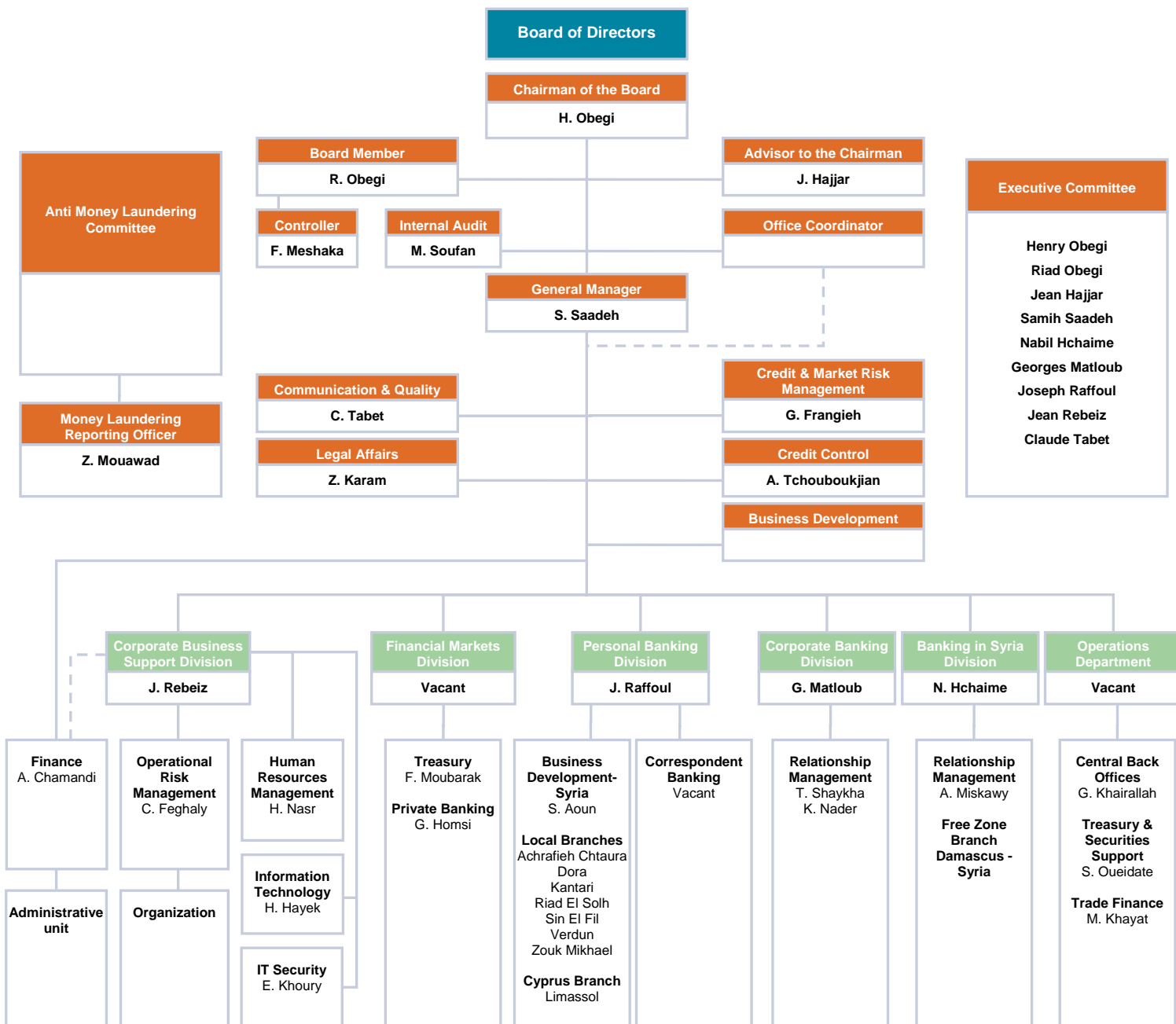
Company Directors	Current Title	Age	Total Banking Experience	Previous Experience
Samih Saadeh	General Manager	55	29	Vice President, Corporate & Private Banking Manager - ABN AMRO Bank
Jean Rebeiz	Assistant General Manager Head of Corporate Business Support	57	34	Vice President, Corporate Business Support - ABN AMRO Bank
Joseph Raffoul	Assistant General Manager Head of Personal Banking	60	41	Manager, Financial Institutions and personal Banking - Banque de l'Europe Meridionale - Paris
Georges Matloub	Assistant General Manager Head of Corporate Banking	56	37	Manager, Commercial Banking - Banque de l'Europe Meridionale Belgium , Offshore Banking Unit - Limassol
Nabil Hchaime	Assistant General Manager Head of Banking in Syria	62	43	Manager, Commercial Banking - Banque de l'Europe Meridionale Belgium, Offshore Banking Unit - Limassol

## Banque Bemo SAL

Board of Directors	Affiliation	Age	Tenure	Committees
Mr. Henry Yordan Obegi	Chairman	82	14	Nominating/Corporate Governance Committee
Banque Saudi Fransi (Represented by Mr. Abdul Rahman Jawa)	Board Member		4	
Sheikh Issam Mohamed Khairi Kabbani	Board Member	74	11	
Mr. Georges Bechara Obegi	Board Member	43	14	Audit Committee; Talent Management Committee
Mr. Riad Bechara Obegi	Board Member	50	4	Strategy Committee; Audit Committee; Nominating/Corporate Governance Committee
Mr. Jean Victor Hajjar (Member and Advisor to the Chairman)	Board Member	78	7	Strategy Committee; Audit Committee; Nominating/Corporate Governance Committee; ALCO; RE Investments, Placements, Participation & Association Committee; Bank Credit Committee; Credit & Market Risk Management Committee; Talent Management Committee; Operational Risk Management Committee
Emir Karim Samir Abillama'a	Board Member	42	11	Nominating/Corporate Governance Committee; Credit & Market Risk Management Committee; Operational Risk Management Committee
Dr. Ara Ohannes Hrechdakian	Board Member	84	7	

Banque Bemo SAL

Corporate Governance Structure



FTE: 193  
January 02, 2008

## Banque Bemo SAL

### Company History

Banque Bemo sal is a Lebanese joint stock company registered in the Beirut Commercial Registry and on the Central Bank of Lebanon's banks list. The bank's Head Office is located in Bemo Building, Elias Sarkis Avenue, Achrafieh, Beirut, Lebanon, and the General Management Offices in the Esseily Building, Riad el Solh square, Beirut Central District.

The Obegi family (the bank's controlling family) has a long banking history. In 1961 they founded "Credit Libanais S.A.L.", a commercial bank in Lebanon which was sold in 1985. In 1973 they founded "Banque de l'Europe Méridionale S.A.", which is currently "BEMO Europe-Banque Privée" (BEMO Europe), based in Paris with a branch in Luxembourg. In 1994, the Obegi family re-entered the Lebanese and the neighbouring Arab markets through the acquisition of a small, commercial banking institution which was converted into a specialised private and corporate bank catering to high-net-worth individuals and corporations.

To that end, a local banking holding company was established, "Sharikat Al Istismarat Al Oropia Lil Sharek Al Aousat (Holding) S.A.L.", (Istismarat), which in 1994 acquired "Future Bank S.A.L." and renamed it "BEMO - Banque Européenne pour le Moyen-Orient S.A.L.", currently "Banque Bemo sal". The group's bank holdings include BEMO Europe.

In 2003, Bemo and Banque Saudi Fransi, a commercial bank in Saudi Arabia, entered into a joint venture by launching the first privately held commercial bank in Syria, "Banque Bemo Saudi Fransi", with a capital of SYP1.75 billion. In addition, Banque Saudi Fransi acquired a 10% stake in Bemo.

### Peer Group

- BLOM Bank
- Bank Audi
- Byblos Bank
- Bank of Beirut

### Related Websites and Information Sources

For additional information, please see:

- the company's website: [www.bemobank.com](http://www.bemobank.com)
- the regulator's website: [www.bdl.gov.lb](http://www.bdl.gov.lb)

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## Banque Bemo SAL

## Moody's Related Research

## Rating Methodology:

- Bank Financial Strength Ratings: Global Methodology, February 2007 (102151)

## Analysis:

- Banque Bemo sal, May 2008 (109158)
- Lebanon, March 2007 (102547)

## Credit Opinion:

- Banque Bemo sal, May 2008
- Lebanon, September 2007

## Banking System Outlook:

- Lebanon, September 2007 (104833)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

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