

CORPORATE SOCIAL RESPONSIBILITY REPORT

OUR JOURNEY TOWARDS SUSTAINABLE
BANKING 2014-2015



TABLE OF CONTENT

A MESSAGE FROM THE CHAIRMAN GENERAL MANAGER	3
ABOUT BANQUE LIBANO-FRANÇAISE	4
CSR STRATEGY: CREATING SHARED VALUE	9
MAJOR CSR MILESTONES	12
KEY FIGURES AT A GLANCE	16
WORKPLACE	19
ENVIRONMENT	41
COMMUNITY	53
MARKETPLACE	69
APPENDIX	88

A MESSAGE FROM THE CHAIRMAN GENERAL MANAGER

Since its inception more than 85 years ago, Banque Libano-Française (BLF) has been looking beyond the bottom line and seeking to create value for society. In keeping with its founding values, the Bank promises to make an impact on the social and environmental levels while contributing to foster sustainable economic development.

2014 was marked by the loss of our Founder, Chairman and General Manager of BLF, H.E. Mr. Farid Raphaël, a remarkable humanist who has always acted with the highest levels of integrity and dedication putting his professional skills and human qualities at the country's service. He left a great legacy behind, mainly a Bank that inspires trust to all its stakeholders. We are committed to pursue his legacy, his vision. We will stay faithful to his values of Responsibility, Integrity, Skills, Humanism and Commitment, the five founding values of our Bank, which are the cornerstone of our Corporate Social Responsibility and that shape our strength and our difference.



In spite of the challenges prevailing in 2014 and 2015, the low growth environment and the lack of visibility, BLF remains steadfast in creating value to its stakeholders and providing excellent quality of service and a unique banking experience to its clients in Lebanon and abroad. BLF is also committed to pursue its contribution to the growth and development of Lebanon on the human, economic, environmental, and social levels, building on its Corporate Social Responsibility in order to reach sustainability in banking.

I am pleased to reiterate BLF's continued commitment to support the 10 principles of the United Nations Global Compact in the areas of Human Rights, Labor Rights, Environment and Anti-Corruption, as well as the guidelines of ISO 26,000. This second edition of our CSR Report highlights our sustained approach to integrate these principles into our strategy, culture, business and daily operations, across our four recognized pillars: Workplace, Community, Environment and Marketplace. The report highlights our contributions to the society, the environment and the economy, and showcases how - in our ongoing journey towards sustainability - we have further developed our CSR strategy striving to institutionalize CSR across the entire Bank.

I would like to extend my thanks to everyone of our stakeholders for their unwavering commitment to reaching higher standards and for contributing in making BLF, a true Partner of your Ambitions.

Walid Raphaël
Chairman General Manager

ABOUT BANQUE LIBANO-FRANÇAISE

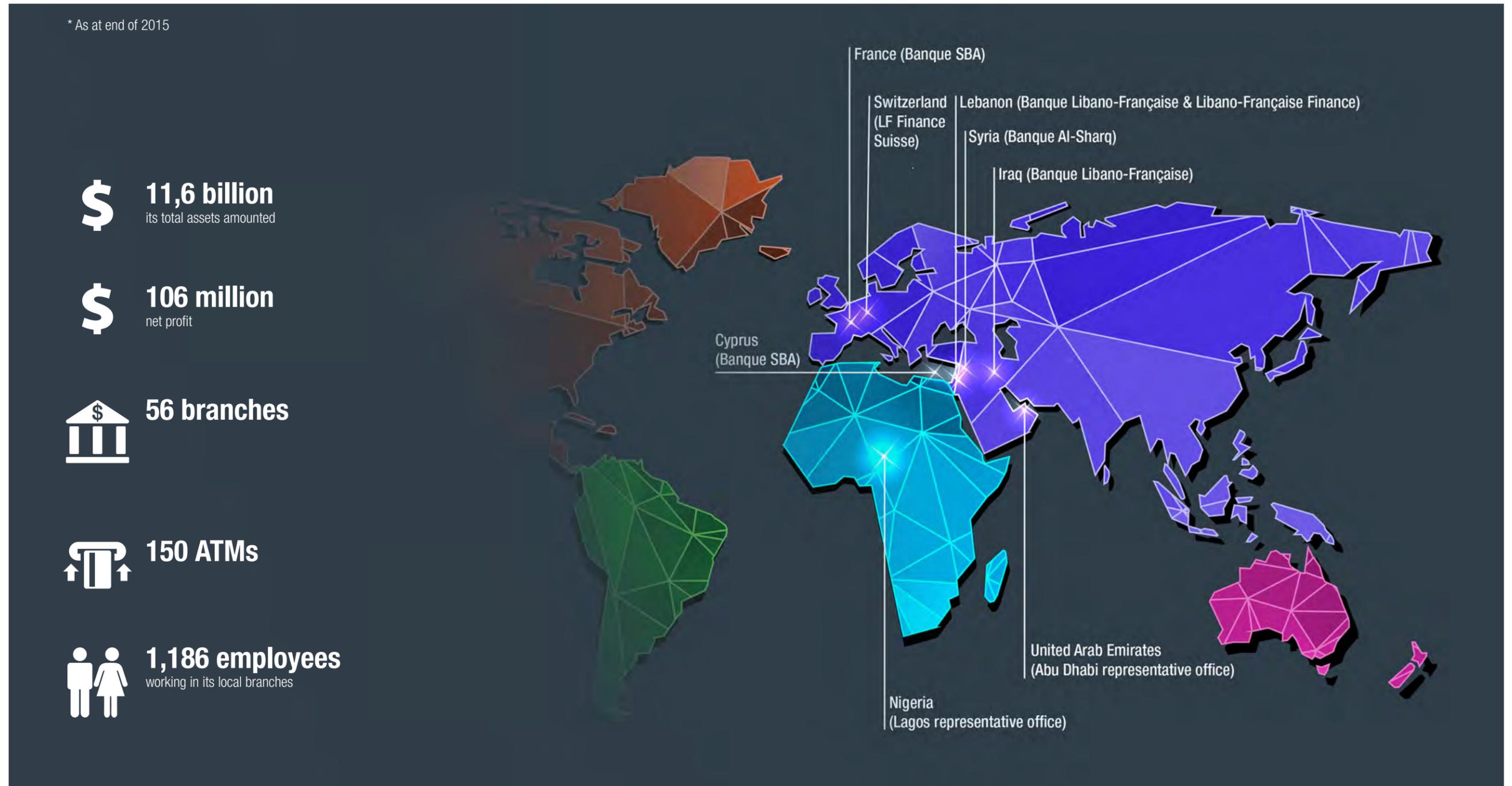
PROFILE

Banque Libano-Française (BLF) was established as a joint stock company (Société Anonyme Libanaise, S.A.L.) in 1967. Its head office is located at the Beirut Liberty Plaza Building, Hamra District, Beirut, Lebanon. It is one of the leading banks in Lebanon and an important contributor to the Lebanese economy.

While it has historically been a commercial bank, the Bank has diversified its activities and currently provides banking services in five principal areas: commercial banking, retail banking, investment banking, private banking and correspondent banking.

BLF operates in Lebanon through a network of 56 branches and 150 ATMs, the third largest network of ATMs in Lebanon in 2015. Abroad, BLF Group is present in France and Cyprus (Banque SBA), in Switzerland (LF Finance Suisse), in Syria (Banque Al-Sharq), in the United Arab Emirates (a representative office in Abu Dhabi), in Nigeria (a representative office in Lagos), and in Iraq (a branch in Baghdad).

As at December 31st, 2015, BLF had 1,186 employees working in its local branches, its total assets amounted to USD 11,6 billion, and its net profit scored USD 106 million, with an increase of 3.92% compared to 2014.



MISSION STATEMENT

Banque Libano-Française is a Lebanese, universal, highly performing bank, renowned for its professionalism and financial strength. It aims at being a leading player and a reference in the banking sector in Lebanon. The Bank is also committed to constantly developing its skills to ensure expertise and quality of service, and to maintain and strengthen the trust relationship with its clients, staff, shareholders, the Lebanese banking sector and the Lebanese economy.

We are committed to constantly developing our skills to ensure expertise and quality of service, and to maintain and strengthen the trust relationship with:

- Our clients who see us as a real partner
- Our staff to whom we offer opportunities for self-accomplishment and a promising future
- Our shareholders who are looking for capital preservation and appreciation
- The Lebanese banking sector by spearheading its drive towards sustainable growth
- The Lebanese economy towards the prosperity of which we are strongly committed.

In addition, we aim at creating shared value while supporting community needs and protecting the environment.

VALUES

Banque Libano-Française maintains with its audience and stakeholders a partnership that relies on its core values.

Responsibility – Integrity – Skills – Humanism – Commitment.



All these values represent a set of core beliefs which are permanent, steadfast and faithful to our founder's personality and legacy. These values have made our history; they dictate our present and draw the path to follow in the future. They are reflected in our vision, our strategy, our policy and our procedures. They are transmitted in terms of best practice, setting the behavior standards of our employees. By spontaneously and constantly applying our values, we are contributing to the unity, the performance, the competitiveness, the sustainability and the visibility of our Bank.

In addition, our values:

- Are part of the Bank's vision, and form the basis of its policies and actions
- Provide a code of conduct for our employees
- Are essential for the present and vital for the future. They are a logical extension of the Bank's legacy
- Are permanent, though their interpretation may vary over time
- Set an example, as they are espoused at the highest levels of management
- Are shared, communicated and internalized by all employees.

CODE OF CONDUCT

In order to succeed, a business must optimize its human capital by ensuring that all its employees share, understand and respect the same values, rules and procedures.

The code of conduct of Banque Libano-Française was created in order to:

- Facilitate the integration of all employees and reinforce their participation
- Inform employees of their obligations and rights, so they can fulfill their duties and responsibilities effectively
- Establish a set of regulations and a point of reference
- Instill a culture of discipline, and ensure individual and collective behavior in line with the Bank's expectations, as well as laws and applicable regulations
- Ensure the appropriate use of systems, equipment and resources provided by the Bank, in a way that is consistent with the Bank's mission and that maintains and promotes its image and reputation
- Provide, promote and maintain an atmosphere that is productive, serene, safe, and respectful of individual and collective rights.

CORPORATE GOVERNANCE

Principles

Banque Libano-Française S.A.L. has defined its own model of governance, inspired by historical values and banking regulations. The governance of Banque Libano-Française S.A.L. is based on the values of transparency, responsibility and efficiency. This is translated in the organization and the work of the Board of Directors through:

- Active involvement of Board members in the social life of the company, as well as in its management and strategy
- Willingness to pursue openness and balance in the distribution of powers and the composition of the governing bodies
- Constant concern with the ability of each individual to efficiently exercise his responsibilities with the objectivity and independence, particularly through the quality of dialogue and the transparency of information
- The belief that good governance allows the creation of value; therefore, the Bank formalizes the principles of good governance and integrates them in its company culture. The Bank aims to conform to worldwide best practices in corporate governance
- Adherence to governing principles is discussed in several Bank documents; the Bank statutes and those of its subsidiaries define the roles of the Board of Directors and stakeholders in terms of management. The Group has regulations and codes of conduct that aim to ensure transparency and the assumption of responsibility
- In the context of reinforcement of regulatory provisions, the Board of Directors devotes a major part of its work to the analysis of the consequences of change, and has established ways for the Group to respond to and prepare for new regulations. The Audit Committee and Risk Committee are focused on these changes.

Board of Directors Composition

- The Bank is administered by a Board of Directors made up of three to twelve members, elected by the General Assembly among Shareholders holding each a minimum of 250 shares
- National law determines how many members of the Board must be Lebanese citizens. Corporations may be members of the Board
- They may be represented by a manager or delegate of their Board of Directors, even if those representatives are not shareholders of the corporation
- Board members serve for a three-year term
- At each Annual Assembly, a partial or total renewal of the Board is carried out by election in such a way that total renewal takes place at the end of every three years
- Each member must assign 250 shares as a collective guarantee of management. These shares are inalienable during the term of the member and the granting of discharge by the Annual General Assembly called to rule on the financial statements of the Bank
- A member of the Board is considered to have resigned if he takes a position of employment or becomes a member of the Board of Directors of another company in Lebanon exercising the same activities as the Bank, unless he has been given special permission to do so by the General Assembly
- Should one of the positions of Board member become vacant, the regular General Assembly may vote to fill that position at its next regularly scheduled meeting, unless the remaining board members view the replacement as urgent, in which case an Extraordinary Assembly can be formed
- If the number of members is reduced to less than three, a General Assembly must be called within two months in order to replace the missing Board members
- Any Board member taking over the position of a former member will stay until the expiry of the former member's term. The Board of Directors elects a President and Vice-President from among its members, to serve as such for the duration of their mandate
- On the basis of a proposal by the President, the Board may nominate a General Manager from among the members or from outside the Board
- The General Manager will fulfill his duties under the President's authority
- The Board chooses a Secretary from among the members or outside the Board
- The Board of Directors has officially adopted the definition of the profile of independent Board member as defined by Banque du Liban. As such an "independent" Board member shall be:
 - non-executive;
 - not one of the major shareholders directly or indirectly holding more than 5% of the shares at the Bank, or voting rights relative to those shares;
 - independent from all members of the Executive Committee and from the major shareholders, and does not have a professional relationship with them now or during the last two years preceding his nomination at the Board;
 - not a 4th degree relative or less of a major shareholder;
 - not in debt to the Bank.
- All members have financial, accounting, strategic planning, governance, risk management, regulatory, and auditory qualifications
- Group policy ensures that the Board has a non-executive majority.

In depth information about BLF's Corporate Governance composition and structure, functions and responsibilities, meetings, committees, etc... are available on the Bank's Corporate Governance Guide on BLF's website: <http://www.eblf.com>.

CORPORATE SOCIAL RESPONSIBILITY STRATEGY: CREATING SHARED VALUE AND SUSTAINABILITY

Since its establishment, and even before Corporate Social Responsibility gained momentum, Banque Libano-Française has always been seeking to look beyond the bottom line by fostering economic growth and contributing to a better society. Inspired by its five founding values and geared by a solid corporate governance framework, the Bank adopted in 2010 a holistic CSR strategy revolving around four main pillars: Workplace, Environment, Community and Marketplace.



In 2013, BLF selected ISO 26000 as a framework to further embed CSR at the heart of its business strategy and systematically integrate it in its behaviors, business operations, and interactions with all stakeholders.

In this context, in 2014, BLF appointed a CSR project team. Represented by members of the Communications, CSR and Customer Experience, International, Human Resources, as well as the Strategic and Organizational Planning Divisions, it conducted with the support of two experts from LIBNOR, a stakeholders mapping and a gap analysis to assess the Bank's strength and identify opportunities for enhancement, based on seven core subjects in the fields of Organizational Governance, Labor Practices, Human Rights, Environment, Fair Operating Practices, Consumer Issues as well as Community Involvement and Development. BLF's approach to CSR stems from a firm belief that CSR is a continuously evolving journey, and in this regard, the Bank engaged with its stakeholders through an online survey to examine what they viewed as key issues to address.

BLF then developed a new strategy, aiming at playing a leading role in Sustainable Banking in Lebanon, setting targets focusing on the key target areas of sustainability:

- Sustainable Lending
- Sustainable Financial Innovation
- Sustainable Support to the Community
- Sustainable Environmental Strategy
- Sustainable Engagement with Stakeholders.

This strategy was translated into a long-term action plan, which will be gradually implemented across all business units at the Bank by 2019.

In 2014, BLF's new strategy and action plan were selected as a case study representing a success story in integrating CSR that was presented in this context in Geneva during the Joint Coordination Committee (JCC) of the Social Responsibility (SR) MENA project in the presence of CEOs of the Standardization bodies of the MENA region, the Social Responsibility National Project managers and the ISO Secretary General, the Swedish International Development Cooperation Agency (SIDA) representative and the ISO Academy Director, in addition to International experts. Thereafter, both a case study and fact sheet, including BLF's action plan were published on the ISO website.

ISO 26000 GUIDELINES



Banque Libano-Française

Established in 1967, the Banque Libano-Française provides banking services across five areas: commercial, retail, investment, private and correspondent. It has 54 branches in Lebanon and other countries, including Syria, Cyprus, France and Switzerland.

A key element of its mission is to "create shared value while supporting community needs and protecting the environment".

Key benefits of ISO 26000 for the Banque Libano-Française?

- Reduced energy consumption
- Increased range of products to reach wider audience
- Greater involvement in the community
- Improved reputation
- Strengthened stakeholder relationships
- Greater staff engagement in socially responsible issues

What are the benefits of ISO 26000 for the Banque Libano-Française?

Key benefits to date include:

- Reduced energy consumption
- Increased range of products to reach wider audience
- Greater involvement in the community
- Improved reputation
- Strengthened stakeholder relationships
- Greater staff engagement in socially responsible issues

How did ISO 26000 lead to these benefits?

A Corporate Social Responsibility (CSR) Project Team was created to implement the standard, overseen by a CSR Committee that includes senior management. The team undertook stakeholder mapping and a gap analysis according to the recommendations of the standard, with the support of two national experts, and launched a survey to stakeholders to identify what they viewed as key issues to address.

ISO - SR MENA Factsheets | 37

38 | ISO - SR MENA Factsheets

"Social responsibility and sustainability is a long, ever-evolving process. We decided to embrace the journey. Without addressing the triple bottom line and the needs of its stakeholders, companies will no longer be able to sustain in an ever-changing and more complex world."

BLF was selected as a case study of organizations in the Social Responsibility MENA project. The fact sheet highlights some of BLF's future commitments.

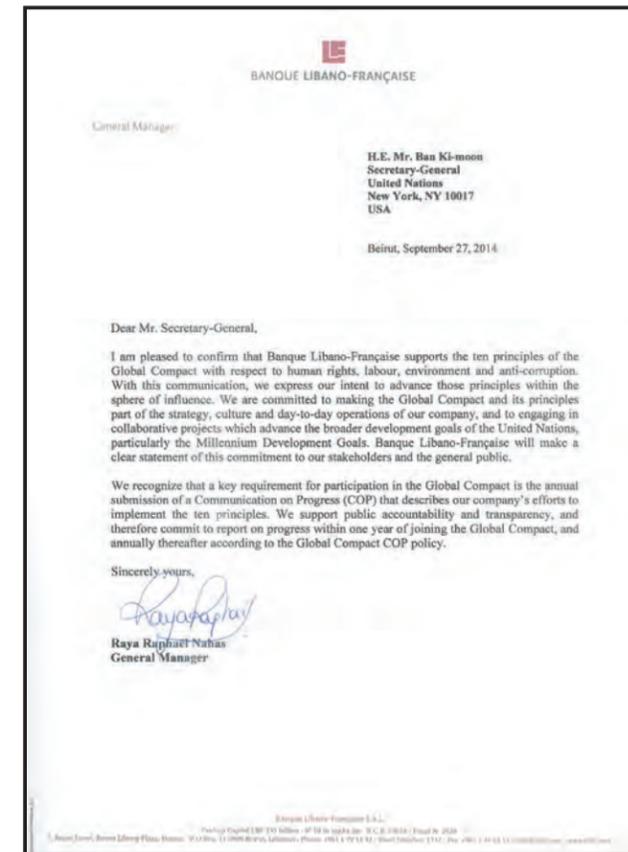
BLF recommends other organizations to follow ISO 26000 guidelines because it is a useful framework that allows companies to assess their strengths and identify their gaps, and offers solutions to fill those gaps.

On a parallel note, Banque Libano-Française was awarded in the same year a trophy from LIBNOR and from the General Union of Chambers of Commerce, Industry and Agriculture for Arab countries, for its outstanding contribution in enhancing Social Responsibility in the business community.

In 2014, BLF amended its Mission Statement to reflect its commitment towards shared value and sustainability (refer to page 6).



UNGC PRINCIPLES



BANQUE LIBANO-FRANÇAISE

General Manager:

H.E. Mr. Ban Ki-moon
Secretary-General
United Nations
New York, NY 10017
USA

Beirut, September 27, 2014

Dear Mr. Secretary-General,

I am pleased to confirm that Banque Libano-Française supports the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption. With this communication, we express our intent to advance those principles within the sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. Banque Libano-Française will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the Global Compact, and annually thereafter according to the Global Compact COP policy.

Sincerely yours,

Raya Rajhawi
Raya Rajhawi Nahas
General Manager

BLF joined the United Nations Global Compact in 2014.



During the same year, in September 2014, BLF also took the next step to longstanding commitment to sustainability by joining the United Nations Global Compact (UNGC), "the world's largest voluntary corporate social responsibility initiative that offers a strategic policy for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption."

In 2015, BLF also became a founding member of the Local Network Steering Committee of the United Nations Global Compact. It sits on the board of the Global Compact Network in Lebanon (GCNL) Steering Committee and works in partnership with other business and non-business leaders to support the advancement and implementation of the 10 principles in Lebanon and expand the number of signatories to the UNGC.

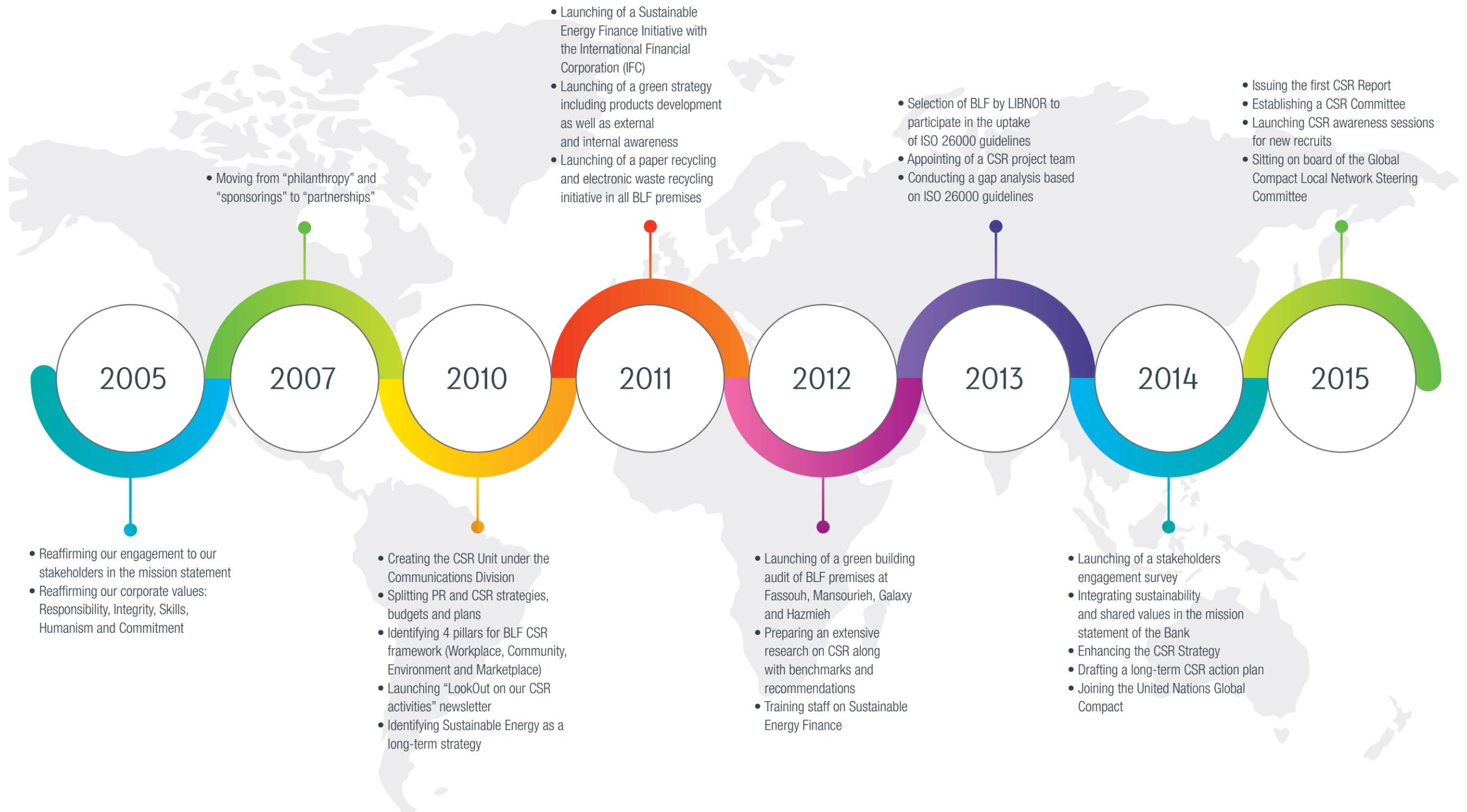
CSR COMMITTEE

Loyal to its long-term ISO 26000 action plan, BLF created in 2015 a CSR Committee, headed by its Chairman General Manager to oversee the implementation of the Bank's CSR activities. The Committee is comprised of the General Manager, Heads of the Communications, CSR and Customer Experience, International and Human Resources Divisions.

ABOUT THIS REPORT

This publication is our second bi-annual CSR Report, and covers the fiscal years 2014-2015, to update our stakeholders on our major achievements in this field. This report has been prepared with the collaboration and support of various Divisions at the Bank taking into account ISO 26000 core subjects and covers the UNGC Communication on Progress (COP) requirements.

MAJOR CSR MILESTONES





Beirut Energy Forum, 2014.



Beirut Energy Forum, 2015.



Business Opportunities in Lebanon Year XII, 2015.



Women on the Front Lines, 2015.

RAISING CSR AWARENESS WITHIN BLF'S SPHERE OF INFLUENCE

Because it believes it can have an impact on its stakeholders and the community at large, BLF did not only focus on raising awareness internally among its employees, but also invested significant efforts to sensitize as many stakeholders as possible within its sphere of influence. In this sense, it increased its communication on CSR via all communication channels and granted interviews to students - who selected a CSR-related topic for their thesis - to share the BLF case study.

It also organized and participated in the following conferences and panels:

- BLF green strategy within sustainable energy, organized by BLF at the Beirut Energy Forum at Le Royal Hotel, Dbayeh on September 19, 2014
- Women in Finance panel, within the framework of May Chidiac Foundation's conference entitled Women on the Front Lines (WOFL), held at the Phoenicia Hotel on March 4, 2015
- CSR: the private sector perspective panel, organized by AUB within the context of the AUB Civic Engagement Conference and Exhibition on April 30, 2015
- Bank Compliance in the 21st Century panel, within the framework of the Banking Regulatory and Supervisory Challenges conference organized by the Union of Arab Banks and the Federal Reserve System in cooperation with The Banking Control Commission of Lebanon at the Phoenicia Hotel in Beirut from June 30 until July 2, 2015
- Global and Local Sustainability panel, organized by BLF at the Beirut Energy Forum at Le Royal Hotel, Dbayeh on September 10, 2015
- CSR panel within the framework of Lebanon Opportunities entitled Conference Business Opportunities in Lebanon Year XII. Growth and Success no matter what!, held at the Phoenicia Hotel in November 2015.



Social Economic Award, 2014.



Sixth Annual Prepaid Middle East Award, 2015.



Social Responsibility Forum for Arab Chambers, Banks and Companies, 2014.



AWARDS

During the reporting period, BLF received the below listed awards, appreciations and recognitions:

- Recognition by Visa International of the Air France KLM Banque Libano-Française card as the best co-branded program for the year 2013, in February 2014
- MasterCard tokens of appreciations for supporting MasterCard with the implementation of the United Nations World Food Programme (WFP), a digital initiative aiming at meeting the food needs of Syrian refugees, on April 14, 2014
- Trophy for Outstanding Contributions to Social Responsibility in the Business Community within the context of the Social Responsibility Forum for Arab Chambers, Banks and Companies, organized by the Lebanese Standards Institution (LIBNOR) in collaboration with the General Union of Chambers of Commerce, Industry and Agriculture for Arab countries, on September 16, 2014
- Social Economic Award (SEA) for the Public Safety Category as recognition for its humanitarian partnership with Kunhadi during the 4th Social Economic Award Ceremony organized by First Protocol in collaboration with Banque du Liban on November 29, 2014
- Straight Through Processing (STP) Excellence Award from Commerzbank, for its exquisite quality in payments processing and delivery of commercial and financial transfers in 2014
- USD Excellence Award USD-Clearing from Standard Chartered in 2014
- USD Dollar Payments STP Excellence Award from Citibank in 2014
- Euro Straight Through Processing Excellence Award from Deutsche Bank in 2014
- Performance Excellence Award in recognition of BLF's outstanding achievement in STP from City Bank in 2014
- STP Excellence Award from Commerzbank, for its excellent quality in delivery of commercial and financial institution transfers in 2015
- USD STP Excellence Award from Deutsche Bank for the exceptional quality of BLF's payment processes in 2015
- Euro STP Excellence Award from Deutsche Bank for the exceptional quality of BLF's payment processes in 2015
- USD Dollar Payments Straight Through Processing Excellence Award from Citibank in 2015
- Financial Inclusion Award, for its partnership with MasterCard and the United Nations World Food Programme (WFP), during the Sixth Annual Prepaid Middle East Awards in association with Visa on March 18th, 2015 .

KEY FIGURES AT A GLANCE

WORKPLACE

- 56.32% female employees vs 43.68% male employees in 2015
- 49% of women occupy managerial positions in 2015
- USD 550,000 spent on training in 2015
- 33,000 hours of trainings delivered to over 64% of employees in 2015
- 100% of employees received an annual performance review in 2014 and 2015
- USD 64,000,000 spent on employee wages and benefits in 2015
- USD 1,016,000 spent on health related issues in 2014 and 2015
- 641 loans granted to employees in 2014 and 2015
- Interest free loans worth USD 70,000 granted to employees in 2015
- 35 employee study loans between 2014 and 2015
- 177 internships between 2014 and 2015
- 239 new recruits sensitized on CSR between 2014 and 2015
- 93% of BLF staff are members of the Employees Club



ENVIRONMENT

- Total value of green loans provided by BLF (including retail green loans: solar water heater and photovoltaic loans) amounted to USD 25.3 million in 2014 and USD 18.2 million in 2015
- Sustainable Energy Finance loans exceeding USD 135 million to various projects in 2014 and 2015. The total value of the projects financed under BLF's Sustainable Finance Strategy exceeded USD 340 million in two years
- Contribution to reduction of CO2 emissions by 9,709 tons in Lebanon in 2015
- Highest market share of 27% in solar water heater loans granted in 2015
- USD 160,000 granted to the winners of the Earth Card Competition by the end of 2015
- 6,400 trees planted across Lebanon in partnership with Jouzour Loubnan
- 367 tons of paper were recycled as at end of 2015, saving an equivalent of:
 - 6,254 trees
 - 9,748,720 liters of water
 - 735 barrels of oil
 - 1,471,616 kilowatt hours of electricity
 - 843 cubic meters of landfill space
- 1,834 e-waste items recycled by the end of 2015



COMMUNITY

- USD 2,500,000 invested in the community in 2014 and 2015
- 294 beneficiaries helped in 2015 as follows:
 - 36.11% to social and humanitarian issues
 - 33.33% to economic development
 - 20.49% to education
 - 10.07% to culture



MARKETPLACE

- 56 branches as at end of 2015
- 150 ATMs as at end of 2015
- 150,000 active customers as at end of 2015
- 66% of BLF branches are accessible to people with disabilities
- The Bank's branch customers' satisfaction reached 94% according to a survey conducted by IPSOS
- 120,000 young people reached through the Lucky to Be Young program
- 137 beneficiaries benefited from microcredits granted via BLF, amounting up to LBP 2.2 billion, at a low interest rate as at end of 2015
- Participation in 3 Investment Funds amounting to USD 24 millions in line with Banque du Liban's Circular 331
- 800,000 refugees empowered thanks to partnership with WFP and MasterCard
- LBP 1,673,500,000 Kafalat Innovative loans as at end of 2015
- 340 mystery shoppers visits were carried out in the branches in 2015
- 1,000 employees attended trainings on FATCA awareness and 500 employees attended FATCA related implementation trainings between 2014 and 2015
- 300 students benefited from special subsidized educational loans





WORKPLACE



At Banque Libano-Française, our employees are key to our success and have always been at the heart of how we conduct our business.

Because we believe that human capital makes the ultimate difference in a prosperous business, we persistently do our utmost to attract, motivate and retain a talented workforce. We also strongly foster a performance culture where accomplishments are recognized and rewarded with development opportunities, career advancements as well as attractive remuneration through effective human resource management and without any discrimination.

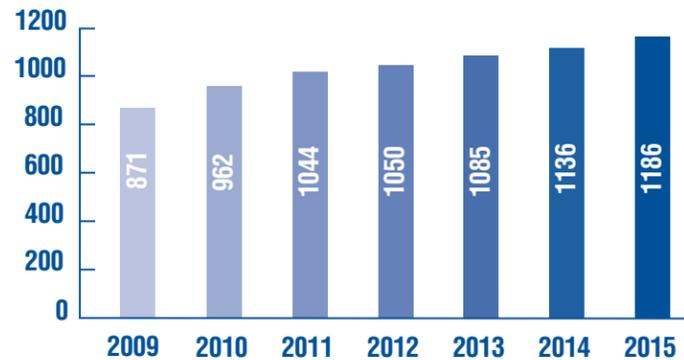
In addition to developing the careers of our employees, we are renowned for our good labor practices, solid internal communication and engagement with employees.



49% of women occupy managerial positions in 2015

OUR PEOPLE

In parallel to its steady organic growth, BLF has been significantly creating employment opportunities over the last years, thus contributing to invigorating the national economy and stemming the brain drain. Due to the Bank's expansion strategy in Lebanon, the number of employees in the country reached 1,186 by the end of December 2015, and 1,418 within the overall Group during the same year.

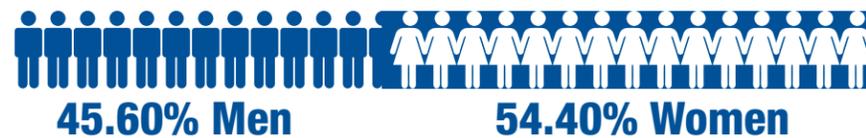


Increase in the number of employees at BLF in Lebanon.

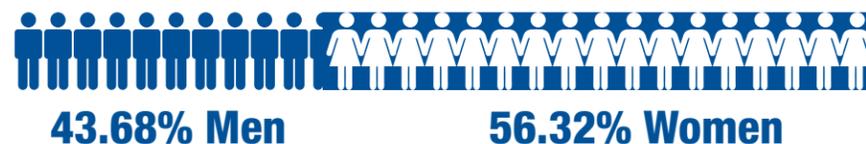
	2014		2015	
	Number of employees	Percentage of employees	Number of employees	Percentage of employees
BLF	1136	84.71%	1186	83.64%
LFF	15	1.12%	16	1.13%
SBA France	45	3.36%	43	3.03%
SBA Cyprus	14	1.04%	15	1.06%
SBA Geneva	10	0.75%	9	0.63%
Bank Al-Sharq	113	8.43%	140	9.87%
Baghdad	6	0.45%	7	0.49%
Abu Dhabi	2	0.15%	2	0.14%
Total	1341	100%	1418	100%

Geographic breakdown of BLF Group employees in number and percentage in 2014 and 2015.

2014: 1,136 employees



2015: 1,186 employees



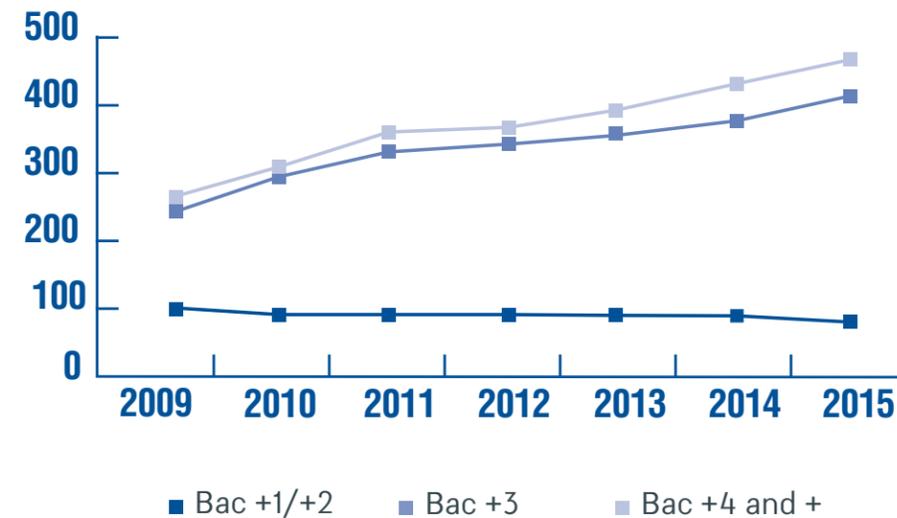
Total number of employees and percentage by gender.



BLF draws highly skilled individuals.

A HIGHLY EDUCATED WORKFORCE

In addition to the employees' growth based on a gender equality policy, the Bank keeps attracting highly skilled individuals, most of whom have a successful academic or professional track record. Highly educated staff account for an increasingly larger share of total employees.



Educational level of BLF employees.

EQUAL OPPORTUNITY EMPLOYMENT AND DIVERSITY

BLF, as an equal opportunity employer, ensures that its employment practices - recruitment and selection, remuneration, benefits, training, performance appraisal, career advancement, termination, etc - are free from discrimination based on gender, age, religion, disability, marital status, pregnancy, wealth, union membership, and are solely dependent on the employee's suitability for the job, qualifications and performance. The Bank follows an equal pay for work of equal value principle. By valuing diversity, the skills of all our employees are leveraged for individual, team and organizational success.

GENDER EQUALITY

The Bank's policy focuses on offering equal opportunity employment and on recruiting competent women at every level of the Bank. In particular, the Bank has been implementing strategies to increase the percentage of female representation in managerial positions.

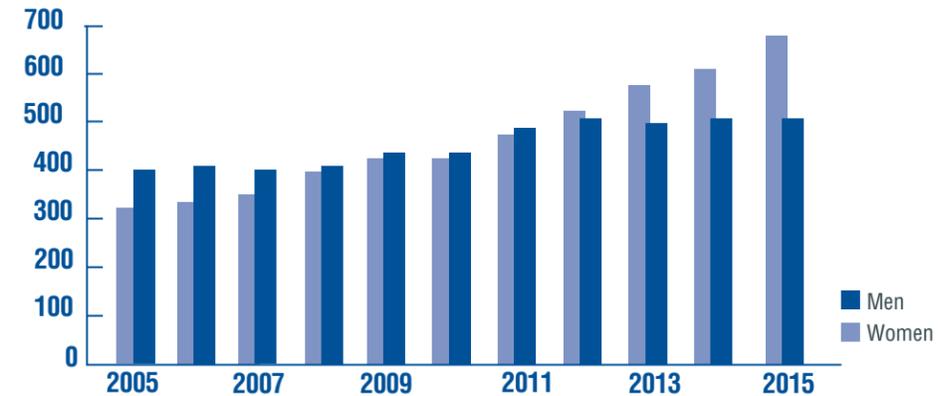
Level	2014					2015				
	F	%	M	%	Total	F	%	M	%	Total
Board of Directors	1	11	8	89	9	1	11	8	89	9
Executive Committee	3	33	6	67	9	3	33	6	67	9
Senior Management	18	27	49	73	67	22	30	51	70	73
Middle Management	165	54	141	46	306	174	54	147	46	321
Branch Managers	28	52	26	48	54	29	52	27	48	56
Total	215	48	230	52	445	229	49	239	51	468

Number and percentage of female representation in managerial positions at BLF in 2014 and 2015.

The evolution of the number of women has been clearly noticeable during the last 5 years. In 2015, women accounted for 56% of our workforce. The number of women occupying managerial positions has been also on a significant upward trend, reaching 49% of managerial positions.

Women lead key Divisions at BLF: Corporate Banking, Risk Management, Cards Services, Communications, CSR and Customer Experience, Operations, Legal Compliance as well as KYC Intelligence.

49% OF MANAGERIAL POSITIONS ARE OCCUPIED BY WOMEN.

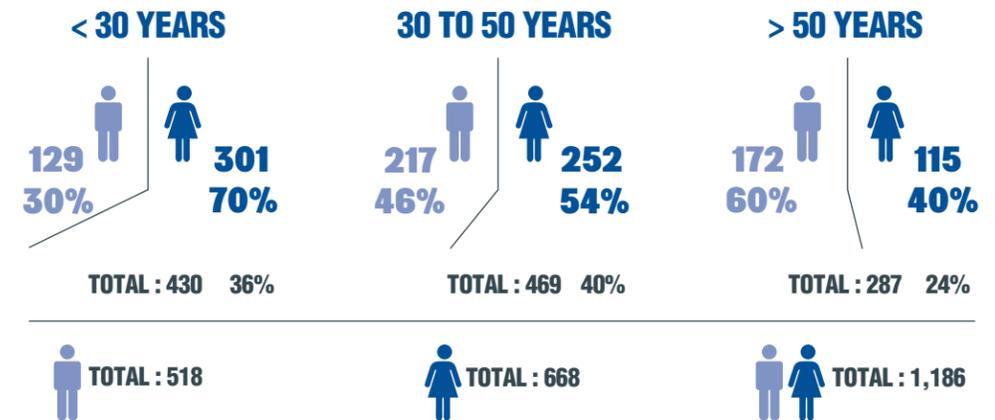


The percentage of women employed at the Bank rose from 45.37% in 2005 to 56.32% in 2015.

All employees are compensated without gender discrimination according to a salary scale.

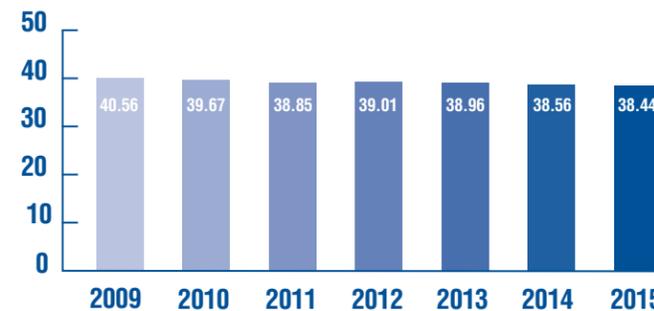
AGE DIVERSITY

Our workforce is diverse in age demographics, which ensures an environment that combines experience with youthful enthusiasm, two equally important ingredients for a healthy and successful workplace.



Number of employees per age category in 2015.

The average age decreased from 40.56 years in 2009 to 38.44 years in 2015 due to the recruitment of younger employees.



The average employee age from 2009 till 2015.



BLF actively takes part in major job fairs to recruit talents and organizes fun activities to appeal to the youth.



BLF makes sure to recruit young people and contributes to developing their potentials.

WORK EXPERIENCE DIVERSITY

As an employer who embraces diversity and strives to boost the youth's chances of gaining employment, BLF also makes sure to recruit young people without working experience to give them the opportunity to develop their potentials.

Recruits	2014					2015				
	F	%	M	%	Total	F	%	M	%	Total
Without working experience	52	60	34	40	86	57	72	22	28	79
With working experience	35	66	18	34	53	34	54	29	46	63
Total	87	63	52	37	139	91	64	51	36	142

Number of new recruits in 2014 and 2015 based on working experience.

The Bank opens yearly several job opportunities to young graduates. In 2015, it took actively part in the job fairs of major Lebanese universities in order to offer jobs to ambitious graduates. In 2015, fresh graduates accounted for 44% of the total workforce.

2014: **139** new hires



62% newly hired who are fresh graduated

2015: **142** new hires



44% newly hired who are fresh graduated

The percentage of the recruited fresh graduates from the overall new hires in 2014 and 2015.

Since more than 40% of our employees are long-tenured, having been at the Bank for more than 10 years, they know the history of the Bank and showcase a wealth of knowledge and skills, which they pass on to inexperienced new recruits.

	2014		2015	
	Number of employees	Percentage of employees	Number of employees	Percentage of employees
< 5 years	490	43%	472	40%
5 - 10 years	197	17%	260	22%
> 10 years	449	40%	454	40%
Total	1136	100%	1186	100%

Employee tenure in 2014 and 2015.

TRAINING AND HUMAN DEVELOPMENT



All new hires attend a two-day integration seminar.



BLF organizes team building activities for its new recruits.

CAPACITY BUILDING THROUGH INTERNSHIP OPPORTUNITIES

The Bank offers a broad scope of internships to students each summer, thus facilitating the transition between university and workplace. Between 2014 and 2015, 177 students were offered internships across various BLF entities that allowed them to acquire a practical professional experience.

	2014	2015
Bekaa	2	2
Beirut	53	54
Mount Lebanon	6	4
North	18	20
South	9	9
Total	88	89

Number of internships offered by region in 2014 and 2015.

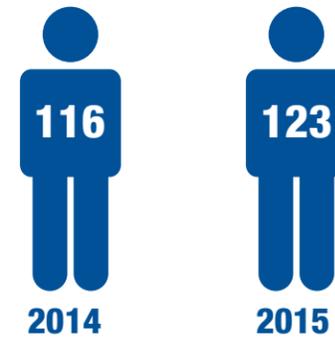
INTEGRATION OF NEWCOMERS

All new employees are invited to attend a two-day "Welcome to Ambitions Land" integration seminar upon joining the Bank to get an in-depth introduction to BLF's values, strategy, history, different business lines, as well as meet colleagues from different entities and various geographical premises.

CSR awareness sessions are also delivered to all new recruits to provide a basic introduction to CSR, expose latest trends, explain the importance of creating shared value and deepen their knowledge on the Bank's CSR strategy.

As part of the induction process they are also given an Employee Handbook containing all necessary information concerning working at BLF. The Handbook contains the code of conduct, key information about organizational directives, employee rights and duties, career-related information amongst others.

Number of employees who attended integration seminar and CSR awareness sessions



123 new recruits were sensitized on Corporate Social Responsibility in 2015 as part of the Bank's commitment to raise CSR awareness within its sphere of influence.

BLF is aware of the challenges new recruits face and therefore has established a coaching system to provide them with guidance and counseling and help them integrate successfully our organization. The coaching system consists of teaming each newcomer with two coaches appointed by the Head of Division and the Human Resources Division, the first one being a fellow from the same Division, the second being a college graduate working at a different Division and who has been at the Bank for more than two years.



All new hires get introduced to the Bank through an induction seminar.

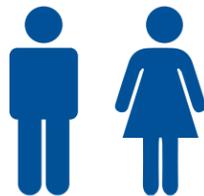
TRAINING ACADEMY

Aware of the fact that quality training is key for the motivation of employees and the quality of its service, BLF has set up in 2009 an innovative and ambitious Training Academy, which aims at providing training to the staff of the entire BLF Group. The BLF Training Academy continuously strives to develop employee competencies and puts into force programs that improve their knowledge and skills. The trainings are intended to help an employee evolve within the job and can facilitate the transition to better positions. Technical skill trainings are provided to enhance specific job functions whereas soft skill trainings are designed to enhance personal characteristics encompassing management, leadership, negotiation, emotional intelligence, team work skills just to name a few.

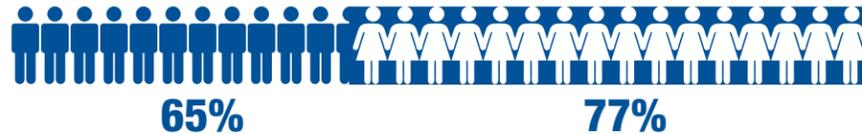
In-house trainings are delivered at BLF premises by either professional external trainers or by highly qualified employees from the "Train the trainers" team. External training sessions are held in Lebanon as well as abroad.



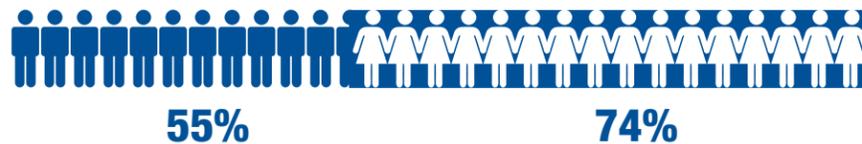
In 2015, the Bank allocated **USD 550,000** to provide over **33,329** hours of trainings to **761** employees



2014: 756 employees



2015: 761 employees

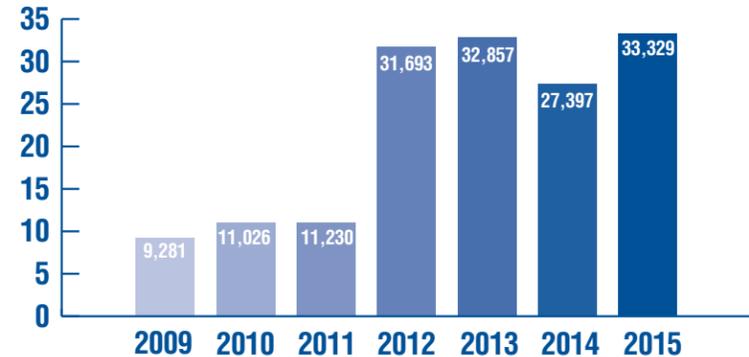


Percentage of employees who benefited from trainings by gender in 2014 and 2015.

Total amount in USD allocated to trainings:

2014	USD 400,000
2015	USD 550,000

Training sessions covered personal development, communication skills, sales and negotiation techniques, management, banking and financial techniques, information technology, language courses as well as many other courses.



Number of training hours given to employees between 2009 and 2015.

Date	Gender		Employment category		
	Male	Female	Senior management	Middle management	Other
2014	19.2	28.2	14.0	22.6	25.0
2015	21.5	33.2	12.7	20.6	32.3

Average number of training hours per employee based on gender and employment category in 2014 and 2015.

EDUCATION

Additionally, the Bank offers interest-free educational loans to employees to incite them to pursue a higher education and thus increase the educational level of its human capital.

2014	15
2015	20

Number of employees who benefited from loans to study in 2014 and 2015.

CAREER DEVELOPMENT



BLF fosters the careers of employees.

HUMAN RESOURCES COMMITTEE

The Human Resources Committee defines the recruitment, career development, and employee benefits policies. Headed by the Chairman General Manager, the Committee also validates the format of the annual staff appraisal, the budget and the content of the training programs and the code of conduct for employees at the Bank.

CAREER DEVELOPMENT COMMITTEE

The Career Development Committee is dedicated to draw a career development plan for employees with regards to their potential as well as the Bank's needs. It also helps employees who have orientation problems in their careers, and identifies highly qualified staff members who have potential for managing teams or projects and enrolls them in the Management Training Program (MTP), monitors the evolution of employees enrolled in the MTP, and drafts a succession plan for the main line managers in the Bank. The Career Development Committee identified and met with 41 employees between 2014 and 2015.

MANAGEMENT TRAINING PROGRAM

The MTP is intended to train and develop selected employees qualified to become future managers. The program offers them tailor-made internships at various entities of the Bank as well as trainings. The candidates take part in the program and witness real-life experiences through assignments at the various entities to which they are allocated.

MANAGEMENT BY OBJECTIVES

Banque Libano-Française has implemented a management by objectives policy in order to align the managers' individual objectives with the overall objectives of the Bank.

The Chairman issues towards the end of every year an orientation letter in which he summarizes the Bank's achievements during the current year and sets the objectives for the coming year. Based on this, all managers set the annual plan of their Division by involving their teams in the strategic planning. By doing so, the Bank does not only motivate the employees, but also makes sure that set goals are realistic and measurable.

PERFORMANCE MANAGEMENT

BLF is concerned with the career development of its employees. It seeks to encourage ambitious employees by rewarding them based on their performance. In this context, a standardized annual performance review takes place between employees and their managers in order to assess the conducted work and mutually set the objectives for the coming year.

The annual performance review is an effective communication tool that allows for a two-way productive communication between the employee and his/her direct manager and clarifies mutual expectations. During the meeting, employees' performances are acknowledged, development opportunities discussed and training needs identified.

BLF uses a performance management software application to monitor the achievement of the objectives and to help employees optimize their performance and achieve maximum results.

100% of employees received an annual performance review in 2014 and 2015.

INTERNAL MOBILITY AND RECRUITMENT

Internal mobility allows employees to acquire skills in various areas or perform the same job in a different environment (Division or Branch).

It results in varied experiences and increased know-how. Internal mobility encourages occupational as well as regional mobility by giving the employees access to several vacancies across the Bank. In line with a policy of internal promotion, BLF provides its employees, through its Intranet, first-hand open access to the available vacancies before initiating an external recruitment process. BLF truly believes that in addition to allowing the filling of positions faster, internal mobility leads to greater staff satisfaction and retention. In this context, the Human Resources Division has filled 81 vacancies through internal recruitment in 2015.

REWARDS AND REMUNERATION



BLF constantly organizes challenges and rewards outstanding performing employees.

ATTRACTIVE COMPENSATION

Banque Libano-Française is committed to providing competitive total compensation, which includes base pay (salary), incentive pay, social security and welfare benefits (health care, parenthood benefits, banking services, pension plans, schooling benefits subsidized loans).

All staff members are treated fairly and rewarded on the basis of their performance and skills, which is measured based on predefined yearly objectives, annual plans and monthly progress reports.

The Bank has developed an equitable framework to reward outstanding performing employees who add value to the business. BLF follows a standardized salary scale where education, previous employment and experience are taken into consideration regardless of gender.

In 2015, BLF spent USD 64,000,000 on employee wages and benefits.

SOCIAL AND WELFARE BENEFITS

Depending on their profiles and fields of work, BLF staff members are entitled to the following benefits:

- Transport allowance depending of the commute distance to and from work
- Cash allowance for specific positions
- Representation allowance
- Night shift allowance in accordance with the nature and field of work
- Child birth allowance and maternity leave
- Marriage allowance and marriage leave
- Leave for the death of a family member
- Education allowance for employees' children
- Education subsidy for employees
- Insurance coverage and discounts at specific clinics, pharmacies and hospitals across the country
- Flexible work schedules for expecting mothers and mothers of children between 0 and 10 years
- Highly discounted leisure and travel plans through the BLF Employee Club.

2014	100%
2015	100%

Percentage of total employees covered by the collective labor agreement.

Recognizing that education is a fundamental human right and essential for the exercise of all other human rights, the Bank spent USD 1,600,000 to support school and university tuition of employees' children in 2015.

REDUCED RATES ON BANKING SERVICES

Loyal to its corporate culture, BLF also strives to ensure that working has a positive impact on the lives of its employees. For that reason, staff members are granted special reduced rates on certain services and bank transactions, as well as various loans at attractive rates on both creditor and debtor sides.

**In 2014 and 2015, the Bank granted
641 loans
to employees.**

**In 2015, the Bank granted
interest free loans to employees worth
USD 70,000.**

HEALTH, WELL-BEING AND WORK-LIFE BALANCE



The Employees Club encourages staff members to engage in sports and leisure activities.

HEALTH AND SAFETY

BLF offers a special healthcare program for its employees and their eligible dependent family members. It also provides medical hospitalization to retirees and their eligible dependent female spouses.

Year	Amount spent on health related issues
2014	1,015,000
2015	1,016,000

Amount in USD spent on health related issues in 2014 and 2015.

BLF is dedicated to ensure a safe and healthy workplace environment for its employees, and to take steps to prevent potential accidents and injury to employees' health arising out of, associated with or occurring in the course of work, by minimizing, so far as is reasonably practicable, the risks of work-related accidents, injuries, diseases as well as occupational injuries, illnesses and incidents. Moreover, BLF conducts regular and recorded health and safety trainings for its employees. As people safety is crucial, BLF has taken in compliance with the physical security norms, all necessary safety measures to quickly evacuate to a safe place in the event of an emergency situation. This included training BLF staff on the safety guidelines during major disasters and on the principals of evacuation, as well as carrying out evacuation drills.

The Employees Club encourages staff members to engage in sports activities by offering them the possibility to subscribe to health centers and sports activities free of charge or at subsidized prices.

SUPPORT TO EMPLOYEES WITH LONG-TERM ILLNESSES

In case of long-term illness, the employee's job is protected for up to 32 months depending on the employee tenure.

SMOKE-FREE WORKPLACE

Upon the instigation of some employees, the Bank banned indoor smoking as early as 2005 in all its premises. The ban was smoothly launched along with internal campaigns covering various issues such as the dangers of second-hand smoke.

ERGONOMIC FURNITURE

The Bank invests in ergonomic office furniture (chairs, tables and PCs) in order to provide its employees with an overall well-being in the workplace.



The Employees Club honors all mothers on Mother's Day.

FLEXIBLE SCHEDULE FOR MOTHERS OF CHILDREN UNDER 10 YEARS

Following an internal stakeholders engagement during the launching of the Bank's Employee Handbook, working mothers suggested having a special schedule to be able to balance work and motherhood. Being an equal opportunity employer, with 56.32% of its workforce being female, the Bank acknowledges the fact that career oriented mothers are in need to balance their career and their personal lives. That is why it heard the voice of its working mothers and launched in 2009 a special schedule for working mothers of children under the age of 10. Mothers who opt for this flexibility work Mondays through Fridays from 8am to 3pm and on Saturdays from 8am to 1pm. This decision allows the Bank to maintain a high female employee retention rate following maternity leave.

	2015				
	Number of employees who took a parental leave	Number of employees who resumed work after a parental leave	Number of employees who remained at the Bank 12 months after their parental leave	Return to work rate	Retention rate
Women	34	34	33	100%	97.06%
Men	16	16	15	100%	93.75%
Total	50	50	48	100%	96.00%

Female and Male employee return to work rates after a parental leave in 2015.

Year	Number of mothers who benefited from the flexible mothers' schedule
2014	41
2015	49

Number of employed mothers who benefited from the special schedule in 2014 and 2015.

Pregnant women and mothers benefit from a special schedule to balance work and family life.

PATERNITY DAY

In 2009, BLF introduced a one-day paternity leave for fathers to give them the opportunity to witness the birth of their child.

FLEXIBLE SCHEDULE FOR STUDYING EMPLOYEES

The Bank offers flexible arrangements for employees who are pursuing higher studies.

PROTECTION AND FREEDOM OF EXPRESSION

BLF's policies are based on the respect of human rights in order to provide a work atmosphere free of harassment, racism, religious discrimination, power abuse or insults.

FREEDOM OF EXPRESSION

BLF recognizes that everyone has the right to freedom of opinion and expression. It promotes the freedom of expression amongst its staff by fostering a two-way communication between employees and management, and actively encourages employees to voice their concerns, opinions and problems via multiple communication channels.

At the same time, a completely unrestricted freedom of expression, may lead to the infringement of the rights of others. Therefore, the Bank practices political and religious neutrality and prohibits discussion of political or religious matters at the workplace. Employees must therefore maintain absolute neutrality towards such topics, issues and events and refrain from displaying in their working space political or religious documents and symbols that may be perceived as implying institutional support for a particular affiliation.

FREEDOM OF ASSOCIATION

BLF recognizes and respects the rights of employees' freedom of association. It affirms that employees that have decided to join the Federation of Unions of Banks' Employees as well as those who become syndicate representatives will not be subject to reprisal, dismissal or any sort of discrimination or power abuse. Employees who act as representatives are neither advantaged nor disadvantaged. The Bank assumes a strictly neutral position in this regard.

VIOLENCE, HARRASSMENT AND BULLYING FREE WORKPLACE

BLF ensures that all members of personnel are treated fairly and respectfully. In this context, BLF is committed to ensuring that its workplace is free from violence, power abuse, harassment and bullying. It does not permit or tolerate any behavior that is violent, insulting, offensive, discriminatory, racist, humiliating, threatening, or degrading of anyone's dignity at the workplace.

COMPLAINTS AND GRIEVANCES MECHANISMS

BLF allows and encourages employees to report concerns and seek advice on ethical and legal matters. It has implemented the following mechanism:

- Complaints and grievances module on the Intranet: In order to insure a proper and confidential pathway for sensitive and compromising information, the Bank has created a portal that allows employees to report grievances anonymously directly to the Head of the Human Resources Division. The latter then acts as an ombudsman with the full authority to investigate and act on claims without compromising the informer
- Whistle-blowing policy: The whistle-blowing policy aims to facilitate the detection and prevention of illegal activities harmful to the profitability and to the image of the Bank or its clients in accordance with guidelines of Circular N°. 271 of the Banking Control Commission. Each employee is handed the detailed policy the day of his/her recruitment and is asked to acknowledge that he/she has read, understood and will abide by the terms outlined in the policy. Similarly he/she agrees to inform the Internal Audit Division if an employee intentionally or negligently violates the Bank's procedures. The employee is also held accountable for any unreported breach
- HR missions: The Career Development team conducts periodic visits to all branches and divisions. During these visits, the team meets with all employees to discuss their careers and aspirations. It seizes this opportunity to encourage discussing openly any concern, and works actively towards investigating and resolving it. This approach fosters a climate of trust, open communication and accountability
- Open-door policy: An open door policy has been instated in the Human Resources Division to enable all employees to walk in and discuss any doubt or concern that might constitute a threat to the Bank or their career. During these confidential meetings, the Human Resources Division advises the employees on the course of action and guides them through the process taking into consideration the Bank's rules and regulations as well as its values and ethics.

EFFECTIVE ENGAGEMENT WITH EMPLOYEES



Employees gathered during an internal event held in 2015.



BLF aims at empowering its staff with constant information through various internal communication vehicles. This organizational culture brings coherence to the workplace and allows for a better synchronized work. It also helps keeping communication lines open between management and employees.

Internal stakeholders engagement tools and channels include the following:

- Brand engagement working group
- Intranet
- Employee newsletter
- Employee Facebook group
- BLF Staff Snapchat account
- BLF Staff Instagram account
- Suggestion box
- Surveys
- Internal campaigns
- Internal events
- Employees Club



Employees running for a cause at the Beirut Marathon in 2015.

THE EMPLOYEES CLUB

To help increase employee engagement and motivation and create a BLF internal community with strong ties, BLF founded “Le Club des Employés” in 1972. The Employees Club organizes social, cultural, sports, recreational activities, and travels, thus enhancing cooperation among colleagues from all Lebanese regions and all entities across the Bank while promoting health and wellbeing. While some of the activities are free of charge, others are subsidized by the Bank.

In 2015, 93% of the staff were registered members of the Club, and participated in a variety of activities. In addition, the Club offers the employees discounted subscriptions to sports clubs and a free of charge participation in the Beirut Marathon where they run for a cause. These fun events vary from year to year, but are regularly attended by the staff, their spouses and children.

93% of BLF staff are members of the Employees Club.

Type of activities	2014		2015	
	Number of activities	Percentage of activities	Number of activities	Percentage of activities
Health	3	12%	3	12%
Sports	4	15%	5	19%
Social/cultural	17	65%	15	58%
Children	2	8%	3	12%
Total	26	100%	26	100%

Number and type of Club activities employees took part in, in 2014 and 2015.



ENVIRONMENT

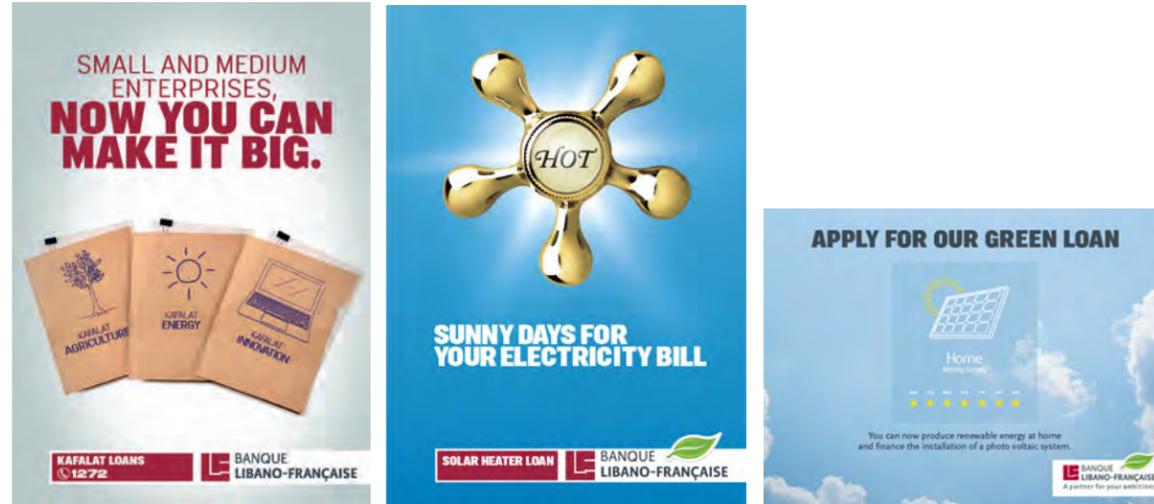


Environmental and climate protection is one of the most pressing challenges our world is facing today. BLF recognizes that it has a vital role to play in maintaining a sustainable environment for future generations. Working towards preserving the environment ranks high on Banque Libano-Française's CSR strategy. Its multi-year green strategy revolves around working hand in hand with all stakeholders to build solid and sustainable partnerships and actively participating in shaping environmental policies, developing eco-friendly products and services, adopting environmentally-friendly practices at the workplace, while raising awareness within its sphere of influence of all internal and external stakeholders.

6,254 Trees
were Saved
by the End of 2015
thanks to BLF's
Recycling Efforts



ECOFRIENDLY PRODUCTS AND SERVICES



BLF is very active in extending loans under several programs of Banque du Liban and has established a very close working relationship with the Lebanese Center for Energy Conservation (LCEC) in order to provide the best services and solutions for energy-conservation-minded individuals and companies.

BLF provides Sustainable Energy Finance loans to residential, commercial, industrial and non-profit users covering the whole value chain of the energy industry, including energy efficiency, renewable energy production, waste to energy projects, and other environmentally-friendly initiatives.

In 2014 and 2015, BLF developed a wide range of Sustainable Energy Finance services for individuals and professionals:

- Green loans to finance the installation of photovoltaic systems
- Solar water heater loans
- National Energy Efficiency and Renewable Energy Action (NEEREA) loans to finance energy efficiency and renewable energy projects
- Lebanese Environmental Action (LEA) loans to finance environmental projects
- Lebanon Environmental Pollution Abatement Project (LEPAP) loans to finance projects that reduce the industrial pollution
- Kafalat Energy to provide eligible SMEs with loan guarantees for investments in Energy Efficiency and Renewable Energy.

ENCOURAGING THE USE OF SOLAR WATER HEATERS

Being the first bank in Lebanon to have launched a solar water heater loan with 0% interest, BLF grabbed the highest market share in solar water heater loans in 2015. With this product, BLF aims to encourage households to acquire and install solar water heaters in order to increase energy efficiency, reduce carbon emissions, decrease energy consumption as well as lower their electricity bills.

In 2015, BLF held the highest market share (27%) in solar water heater loans.

ENCOURAGING THE USE OF PHOTOVOLTAIC SYSTEMS

Grounded in the belief that small actions can create a big change, going green at home is often a primary step towards an eco-friendly and sustainable lifestyle. In this sense, BLF constantly seeks new ways to help individuals with their transition to an environmentally friendly mindset by finding solutions to optimize energy consumption.

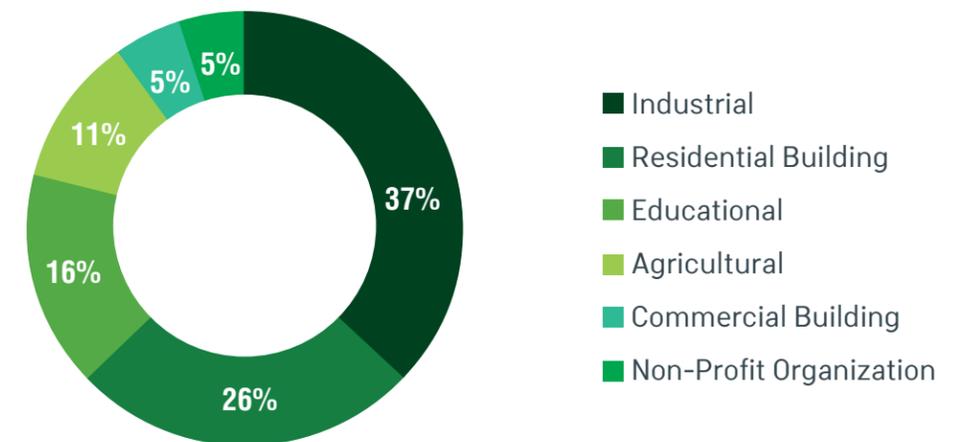
In 2015, BLF developed a new consumer loan to encourage households to shift to solar energy. BLF helps its clients finance the installation of photovoltaic systems at home to reduce electricity bills while protecting the environment.

FUNDING GREEN PROJECTS

Since launching its comprehensive, multi-year Sustainable Energy Finance strategy in 2010, BLF has been a market leader in environmentally-friendly loans in Lebanon, and has captured a market share that by far exceeds its overall market share in the country. During 2014 and 2015, BLF respectively financed 8 and 11 important projects in Lebanon, bringing the cumulative number of projects financed between 2011 and 2015 to more than 41 projects with a total value of loans exceeding USD 251 million. This is in addition to the more than 4,050 retail loans with a total value of USD 7.1 million financed by BLF during that period.

Being a pioneer in Sustainable Energy Finance, BLF has invested in, and extended loans to, projects covering the whole ecosystem of Sustainable Energy, including loans that promote clean energy, reduce energy consumption, protect renewable natural resources, reduce pollution and encourage waste reduction at the source.

The breakdown of loans, in accordance with the sectoral distribution of the Lebanese Center for Energy Conservation, for 2014-2015 is provided below.



The total value of BDL-subsidized green loans extended by BLF in 2014 and 2015, including retail loans, solar water heater loans and photovoltaic loans, amounted to USD 25.3 million in 2014 and USD 18.2 million in 2015.

BLF contributed to reduce the CO₂ emissions by 9,709 tons in Lebanon in 2015.

During 2014-2015, BLF was able to provide financing packages exceeding USD 135 million to various projects. The financing provided by BLF covered all SEF aspects, including energy efficiency, renewable energy, waste collection, sorting and treatment, energy savings, waste-to-energy projects, recycling, solar water heating and photovoltaic power generation. These projects have helped Lebanese institutions and home owners cut costs and enhance growth while protecting the environment and positioning BLF as the leading SEF bank in Lebanon.

GREEN PARTNERSHIPS



Reforestation of the Baabda Forest.

As part of its Corporate Social Responsibility and engagement with all stakeholders, BLF believes in green partnerships that aim to promote awareness, protect the environment and work towards long term sustainability and shared values.

PARTNERSHIP WITH THE INTERNATIONAL FINANCIAL CORPORATION

In 2011, BLF was the first bank in Lebanon and in the MENA region to establish a partnership with the International Finance Corporation (IFC) to promote Sustainable Energy Finance (SEF), enhance awareness on environmental issues, and develop products and services that adopt sustainability as a goal. BLF's financial products and services help Lebanese companies use resources more efficiently, enhance the competitiveness of their products, improve profitability, and help protect the environment. BLF's SEF initiative is part of a global and comprehensive medium-term strategy that aims to raise awareness and assist the public and private sectors in promoting sustainability.

PARTNERSHIP WITH THE UNITED NATIONS DEVELOPMENT PROGRAMME

The Bank has also partnered with the United Nations Development Programme (UNDP) to support environmental sustainability in Lebanon by launching the Earth Card in 2011, enabling Lebanese stakeholders to implement energy and environmental projects, while increasing public awareness. This initiative contributed to the fulfillment of two of the eight Millennium Developmental Goals (MDGs), namely Environmental Sustainability (Goal 7) and Developing a Global Partnership for Development (Goal 8). In line with the Earth Card program, BLF also launched yearly competitions around various sustainability themes. It extended cash prizes to the winners of the competitions. In 2014 and 2015, the themes of the Earth Card competition respectively revolved around the themes of "Greening Your Neighborhood" and "Environmental Awareness" bringing the total amount granted to the winners of the competition between 2011 and 2015 to USD 160,000.



Winners of the Earth Card competition in 2015.

The winners of the Earth Card Competition in 2014 and 2015:

- Association for Forests, Development & Conservation (AFDC) for their assistance to the community of Baabda which was affected by a wildfire
- Art Hake initiative for the Guerilla Gardening in Beirut
- Cultural and Science Foundation for the illumination of the promenade of the Saida Stadium by bike-powered electricity generators
- Bahr Loubnan for the project Ecotown in Naqoura

The 2016 Earth Card Competition was launched under the theme of Solid Waste Management.

OTHER PARTNERSHIPS WITH LOCAL AND INTERNATIONAL ORGANIZATIONS

Over the years, BLF has also engaged with many public and private sector partners in Lebanon, such as Banque du Liban, the Lebanese Center For Energy Conservation (LCEC), a range of Lebanese ministries (Energy and Water, Environment as well as Industry and many municipalities), diverse companies and Energy Service Companies (ESCOs) specialized in solar water heaters and photovoltaic power generation, as well as various non-governmental organizations.

BLF has also been leading the banking sector in establishing strong relationships with other international institutions, and has signed numerous agreements with them to promote sustainable banking, including a loan from Agence Française de Développement (AFD) to finance the hospital and health sectors in Lebanon and to promote safe and sustainable treatment of hospital waste, as well as loan agreements with the European Investment Bank and other international financial institutions.

GREEN BUILDING CERTIFICATIONS

In an effort to improve building design and construction standards in Lebanon, BLF has been actively involved in supporting new construction practices. It also took part in several initiatives that aim to promote national and international criteria for green buildings.

In fact, BLF has invested in projects related to sustainable buildings taking into consideration 3 important aspects: the economic (efficiency and better quality services), the social (CSR, health and safety) and the environmental (water, energy and waste management).

Since 2011, BLF has provided financing to more than 13 large-scale projects, out of which 7 were certified by the Leadership in Energy and Environmental Design (LEED) and the Building Research Establishment Environmental Assessment Methodology (BREEAM).

Around USD 200 million in loans were invested in certified and non-certified green commercial and residential building projects.

ADOPTING ENVIRONMENTALLY-FRIENDLY PRACTICES AT THE WORKPLACE

The Bank is always adopting environmentally-friendly practices, such as paper recycling, electronic waste recycling, collecting empty ink cartridges, using advanced video-conferencing techniques to reduce unnecessary travel and CO₂ emissions, implementing since 2009 the Sun Ray light desktop infrastructure which allows users to connect to the network through a smart card, on which all work-related data is stored. The latter saves 90% of the time that the IT Division spends on computers maintenance, thus cutting costs and saving energy, etc.

Green measures implemented by BLF:

- Energy-efficient fluorescent light bulbs
- Split AC system
- Facility management system
- Elimination of water heaters
- Water-efficient dual flush toilets
- Automatic ventilation, which turns on when CO₂ emissions are high
- Non-toxic low emission paint
- Recycling of empty ink cartridges
- Video-conferencing
- Solar powered calculators
- Paper recycling
- E-waste recycling
- Centralized multipurpose machines.

REDUCING, REUSING AND RECYCLING PAPER

BLF has been reducing, reusing and recycling paper since 2011. Shredded paper is being collected from all the Bank's premises and donated to "Association L'Ecoute" a non-governmental organization which routes the paper to recycling centers, contributing to auto-finance some of its projects to serve people with disabilities.

A green guide is available on Intranet, providing employees with concrete tips on how to reduce paper usage and stressing the importance of reusing paper. It also highlights the paper recycling and shredding policy to securely dispose of documents. BLF continuously monitors its paper recycling initiative to ensure its respect and communicates on the impact of the paper recycling initiative to maintain employee commitment.

367 tons of paper were recycled as at end of 2015, saving an equivalent of:



6,254
trees



9,748,720
liters of water



735
barrels of oil



1,471,616
kilowatt hours
of electricity



843
cubic meters
of saved landfill
space



Only reusable cutlery and recyclable paper cups are available in the canteens.

SHIFTING TO A PAPERLESS OFFICE

The Oracle Human Resources Self Service System is an automated online HR management system that eliminates the need for traditionally based paper forms. It allows managers and employees to access and manage online via the Intranet key information ranging from absence management, talent management, payroll and payment slips amongst others. Moreover, the Intranet offers access to key information such as circulars, procedures, phone directory, press clippings, news which drastically limits paper consumption.

RECYCLING E-WASTE

BLF has donated to the Association L'Ecoute over 1,834 e-waste items including monitors, printers, PCs, projectors, routers, phones, laptops, fax machines and other electronic devices.

1,834 e-waste items recycled as at end of 2015.

REDUCING PLASTIC CONSUMPTION

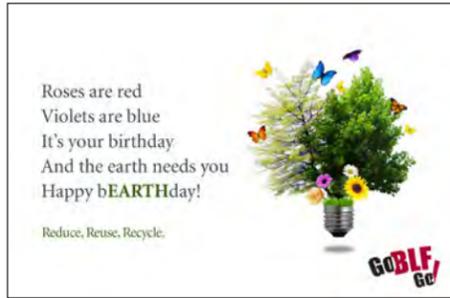
The Bank uses reusable trays, plates and cutlery in its employee canteens. To further limit its environmental impact, the Bank has eliminated in 2015 all plastic cutlery and plastic dishes in all its 3 canteens.

REINFORCING GREEN IT

BLF Information Technology Division also makes every effort to reduce the Bank's environmental impact and operating costs. The following Green IT practices were implemented during the reporting period:

- Adopting a server virtualization strategy that resulted in less energy consumption and lesser cooling needs in data centers
- Further reducing cooling needs in data centers by organizing IT equipment into a hot/cold air aisles configuration and by optimizing air intakes
- Reducing paper consumption by adopting electronic document management technologies across the Bank's Divisions instead of printing paper based reports
- Working with local IT partners on advanced technologies whenever possible.

RAISING ENVIRONMENTAL AWARENESS



BLF encourages employees to opt for environmentally-friendly attitudes.



BUILDING THE GREEN CAPACITIES OF EMPLOYEES AND CLIENTS

One of the four pillars of BLF's Sustainable Energy Finance long-term strategy is raising awareness among all stakeholders and positioning the Bank to be the main leader in SEF in Lebanon, with advanced technical, commercial and environmental expertise. With the assistance of IFC and other environmental and technical specialists, the Bank provided basic and advanced training to all commercial staff, including specialized trainings to Relationship Managers covering SMEs and large corporations during 2014 and 2015. BLF's training activities aim to build awareness among all stakeholders, including clients, suppliers, partners and of course all staff. Its technical training to staff includes the use of a Sustainable Energy Calculator developed by IFC and adapted with BLF assistance to the Lebanese market. It allows staff and clients to assess the degree of energy saving and carbon footprint reduction of any new or existing project/investment.

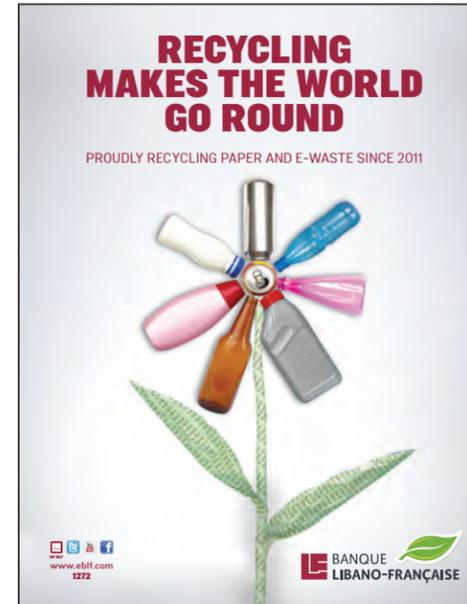
The Bank shares its knowledge with its customers and BLF teams accompany local and international experts and advisors to visit SMEs and corporate clients. SME and Corporate Relationship Managers, who have been trained by professional experts, including from the IFC, integrate Sustainable Energy Finance as one of their main discussion points when visiting clients or prospects. BLF also initiated free-of-charge 5 full-fledged energy audits for selected clients in various economic sectors (education, printing, paper industry, hotels and aluminum tubes industry). The audits included a detailed insight into the clients' energy consumption and costs, as well as suggestions of investments to help them further reduce their energy expenses. They allowed clients to invest in renovations or new installations with a relatively short payback period, hence having a strong positive impact on the environment. The actions mentioned above are some of the main elements of the CSR strategy that BLF is integrating into its business model. They are but an additional step towards maintaining its leadership position in Sustainable Energy Finance.

PROMOTING GREEN BEHAVIOR AMONGST EMPLOYEES

BLF launched an internal communication campaign and a comprehensive action plan to raise awareness on environmental issues and promote eco-friendly behavior amongst its employees.

BLF employees are asked to:

- Sort and recycle their waste
- Opt for reusable forks, knives, spoons
- Use their own mugs and glasses instead of disposable cups
- Turn of the lights when leaving the office, the toilets and conference rooms
- Turn off their monitors, printers and screens at the end of the day
- Carpool with colleagues.



In light of the waste crisis, BLF promoted sorting and recycling within its sphere of influence.



BLF took part along with UNDP and Arcenciel in the closing event of the Water Heroes project at Antounyeh Boarding School in Mrouj on November 5, 2015.

RAISING GREEN AWARENESS IN THE COMMUNITY

In light of the waste crisis faced by the country in 2015, the Bank launched a 10 seconds recycling awareness movie on LBC, MTV, Future, OTV and Al-Jadeed and produced an environmentally friendly greeting card to promote sorting and recycling within its sphere of influence.

LAUNCHING WATER HEROES WITH ARCENCIEL AND UNDP

Water Heroes, a sustainable environmental project, was implemented in 2015 as a pilot project by the Lebanese association Arcenciel in Antounieh Boarding School (Metn) thanks to the financial support of BLF and the United Nations Development Program (UNDP) - Lebanon.

Water Heroes had been selected by BLF and UNDP - Lebanon in the framework of the annual Earth Card competition, as one of the winners of the 2013 call, which targeted projects on water conservation. Its aim is to improve access to safe drinking water through a water treatment system based on sand and carbon filters and UV treatment. It also focuses on reducing municipal water consumption and water shortages by installing faucet aerators.

In addition, Arcenciel launched in 2015 a Water Heroes fun game in partnership with BLF and UNDP to raise awareness on water conservation and to promote responsible consumption behaviors among the youth.

Following the success of the pilot activities that had an impact on the lives of 200 students, teachers and staff, Arcenciel will replicate the Water Heroes project in more schools across Lebanon.

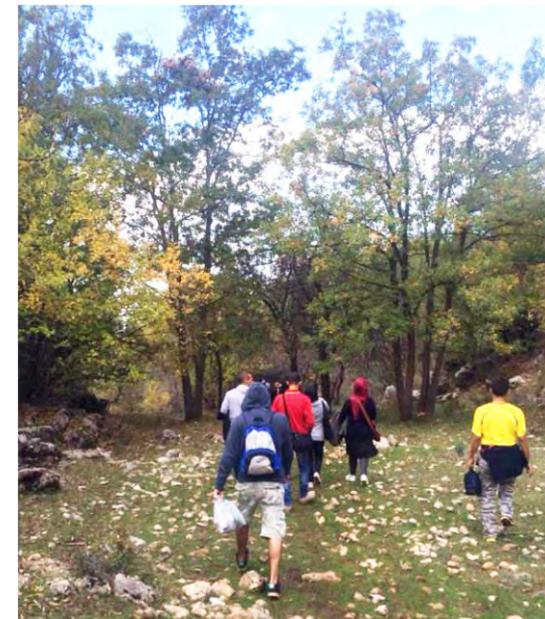


BLF held a panel on sustainability in 2015.

PROMOTING ENVIRONMENTAL SUSTAINABILITY AT THE BEIRUT ENERGY FORUM

BLF has been sponsoring the Beirut Energy Forum (BEF), one of the most reputable events dedicated to sustainable energy issues in the Middle East since 2011. Within the activities of the BEF's edition on sustainable energy in 2014, the Bank organized a panel under the theme "Banque Libano-Française green strategy within sustainable energy", during which Elie Raphaël (General Manager of the Arab Printing Press), Sami Salam (Expert in bioclimatic and solar architecture) and Riccardo Ambrosini (Senior Operations Officer at IFC) talked about their partnership with the Bank.

In 2015, BLF organized another panel to discuss sustainability issues during the Beirut Energy Forum. Thomas Jacobs (Resident Representative of the International Finance Corporation for Lebanon and Syria), Dima Jamali (Professor of Management and Kamal Shair Endowed Chair in Leadership at the American University of Beirut), Paula Yacoubian (Journalist and Media Trainer) tackled global and local sustainability initiatives in a panel that was moderated by Maurice Iskandar (BLF Head of International Division and Member of the Executive Committee).



BLF organizes eco-friendly hiking activities for the youth.

PROMOTING A GREEN ATTITUDE AMONG THE YOUTH IN JABAL MOUSSA

Within the framework of its partnership with the Association for the Protection of Jabal Moussa (APJM), an NGO focusing on the preservation of biodiversity and preservation of the cultural heritage in Jabal Moussa and the surrounding villages, BLF invited a group of youth on a hiking trip to discover the area in company of a forest guide. This activity aims at raising environmental awareness amongst BLF stakeholders and promoting eco-friendly activities. The Bank also sponsored the fundraising dinner of APJM to help the association collect funds to pursue its activities.

GREETING LEBANON WITH JOUZOUR LOUBNAN

BLF who has been supporting Jouzour Loubnan since 2008 in its mission to reforest Lebanon, reiterated its commitment to the association in 2014 and 2015. Since the beginning of its partnership with Jouzour Loubnan, BLF has contributed to planting over 6,400 trees.



Before



After

COMMUNITY



Since its early establishment, Banque Libano-Française has been providing support to the community in which it operates to create a positive social impact and improve the well-being of individuals and society at large.

BLF Invested
USD 2,500,000
in Sponsoring
Community
Projects in
2014 and 2015

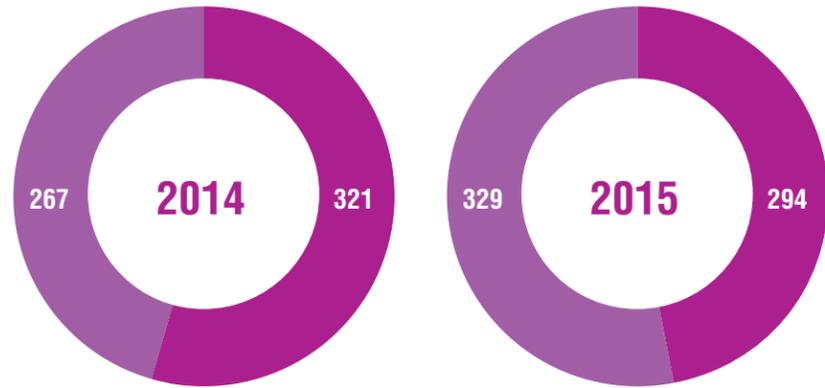


SUPPORTING THE FOUR FOCUS AREAS IN BLF CSR COMMUNITY PILLAR

Over the past two years, BLF has invested over USD 2,500,000 to support 321 beneficiaries in 2014 and 294 beneficiaries in 2015 in the four focus areas of culture, education, humanitarian and social causes, as well as economic development.

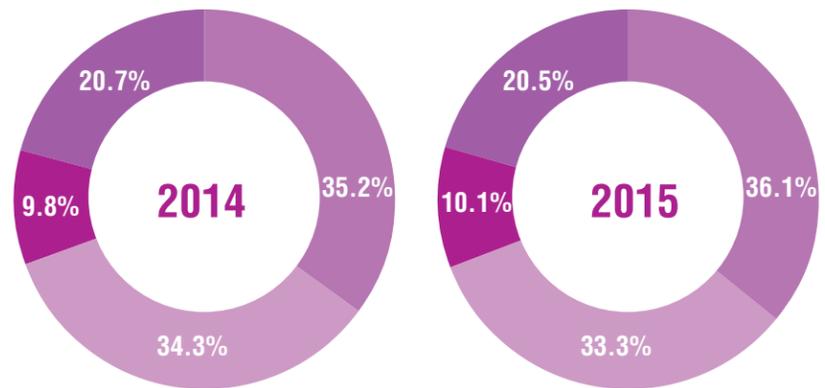
Year	Amount in USD spent on community initiative
2014	1,200,000
2015	1,300,000

Because the Bank is known to respond to community needs across all geographical areas in Lebanon, it has received over 1,211 solicitations from various organizations in 2014 and 2015. BLF always makes sure to answer the people requesting its help even if it has to decline their requests, either because the project is not in line with its CSR strategy or due to budget restrictions.



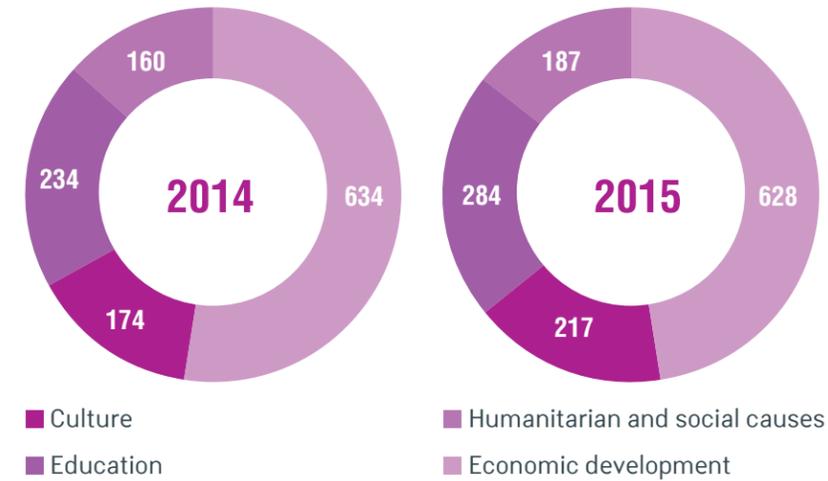
■ Number of accepted requests
■ Number of declined requests

Outcome of community support requests in 2014 and 2015.



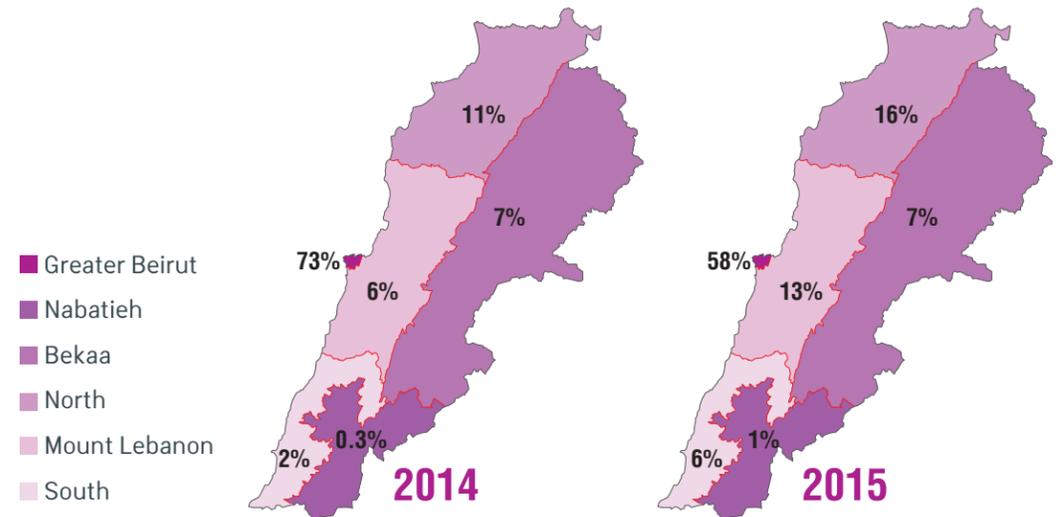
■ Culture ■ Education ■ Humanitarian and social causes ■ Economic development

BLF granted its support to community issues in 4 focus areas in 2014 and 2015.



BLF community investments in thousands of USD per focus area in 2014 and 2015.

BLF has increased its community support in the regions outside of Greater Beirut from 27% in 2014 to 42% in 2015, striving towards geographical equity.



Geographical distribution of BLF's community support in 2014 and 2015.

Through strategic partnerships, BLF plays an active role in the community and meets a broad array of needs, bringing together staff, clients, partners and suppliers, thus creating opportunities for shared discoveries and mutual enrichment.



BLF backs up festivals.

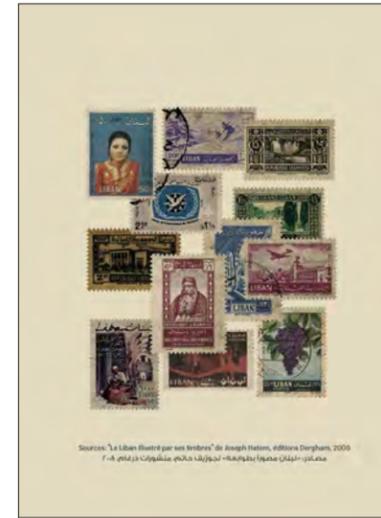


EXTENDING SUPPORT TO CULTURE

Since its early inception, Banque Libano-Française has been extending its unwavering support to culture, always aiming to encourage local initiatives to spur economic growth and tourism, especially in a country that has been in dire straits for the last years with many demands on the philanthropic purse. BLF's commitment to culture including festivals, theater, dance, art, photography, museums amongst others, stems from a deeply rooted belief that culture does not only foster economic growth and enhance the image of the country, but also creates social cohesion, contributes to education and enhances the health and well-being of society.

SUPPORTING FESTIVALS

As a founding member of the Lebanese Association for the Development of Private Funding for Culture, BLF maintains its status as a regular supporter of various local festivals such as Al Bustan, Baalbeck, Batroun, Beirut Chants, Beirut Holidays, Beiteddine, Dbayeh, Ehdeniyat, Ghalboun, Ghosta, Jounieh, the Lebanese Film, Summer Misk, bringing together people from diverse cultures and backgrounds.



BLF selects cultural themes for its agendas.

SAFEGUARDING LEBANESE HERITAGE

In addition to sponsoring festivals, our Bank shows a constant commitment to the safeguarding of Lebanese heritage and cultural wealth, by selecting cultural themes for its yearly agenda. In 2014 and 2015, it respectively published agenda editions showcasing Lebanese stamps and Lebanese money throughout history.

PROMOTING PERFORMING ARTS

It is widely recognized that performing arts generate profound benefits on individuals and on society at large. BLF granted its supports to the following theater, dance and music performances in 2014 and 2015:

- Volopone, a play production directed by Alain Plisson, at Tournesol Theater
- Les Fourberies de Scapin, a play production directed by Alain Plisson, at Tournesol Theater
- Dorfman, a play production directed by Elie Lahoud, at Tournesol Theater
- Masrah Al Jarima, a play directed by Betty Taoutel, at Monot Theater
- Al Masrah Al Alame, a touring theater dedicated to bringing joy to children's hearts, at UNESCO Palace
- Le Carnaval des animaux, a classical and contemporary dance performance directed by May Chelhot, at Beryte-USJ Theater
- Le Ballet Bejart-Lausanne presented by We Group, at Casino du Liban
- A fundraising concert of singer Najwa Karam, at Al Madina Theater.



A mini exhibition illustrating the history of vehicles and modes of transport in the Arab world between 1885 and 1962 was hosted by BLF in its branches.

PROMOTING CONTEMPORARY ART WITH THE BEIRUT ART CENTER

BLF has been supporting the Beirut Art Center (BAC) since its inception in 2008. BAC aims at producing, presenting and promoting local and international contemporary artists and exhibitions in Beirut. Through this partnership, BLF contributes to supporting local and regional contemporary artists, who face great difficulties due to the lack of financial and institutional support in this domain. The center's rich and periodic program includes exhibitions, conferences, screenings, concerts, educational activities, and workshops.

In 2014 and 2015, BLF provided its support to several artists, such as:

- Exposure 2013, BAC's annual exhibition dedicated to emerging artists from and in Lebanon and offering them the opportunity to unveil their talents
- In 2014, Contre Nature, a solo exhibition by the Berlin based Algerian artist Kader Attia
- Retrospective 2015, an exhibition conceived as choreography of actions carried out by performers by Xavier Le Roy.

TEAMING UP WITH THE ARAB IMAGE FOUNDATION

Because photographs are the most memorable souvenirs of the past and the present, BLF renewed in 2014 and 2015 its support to the Arab Image Foundation (AIF) to contribute to the preservation of the region's rich legacy. BLF initially teamed up in 2011 with AIF, a non-profit organization whose mission is to collect, preserve and study photographs from the Middle East, North Africa and the Arab Diaspora.

The ongoing research and acquisition of photographs included as at end of 2015, more than 400,000 photographs from Lebanon, Syria, Palestine, Jordan, Egypt, Morocco, Iraq, Iran and Senegal.

As an extension of its partnership, and to help promote Lebanon's history and national heritage, BLF hosted a series of touring AIF mini-exhibitions in its branches bringing delight to customers and employees.



By sponsoring conferences, BLF is contributing to the enrichment of the community.

PRESERVING A CULTURAL LEGACY AS A PRIVILEGED PARTNER WITH THE ROBERT MOUAWAD MUSEUM

BLF became the privileged partner of the Robert Mouawad Private Museum in 2005. Built in 1911 by Henri Pharaon, the palace was acquired by Robert Mouawad and rehabilitated into a must-see museum hosting a unique collection of books, ceramics, historic columns, pottery, ancient weapons, unique carpets, as well as rare precious stones and jewelry.

Since then, the Bank has been contributing to preserve a cultural legacy as well as sustaining the panoply of art exhibitions, lectures and courses held at the Museum, such as music, painting, carpentry, Islamic art, history, oenology, study of icons, charcoal and drawing.

ORGANIZING GATHERINGS AT THE RESIDENCE DES PINS

To contribute to the enrichment of the community and promote the values of the "Francophonie", BLF launched in 2011 "Les Rencontres de la Résidence des Pins", in partnership with the French Embassy and the French Institute. This partnership comprises a series of conferences, inviting prominent francophone speakers from around the globe to discuss with the Lebanese public a broad range of issues in the fields of culture, economy and politics.

In 2014 and 2015, the following speakers were hosted, increasing the knowledge base of an audience:

- Mathieu Gallet, CEO of Radio France
- Ambroise Fayolle, General Manager of Agence France Trésor
- Alice Antheaume, journalist
- Bernard Cerquiglini, French linguist and Manager of Sciences-Po Journalism School.

BACKING UP EDUCATION



Inauguration of the BLF Sagesse Smart Center.

Recognizing that education and access to information are the cornerstone of the sustainable development of society, BLF strives to build the knowledge in the community in which it operates.

TEAMING UP WITH THE ECONOMIC RESEARCH CENTER OF BALAMAND UNIVERSITY

BLF has sustained its partnership with the Economics and Capital Markets Research Center (ECMRC) of Balamand University since 2007 to contribute to bridging the gap between the theoretical knowledge given at universities and the working realities in the financial sector. Students of ECMRC are regularly introduced to the banking world at “The Floor”, a one-stop shop gathering BLF Capital Markets, Treasury and Private Banking teams as well as the Dealing Room and Libano-Française Finance (LFF). In 2014, BLF organized a conference on Country Risk and Credit Rating in partnership with ECMRC. On the other hand, ECMRC provides BLF with research related to G7 and BRIC countries to help understand and predict the movements of financial markets.

EMPOWERING STUDENTS AND FACILITATING THEIR INTEGRATION INTO THE WORLD OF FINANCE AND ECONOMY

In 2015, BLF inaugurated in partnership with la Sagesse University, the BLF Sagesse Smart Center, the first simulation center for managing companies in the Middle East. Located at the Faculty of Business and Finance, the Smart Center aims at empowering students and facilitates their integration into the working world of finance and economy. It offers them customized coaching and a hands-on experience, allowing them to learn about financial markets in a real environment, and teaching them how to run and manage their own company and how to coordinate with other managers in an interdisciplinary business environment. As an extension of this partnership, the Bank offers students training sessions at “The Floor”.



BLF engages with the youth.



PROMOTING DRAWING AND INTERSCIENCE COMPETITIONS

Within the framework of its youth strategy Lucky to be Young, BLF teamed up with Groupe de Recherches en Mathématiques (GREM) and The Agency for French Education Abroad (AEFE) to give youth the chance to participate and excel in any of the following four international science competitions:

- The number race (Course aux nombres)
- Math without borders (Mathématiques sans frontières)
- Data castors (Castors de l'informatique)
- Math olympics (Olympiades de Mathématiques).

In 2015, BLF also supported the Fabriano drawing contest, by offering young talents across various Lebanese schools the chance to let their imagination run wild and unleash their creativity through their drawings.

Thanks to its partnership with GREM and Fabriano, BLF reached out to more than 114,000 students in more than 500 schools, thus contributing to fostering team spirit, a sense of initiative as well as stimulating scientific and artistic curiosity.

SPONSORING SCIENCE DAYS

In 2015, BLF sponsored the 7th edition of Science Day, a cultural and educational event aiming to bridge the gap between science and people in a fun and interactive way through the following activities: games, prizes, interactive booth and walls, live science experiments as well as meeting with scientists.

FOSTERING A SPIRIT OF EXCELLENCE AMONG THE YOUTH

BLF supported the EXA Robotics project of three ambitious students at Collège Notre-Dame de Jamhour. Within the framework of the school's Technology Laboratories initiative, the students developed a drone to improve rescue operations, an initiative which earned them a gold medal at the Warsaw Invention Show 2015, as well as a gold medal at the International Invention Fair in the Middle East. On another occasion, BLF granted in collaboration with the Faculty of Engineering and Architecture at the American University of Beirut, the BLF Best Thesis Award 2015 in Industrial & Financial Engineering to the best students in the Masters Engineering Management.

BRIDGING THE BUSINESS AND IT GAPS

BLF organized a seminar for the Masters students in Web Science & Digital Economy at Université Saint-Joseph to explain how it is bridging the business and IT gap. Topics related to the influence of the digital and mobile technologies in banks, were tackled during this event to build the knowledge of students.

BUILDING HEALTHIER AND HAPPIER COMMUNITIES THROUGH SPORTS

Because sports help build healthier and happier communities, BLF extended its support to various sport clubs such as Bounce Club, Chabibeh Sporting Club, Club Fidar Jbeil, Club Sportif Social Culturel de Lebaa, Damour Country Club, Homenetmen Club, Private Club, Rebound Club as well as Tadamon Tyre Club. The list of sports-related events backed up by BLF includes the Beirut Unisports Festival, an interuniversity tournament that gathers more than 2,000 students from different universities at Université Saint-Joseph around various sports competitions, as well as the Lebanon Water Festival which aims at promoting leisure water sports activities along the Lebanese coast and attracted over 300 participants and an audience of over 20,000 people.

Moreover, BLF sponsored the Tripoli International Half Marathon organized by the NGO Ma'an Loubnan inviting BLF employees to participate. In 2014, it also encouraged more than 150 employees to participate in the Beirut Marathon and run in support of Kunhadi and Braveheart associations. In addition, BLF sponsored 45 children from Bar Elias in order to run against hunger during the Beirut Marathon in cooperation with the Lebanese Food Bank. Likewise, in 2015, more than 198 BLF Employees Club members and their families ran at the Marathon in support for Braveheart and Cap-Ho associations.



BLF gives back to humanitarian and social causes.

GIVING BACK TO HUMANITARIAN AND SOCIAL CAUSES

As Humanism is one of the Bank's truly representative core values, the Bank has been supporting a range of pressing humanitarian and social concerns.

PROTECTING CHILDREN'S RIGHTS

A total number of 1,278 reported child abuse cases in 2015 was reason enough for BLF to pursue its fight against child abuse by participating in the fundraising dinner organized by Himaya, an NGO that protects children who are victims of sexual and physical abuse. Thanks to BLF's support, Himaya was able to cover, for the period of a month, expenses needed to support 10 teenagers aged 12-16, victims of abuse in Brumana.

CARING FOR ILL AND NEEDY CHILDREN

In line with its concern for children, BLF supported in 2014 and 2015 the annual fundraising dinner of CAP-HO, an organization that helps sick and needy children.

SPREADING JOY AT CHRISTMAS

In addition to launching Santa's Factory at Beit Misk, a one of a kind Christmas event, BLF also launched in partnership with Beit Misk, the Santa's Factory Express Bus which spread joy to children in four SOS Children's villages in the Metn, South, North and Bekaa. With the help of BLF, Beit Misk employees, management and residents, money was donated in order to meet needs that are critical to the SOS villages. Beit Misk used one part of the donations to provide fridges, solar panels, water heaters, electric ovens as well as other basic appliances to them. The other part of the raised money was directly donated to SOS in order to help them cover the costs of primary needs such as purchasing winter shoes or covering maintenance costs.

"Christmas is a special time for children of all ages and we wanted all of them here to enjoy a magical experience that would otherwise be unattainable for them. Through our Express Bus, Santa's Factory was able to bring joy and hope to the heart of each and every child present at the SOS villages and make everyone believe in the true meaning of Christmas."

Sarah Zard Manoukian, Marketing Manager at Beit Misk



BLF supported the annual fundraising event of Cénacle de la Lumière.

EMPOWERING PEOPLE WITH LOW INCOME THROUGH EDUCATION

Because of its firm belief in providing education to the underprivileged, BLF has been supporting the Association pour la Promotion Feminine - Institut Franco-Libanais (ITFL) since 1997. The association aims at providing professional training to young girls through its hospital and hotel management school. In 2014 and 2015, BLF supported the association's annual fundraising gala dinner, which has helped ITFL deliver better capacity building trainings to its students.

MAKING A SOCIAL IMPACT THROUGH SUSTAINABLE EDUCATION

BLF joined hands with Ahlouna to help improve, through empowerment, the quality of life of disadvantaged people in the community of Saïda. Thanks to BLF's support, the NGO was able to cover some of its expenses to provide sustainable educational and social services.

SUPPORTING THE RIGHTS OF PEOPLE WITH DISABILITIES

Because BLF values diversity and believes that people with disabilities should be integrated into the society, it has been supporting various associations active in this field, such as Al Younbouh, a rehabilitation center for people with mental disabilities and special needs, Open Minds, a fund established by concerned parents to enable the AUB Medical Center's Special Kids Clinic (ASKC) to conduct research related to neurogenetic and neurodevelopmental disorders, spread awareness in the community and provide clinical services for families in need, Foi et Lumière, an NGO for people with an intellectual disability, as well as Anta Akhi, an organization for the service of disabled children and their families.

FIGHTING DRUG ADDICTION

Drug use being on the rise among youth, BLF helped treat and prevent drug addiction by maintaining its year-long support to the annual fundraising gala dinner of SKOUN, an association which has reached and educated over 3,700 young people, connected with 450 parents, teachers and caregivers and trained 109 professionals in 2015. BLF's sponsorship helped the association raise approximately 30% of the needed budget for the coming year; thus allowing the association to pursue its mission.

BLF also respectively sponsored the annual concert organized by Cenacle de la Lumière and the fundraising dinner of Oum El-Nour's, two non-governmental organizations committed to combating drug addiction.



Social Economic Award.

SAFEGUARDING PUBLIC HEALTH BY PROMOTING SMOKE-FREE ACTIVITIES WITH TFI

Being one of the first institutions in the country to have converted all of its premises into non-smoking areas and to have banned indoor smoking, BLF has been supporting since 2005 the Tobacco Free Initiative (TFI), the only Lebanese non-governmental organization specialized in the fight against tobacco. BLF's support in 2015 contributed to assist the association in meeting its objectives of prevention and awareness campaigns in schools as well as improving compliance and enforcement.

REDUCING ROAD CASUALTIES

Within the framework of its humanitarian partnership with Kunhadi, BLF supported more than 40 school conferences and workshops delivered by Kunhadi to raise awareness on road safety among 1,095 youngsters. During these conferences, students signed a pledge that was specifically produced by BLF to sensitize the youth on committing to respect road safety rules as they help decrease the number of car accidents and save human lives. Additionally, BLF raised public awareness within its sphere of influence through its website, social media, press, Intranet, internal campaigns and internal publications. BLF received in 2014 the Social Economic Award for public safety as recognition of its humanitarian partnership with Kunhadi. The Bank also supported Roads for Life, a non-profit organization whose main goal is to take care of trauma cases and road victims.

SUPPORTING ECONOMIC DEVELOPMENT TO HELP COMMUNITIES PROSPER



BLF plays a crucial role in the support of various bodies and organizations to help the community grow and prosper. Within this perspective, BLF granted its support in 2014 and 2015 to various municipalities, professional orders, unions, traders associations, chambers of commerce, ministries, traders committees, embassies, magazines and newspapers, as well as sustainable development organizations.

EMBELLISHING TRIPOLI MINA'S STREETS WITH HELP LEBANON

In 2014, BLF launched a three-year project to rehabilitate 60 building facades in Al Chiraa Square in Tripoli Mina.

“Our contribution to this project has shown a very good impact regarding the residents of the region of Mina. Moreover, it helps to make a clean, healthy and beautiful environment and increases the awareness of our Bank in the region” said Omar Tabbal, Tripoli Mina Branch Manager.

CONTRIBUTING TO FRIENDLY NEIGHBORHOODS

BLF teamed up with the environmentally-driven Achrafieh 2020 initiative, to organize car-free days giving pedestrians the opportunity to rediscover streets in Achrafieh, such as Abdel Wahab, Sodeco and Mar Mikhaël.

SUPPORTING THE IKLIM AL KHARROUB TRADERS ASSOCIATION

BLF sponsored the Economic Forum of Iklim Al Kharroub Traders Association which gathered around 300 people ranging from investors, industrialists, traders, various associations as well as people from the banking sector and agricultural sectors. BLF was at hand at the event to contribute to reinforcing the economic activity in the region of Iklim Al Kharroub.

SPURRING ECONOMIC GROWTH THROUGH ENDEAVOR LEBANON

BLF extended its help to Endeavor, a non-profit economic development organization leading the global movement to catalyze long-term economic growth by selecting, mentoring and accelerating the best high-impact entrepreneurs from around the world.



In 2015, BLF participated in Achrafieh 2020 event, a car-free day giving pedestrians the opportunity to rediscover Mar Mikhaël.



BLF supported the Global Lebanese Entrepreneurs and Investors Summit.

NURTURING THE NEXT GENERATION AND PROMOTING LEBANON WITH LIFE ASSOCIATION

BLF also extended its support to the Lebanese International Finance Executive (LIFE), a non-profit association that aims to promote networking between Lebanese working in the financial field and to channel their influence, in order to establish stronger bonds, nurture the next generation and promote Lebanon. BLF's General Manager Raya Nahas is a member of the Board of LIFE.

EXTENDING SUPPORT TO THE GLOBAL LEBANESE ENTREPRENEURS AND INVESTORS SUMMIT

In 2014 and 2015, BLF extended its support to the Global Lebanese Entrepreneurs and Investors Summit organized by LIFE and Endeavor Lebanon. The summit focused on the local Lebanese entrepreneurs and offered business diaspora members a unique opportunity to meet a broad range of Lebanon's most vibrant entrepreneurs and start-up companies, and explore mutually enriching business partnership ideas and investment opportunities.



MARKETPLACE



As one of the leading banks in Lebanon, BLF has at all times been an important actor in the Lebanese economy, playing a principal role in its development and expansion. BLF conducts its business in an ethical and transparent manner, while complying with regulations, constantly ensuring fair and ethical operating practices. It also places consumer issues at the heart of its operations to ensure that clients make informed choices when using one of its products and services.

In 2014 and 2015, BLF pursued its strong commitment to meeting its customer needs by providing them with an array of products, professional services and personalized advice to help them fulfill their ambitions and grow. It has thus helped both individuals and corporations thrive.

In addition to supporting young entrepreneurs to stop Lebanon's brain drain, BLF continued to empower the youth through its Lucky to be Young program. To guarantee financial inclusion, BLF has expanded its branch and ATM network with the presence of 56 branches and 150 ATMs across Lebanon.

It also engaged its clients through a variety of channels to take their feedback into consideration and measure their satisfaction to continuously respond to their needs.



**BLF had 150,000
Active Customers
as at End of 2015**

MAKING CLIENTS THRIVE THROUGH DIVERSIFIED BUSINESS ACTIVITIES

BLF offers diversified banking services in the below areas:

RETAIL BANKING

Retail Banking offers a full range of products and services, including traditional products and services, a unique term deposit account featuring significant flexibility, a complete range of debit and credit cards (MasterCard and Visa) in USD, EUR and LBP, a wide network of merchants affiliated to the Bank's cards payment circuit, and electronic banking services (e-banking, sms banking, call center). The Bank's digital distribution channels allow customers to check account balances and movements, obtain answers to their inquiries over the phone or internet, and execute certain types of transactions.

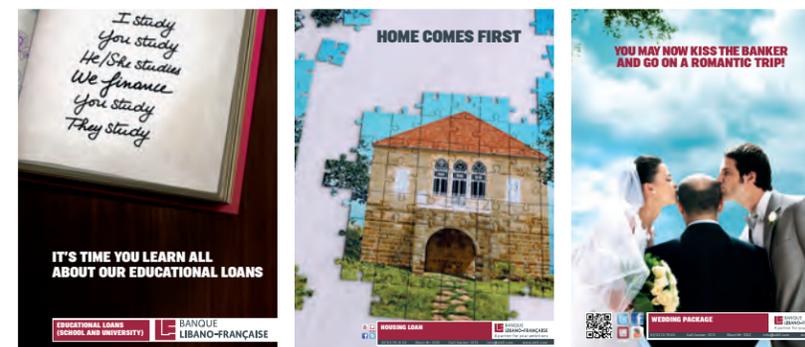
In addition, through the Bank's subsidiary, Bancassurance S.A.L., Retail Banking offers life insurance, retirement plans and education plans. In 2015, the Bank's customers participating in Bancassurance S.A.L. savings insurance plans benefited from better-than-market returns on their USD investments.

Today, the Network, Retail and Cards Services Divisions are concentrating their efforts on quality of service and client satisfaction, the development of new product offerings, the renovation of the branches, the expansion of the ATM network Point Cash® to include new innovative solutions, as well as the training of branch staff and managers.

The Retail Loans Department is in charge of the credit approval and administration of retail credit products, including the Bank's housing loans, Public Corporation for Housing (PCH) loans, housing loans to military personnel or other specialized programs, as well as personal loans and car loans. The Retail Loans Department has created a dedicated Call Center for payment irregularities and has implemented a standardized and efficient retail loans distribution process.

Some Retail products	Impact as at end of 2015
Educational Loan	BLF granted more than 300 educational loans representing USD 10,000,000, allowing students to fulfill their ambitions
Housing Loan	The Bank granted more than 1,000 housing loans, empowering individuals to purchase the home of their dreams thanks to a full range of subsidized housing loans worth USD 200,000,000, at very competitive conditions
Housing Loan - Displaced	The Bank initiated special loans worth USD 1,000,000 for the displaced, helping them renovate or reconstruct their houses
Housing Loan - Martyrs	BLF granted housing loans representing USD 1,000,000 to the families of Martyrs to benefit from a home loan financed by the army entity
Wedding Package	BLF issued 100 wedding packages offering a wide range of free of charge services to newly married
Bancassurance	1,000 customers participating in Bancassurance savings insurance plans benefited from better market returns on their USD investments and were able to save for their retirement through retirement plans
Life insurance - Death	BLF credits all the clients life savings to their beneficiaries, covering all the loans amount of the clients

Impact of key Retail products.



Educational Loan.

Housing Loan.

Wedding Loan.

COMMERCIAL AND CORPORATE BANKING

The Bank has historically been one of Lebanon's leading commercial banks, offering services to large-and medium-sized private sector businesses and maintaining one of the largest loan portfolios among banks in Lebanon. Commercial banking products and services offered by BLF include working capital lines and overdrafts, medium-term and long-term loans, trade finance, documentary credits and guarantees and other off-balance sheet facilities and financial consulting services, as well as all traditional term deposit accounts, cash management services and cards services.

The Middle-Market Banking Division covers small-or-medium-sized businesses with a credit exposure at the Bank of up to USD 1.5 million and an annual turnover of less than USD 10 million.

As at end of 2015, the Middle-Market Banking Division had 2,400 clients spread across the Bank's 56 local branches.

In addition to offering the above outlined services, a specialized and fully dedicated team provides advisory services including, among others, the promotion and structuring of a wide away of financing programs such as Kafalat subsidized loans, Banque du Liban subsidized loans, Arab Trade Financing Program facilities, IFC Program facilities, as well as European Investment Bank, Agence France de Développement and other international financial institutions loan packages. Through these services, BLF aims to reduce the financing costs of its customers and to offer them various financing options and an easier access to export markets, thereby developing sustained customer relationships.

The Corporate Banking Division caters to the Bank's largest clients with a sales turnover exceeding USD 10 million or whose banking facilities exceed USD 1.5 million.

As at end of 2015, the Corporate Banking Division had around 550 clients.

To better serve corporate clients, the files are distributed among 5 specialized units within the Corporate Division:

- General Trading Unit
- General Contracting and Real Estate Unit
- International Trading, Services and Insurance Unit
- Industries Unit
- Syndicated, Subsidized and Special Loans Unit.

Each unit consists of Relationship Managers and Junior Officers headed by a Senior Relationship Manager who work closely with the Branch Manager where the corporate account is held.

INVESTMENT BANKING AND GLOBAL MARKETS

The Bank provides general investment banking services, including acting as an arranger or participant in loan syndications (generally when the Bank acts as lead lender and agent bank), and placement agent in connection with the issuance of fixed and floating-rate bonds as well as structuring and managing shares and rights issues for corporate clients. The Bank also structures sophisticated investment products that are offered to both retail and private clients. It also advises its corporate and private clients and structures sophisticated hedging solutions for covering various financial markets and products as well as commodities. The Bank has a proprietary trading activity in Lebanese and international fixed income securities, equities and foreign currencies.

The Bank has managed and arranged primary-market investment-banking transactions with an aggregate value of over USD 2 billion since 1996.

PERSONAL BANKING

In its continuous drive to offer personalized service to its clients, the Bank launched a Personal Banking Department in 2013 that targets VIP clients of the branch network. The purpose of this new client segment is to improve customer loyalty and satisfaction by assigning a certain number of VIP clients to specific Relationship Managers in each branch, thereby enabling branch-based Relationship Managers to better follow-up, assist and advise clients on their various needs for banking products and services.

PRIVATE BANKING AND WEALTH MANAGEMENT

The Private Banking activities were first launched by the Bank in 2000. In 2008, following a complete reorganization of the activities of Treasury, Capital Markets and Private Banking, the Wealth Management Department was created. It is composed of a team of highly skilled relationship managers whose mission is to explore, identify and attract high net worth individuals in order to offer them personalized advice, professional guidance and tailor-made investment solutions. Relationship Managers are backed by product specialists. The priority of Relationship Managers is to offer an integrated and solid approach based on a relationship built on the highest levels of trust, security, confidentiality and integrity.

INTERNATIONAL AND CORRESPONDENT BANKING

The International Division serves the various divisions and entities of the Bank in terms of analyzing and following up counterparty and sovereign risks. It also generates business through the Bank's correspondent banking network, including risk participation activities, forfeiting, and pre-and post-export finance, and coordinates with the Bank's other entities to provide cash management services and foreign exchange, securities brokerage services, locally and internationally.

The Bank maintains relationships and credit lines with a large number of international banks. Such a wide correspondent banking network allows the bank to provide efficient and competitive services to its clients for all their international banking activities. The Bank's trade finance confirmation lines were strengthened in 2005 when the Bank was the first in Lebanon and the second in the region to join the Global Trade Finance Program (GTFP) of the International Finance Corporation by becoming first an Issuing Bank and later a Confirming Bank in the Program. GTFP gives the Bank a competitive advantage in international trade finance transactions, enhances the Correspondent Banking network and improves the conditions and transparency of trade finance activities. In addition, the Bank's International Division participates in various syndicated loans of foreign banks, and has structured several cross-border transactions as well as long-term borrowings from international and multilateral financial institutions such as Agence Française de Développement (AFD), Banque Européenne d'Investissement (BEI), Arab Trade Financing Program (ATFP), Overseas Private Investment Corporation (OPIC), the Arab Investment Guarantee Company and others.

The International Division is in charge of the Group's International expansion plan, and supervises the activities of the Bank's Representative Offices in Abu Dhabi (UAE) and in Lagos (Nigeria) and its Baghdad Branch (Iraq).

DEVELOPING DELIVERY CHANNELS TO REACH OUT TO ALL

BRANCHES

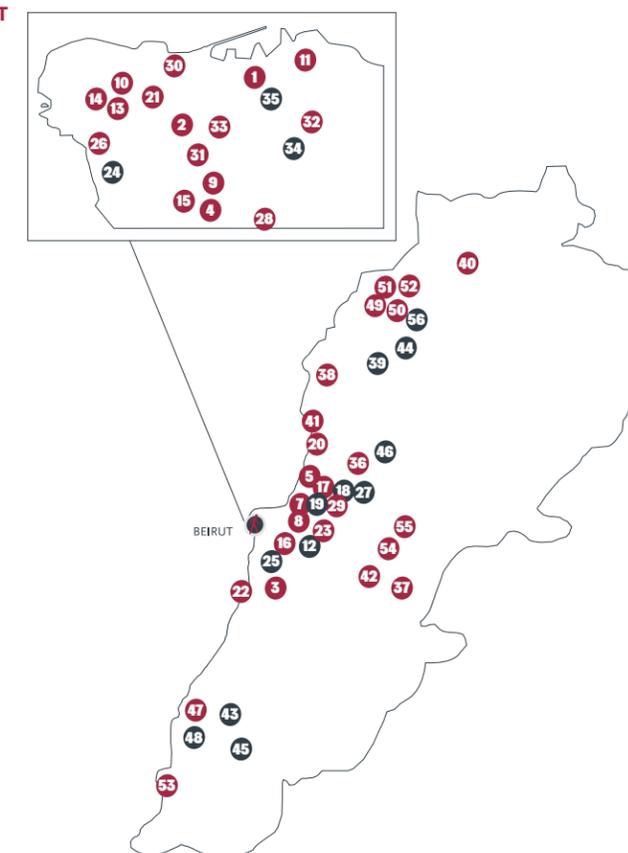
In order to better serve its clients wherever they are, BLF is constantly growing its local network to include more branches and ATMs outside the capital Beirut and cover as many geographical areas as possible.

GREATER BEIRUT

1. Accaoui
2. Bechara El-Khoury
3. Bir Hassan
4. Chyah
5. Dbayeh
6. Dekwaneh
7. Dora
8. Dora Bourj-Hammoud
9. Galaxy
10. Gefnora
11. Geitawi
12. Hadat
13. Hamra
14. Hamra Maamari
15. Haret-Hreik
16. Hazmieh
17. Jal El-Dib
18. Jal El-Dib Centre
19. Jdeideh
20. Jounieh
21. Kantari
22. Khaldeh
23. Mansourieh
24. Mar Elias
25. Mar Takla
26. Mazraa
27. Mazraat Yachouh
28. Mreijeh
29. Rabieh
30. Saifi
31. Sami El-Solh
32. Sassine
33. Sin El-Fil
34. Sioufi
35. Sodeco
36. Zouk Mosbeh

OUTSIDE GREATER BEIRUT

37. Bar Elias
38. Batroun
39. Dahr El-Ain
40. Halba
41. Jbeil
42. Jdita-Chtaura
43. Lebaa
44. Mizyara
45. Nabatieh
46. Reyfoun
47. Saida
48. Saida Boulevard
49. Tripoli El-Mina
50. Tripoli Tebbaneh
51. Tripoli Tell
52. Tripoli Zehrieh
53. Tyre
54. Zahleh
55. Zahleh Boulevard
56. Zghorta



- Opened since 2013
- Opened before 2013

As at end of 2015, BLF had 56 branches covering all regions in Lebanon, a network of 150 ATMs and more than 150,000 active customers.

Furthermore, BLF strives to make its branches accessible to customers with disabilities. In this context 66% of BLF branches are accessible either through entrances built at street level or through ramps that have been added.



To facilitate access to its branches and its ATMs by persons with disabilities, BLF takes necessary steps to install ramps at selected branches.



BLF launched in 2014 cash and checks deposit ATMs and trained its employees and clients on the use of this new generation of ATMs.

ATMS

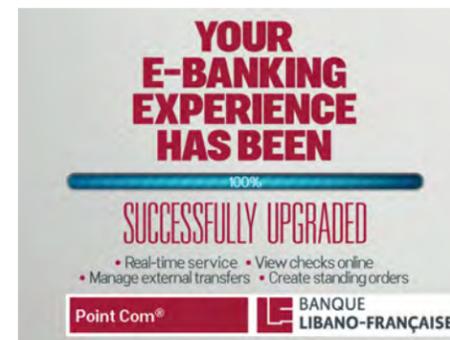
BLF's Point Cash® network, which included 150 ATMs as at end of December 2015, allows clients to perform basic banking transactions, including withdraw money in Lebanese pounds and US dollars, monitor their card expenditures, process account-to-account transactions, change their pin code and even recharge their prepaid mobile phone line at any time. BLF offers since 2014 a new generation of time saving and convenient deposit ATMs allowing clients to deposit cash or checks at any time without queuing at the teller's counter and worrying about the branch operating hours.

	2014	2015	Variation
Beirut and suburbs	55	56	1
Mount Lebanon	46	52	6
Bekaa	6	7	1
South	12	12	0
Nabatieh	2	2	0
North	20	21	1
Total	141	150	9
Headquarters and branches	101	107	6
Off premises	40	43	3
Total	141	150	9

Geographical distribution of ATMs across Lebanon in 2014 and 2015.

POINTS OF SALE

BLF clients have access to a wide network of points of sale affiliated to the Bank's banking card payment circuit, enabling them to pay for their purchases in an easy manner.



E-BANKING

The Point Com® online banking platform has been upgraded to combine the outstanding e-banking solution with the highest level of security and confidentiality. It contains up-to-date user-friendly transactions and inquiries provided in a real-time environment 24 hours a day, 7 days a week and 365 days a year. It allows clients to view checks online, manage external transfers, as well as create standing orders.

CALL CENTER

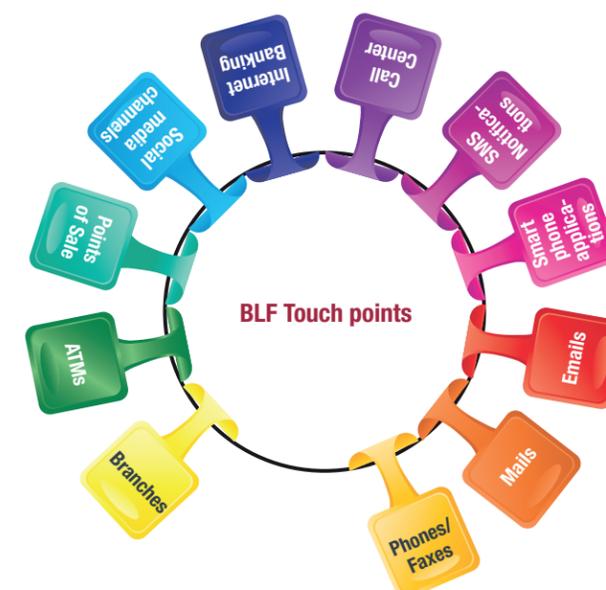
BLF's professional Call Center Point Call® operates from 8am to 5pm from Mondays till Fridays and from 8am till 1pm on Saturdays, acting as an extended branch that offers reliable and quick access to information about the Bank's range of products and services, branch addresses, exchange rates, account and term deposit rates, as well as account balances. Account holders are also able to perform transactions within the same account.

SMS NOTIFICATIONS

BLF's Point SMS® system helps clients keep track of their spending and detect early on flawed transactions or attempts of fraud by sending them SMS notifications every time their card is used.

MOBILE APP

My BLF, a mobile app, is available on all platforms, to allow clients to perform secure e-banking transactions and access information, locate and get directions to the Bank's branches and ATMs, benefit from online simulations for all loans amongst other things.



COMMITTING TO A SOLID CORPORATE CULTURE OF COMPLIANCE

The Bank is highly committed to comply with all applicable local and international regulations, including standards of prevention of money laundering, terrorist financing and other criminal activities, as well as strictly implementing international sanctions and embargo programs.

Disseminating a strong compliance risk culture among all employees is considered by the Bank's Board of Directors and General Management as a top priority. Hence, and in order to prevent products and services from being used for illegal purposes, all employees are constantly informed of compliance risks and trained to avoid or mitigate such risks.

Moreover, the Bank is committed to fighting corruption, in line with local laws, international best practices and the United Nations Convention against Corruption (UNCAC). The Bank's policies and procedures include specific measures for fighting corruption and bribery, such as a whistle blowing policy that was approved in 2014 and is being strictly implemented. The Bank has also put in place adequate measures and written procedures forbidding its employees from accepting gifts of a certain value or other undue benefits from third parties.

As a member of the UN Global Compact (UNGC) since 2014 and founding member of UNGC's Local Network Steering Committee since 2015, BLF pledges to apply and promote within its sphere of influence the 10th principle of the UNGC covering all forms of corruption, including extortion and bribery.

Also in line with its CSR strategy, BLF follows the ISO 26000 guidelines where Fair Operating Practices is one of the core principles that encourage ethical behavior in the organization's dealings with other organizations, in addition to the prevention of corruption.

COMPLIANCE PROGRAM

The Bank has established a robust compliance program under the responsibility of its Compliance Division and put in place a clear set of compliance policies and procedures, which are constantly updated in line with new local and international regulations requirements. The Legal Compliance monitors daily the issuance of new local and international regulations, as well as any amendments of existing regulations. It also handles their analysis, disseminates them to concerned parties at the Bank and/or its affiliates, assesses measures to be taken in order to be compliant thereto, and follows up on their implementation.

In 2015, Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Policies and Procedures Manual was circulated to all concerned employees, underlining the following points:

- Local laws and circulars regarding AML/CFT
- AML/CFT international standards and best practices
- Customer Due Diligence (CDD) and Know Your Customer (KYC) regular updates
- Ongoing monitoring of accounts
- AML/CFT red flags and indicators
- High risk and sanctioned countries
- Enhanced Due Diligence (EDD) on high risk clients
- The screening on sanctions lists
- The obligation to report suspicious transactions or doubtful clients
- The roles and responsibilities of all staff and compliance officers in Branches and Divisions.



BLF employees attending a training about Anti-Money Laundering (AML).

For the performance of its tasks, the Compliance Division resorts to various tools and controls, including a risk-based Anti-Money Laundering (AML) system launched in 2014, regular reports based on clients' aggregated movements, and sanctions names filtering systems. They are continuously updated and regularly tested in order to detect possible compliance deficiencies. The AML/CFT, within the Compliance Division, verifies through daily and ongoing monitoring, that the Bank's clients' funds movements are not exposed to potential criminal activity, Money Laundering/Terrorist Financing (ML/TF), acts of bribery, corruption or tax evasion. Banque Libano-Française constantly ensures that its procedures for on-boarding clients and for updating their files are in compliance with international standards for due diligence following a risk based approach.

In 2015, a Compliance Unit was created within the Legal Compliance with the objective of preventing money laundering and terrorism financing through legal entities and ensuring that such entities among clients are in compliance with applicable laws and regulations. Risk level is assessed according to a risk-based approach, identifying ultimate beneficial owners and assessing the compliance ML/TF risk of the legal entities in order to consequently apply the appropriate level of due diligence.

COMPLIANCE TRAINING

The Bank continuously and regularly provides in-house and external AML training awareness to its employees and all new recruits. Courses cover all compliance-related matters, including local and international regulations, sanctions programs, FATCA, combating financial crime, as well as other topics.

In 2015, over 253 employees - including Branch managers and heads of Divisions - attended intensive AML/CFT sessions. Between 2014 and 2015, more than 1,000 employees attended various training sessions on FATCA awareness and 500 employees attended FATCA related implementation trainings.

The Bank has also conducted an Intranet Quiz to test the knowledge of its employees on AML/CFT issues. The employees' participation and the recorded average score on this test were highly satisfactory.

ENSURING SECURE OPERATIONS

In a world where cyber security has become one of the biggest menaces to the financial system, this threat is impeding banks from preserving the privacy of their customers' data.

Hackers are getting smarter day after day: they are creating numerous sophisticated attack methods leading to a significant rise in the number of successful breaches in all types of businesses, thus resulting in a huge data compromise.

In line with its commitment to preserve the confidentiality, integrity and availability of its customers' data, BLF's Security Department decided to face this new challenge and strengthen the Bank's defensive levels by working on the human factor and adopting the latest protection mechanisms.

STAFF AWARENESS

Knowing that people are the weakest link in the security chain, the level of awareness among BLF staff was enhanced through the following:

- Regular email communications of security guidelines to all staff members
- Security publications and security tips on the Intranet
- Social engineering tests to determine the staff's level of awareness and to identify their weak points
- Greeting new recruits with a reengineered awareness program tackling all cyber security threats.

DEFENSIVE SECURITY TOPOLOGY

With the rise of sophisticated intrusion techniques and advanced malware attacks, it was inevitable for BLF to respond by adopting a network topology up to the level of this threat. Next generation firewalls, advanced email and web filters, and sandboxing appliances were added to the Bank's network to detect and block attacks.

To be able to effectively monitor the activities on its network and detect suspicious ones, BLF finalized the testing of a Security Intelligence and Event Monitoring solution (SIEM) and is in the process of deploying the best product in the market.

BUSINESS CONTINUITY PLANS

Having already a Business Continuity Plan (BCP) and a Disaster Recovery Plan (DRP) that ensure business resumption for critical processes within decent recovery time and point objectives, BLF included in the disaster recovery site, additional systems with the purpose to raise the operational level of the Bank to the normal level in times of crisis. This was done based on a complete business impact analysis conducted for all Divisions.

ENHANCING CUSTOMER EXPERIENCE



BLF's list of clients rights and duties ensures a high level of transparency.

Banque Libano-Française puts its customers at the center of its business, enhancing its customers' experience through marketing research, customer feedback management and internal assessments.

FAIR OPERATING PRINCIPLES

BLF employees live by the Bank's values while carrying out their daily tasks. To incorporate these values in their daily behavior and relationship with customers, employees are guided by the below principles:

- Respect of clients and urgency of their interests
- Professional reception and availability to the client
- Respect of procedures and regulations
- Respect of banking and professional secrecy
- Speed and accuracy
- Discretion and confidentiality
- Efficiency, good advice and professionalism.

The Customer Experience Department within the Communications, CSR and Customer Experience Division works on advancing the objectives of the Banque du Liban's Basic Circular 134 related to the Principles of Banking and Financial Operations with Customers with the purpose to ensure:

- Clients' fair treatment
- Suitability of products and services to clients' situations and needs
- Good clients' understanding of commitments and risks related to products/services
- Effective handling of clients' claims.

As at end of December 2015, the Customer Experience Department had delivered a total of 1,205 training hours to 850 employees to create awareness about customer protection and train employees on the requirements of the Banque du Liban's Basic Circular 134.

The culture of a transparent and fair relationship with a customer-centric approach has always been a priority at BLF. A Clients' Rights and Duties list was provided to all clients in three languages at all BLF branches and has also been diffused on all BLF channels of communications. In compliance with the Banque du Liban's Basic Circular 134, BLF ensures the respect of the suitability principle by:

- Introducing the right products and services to the clients' situations
- Helping the clients make the right choices
- Getting sufficient information to assess the adequacy of the offered or requested products and services to:
 - The purpose and the need to obtain the product and service
 - The personal and financial situation of the clients, including their knowledge and experience with the products and services
 - The clients' abilities to meet the terms and conditions of the product and services and take risks
- Documenting the fact that the product and service was sold under the suitability principle.

BLF also assesses the suitability of its products and services to the client's profile (knowledge, experience, personal and financial situation), as well as his/her ability to bear the financial risks associated with the products and services. It also verifies that the latter suits the client's needs after ensuring that he/she understood their characteristics, terms, conditions and associated risks.

MAINTAINING TRANSPARENCY

BLF has been committed to providing clear, comprehensive and accurate direct or indirect advertisement with respect to credit conditions long before the launch of the Circular Number 124 issued by Banque du Liban in 2010 on credit transparency, terms and conditions. BLF strives to enhance the quality of its services and improve its touch points in order to be able to respond to its clients' requests in a timely and efficient manner. It publishes a brochure containing information on all its standard rates to allow clients to make informed decisions. BLF's well trained employees across all business lines empower clients with the necessary information to help them find the right product or service. They offer them the right financial solution and communicate all the details in a transparent manner.

LOYALTY RESEARCH

The implementation of a continuous mystery shopping program assists the Bank in measuring the clients' genuine experience in BLF branches and monitoring employees' performance overtime, thus spotting possible areas for improvement. In this context, more than 10 mystery shopping waves, comprised of over 650 mystery shopping visits, were conducted between 2014 and 2015 for the global branch network, the Call Center and the SME representative units, reaching a total score of 92.2/100 in December 2015.

In line with its concern for quality service and client satisfaction, BLF also conducts qualitative and quantitative customer satisfaction surveys to measure the clients' loyalty and relationship with BLF and assess their satisfaction with the customer service and the different banking products and services offered.

• Retail Satisfaction for a sample of 1,530 of active retail clients Overall satisfaction rate	94%
• Retail Barometer targeting 13,433 customers Overall satisfaction rate	7.03/10
• SME Barometer targeting 1,637 customers Overall satisfaction rate	6.56 /10
• E-banking targeting 3,808 customers Overall satisfaction rate	6.02/10
• Customer satisfaction to assess the mailing service	

Major customer satisfaction studies conducted in 2014 and 2015 and their results.

FEEDBACK AND COMPLAINTS MECHANISMS

BLF constantly needs to reinvent and adapt its service to meet clients' needs and accompany its network development, as well as the evolution of the society and technologies. Therefore, the Bank is determined to identify what it can enhance in order to keep offering the best customer experience possible.

Keen to serve its clients in a better manner and take their feedback into account, BLF has an effective complaint resolution process, offering clients 8 channels to voice their complaints and/or suggestions:

- Point Call®, BLF's Call Center
- Point Com®, BLF's e-banking online platform
- The Contact Us section on BLF's website: www.eblf.com
- Feedback boxes available in all BLF branches
- An e-mail sent to: customer.experience@eblf.com
- A letter or fax sent to: Group Communications and Customer Experience Division
- A face to face meeting with BLF's Customer Experience representative
- Electronic tablets in the branches.

Any claim addressed to the Bank is directly and exclusively submitted to the Customer Experience Department who will follow the below steps:

1. Acknowledge the receipt of the customer complaint via the communication channel that the client mentioned in his/her feedback, within 3 working days following the date of its submission.
2. Study the facts, express an opinion on the case and coordinate with other concerned entities at the Bank to offer the customer the best solution, and determine the time frame needed to implement it, knowing that it should not exceed 15 days following the date of submission. If exceptionally needed, the Customer Experience Department can extend the period for an additional 15 days, provided that it notifies the customer.
3. Regularly inform the customer about the progress of his/her complaint.
4. Send an official letter to the customer by post to his/her primary address listed in the Bank's records, in case he/she did not receive the first acknowledgement of receipt within 15 days following the date of his/her complaint submission.
5. Close the file once the complaint is solved, after getting his/her approval.



BLF's clients feedback brochure.



Clients are invited to fill and drop the feedback form in the Branch's complaint box.

In case the customer is not completely satisfied with the provided solution, he/she may reach the following persons or even the Bank General Management:

- Head of Customer Experience Department
- Head of Group Communications and Customer Experience

He/she may also submit a complaint to the competent Lebanese administrative or judicial authorities.

The Customer Experience Department submits monthly and quarterly complaints registers to the Bank's Management, the Board of Directors and to the Banque du Liban.

NORMS FOR FILE CLASSIFICATION AND ARCHIVING

BLF's rigorous norms for file classification and archiving in all BLF branches increase neatness, organization, security and professionalism reflecting positively on our customers. BLF makes sure that the highest standards are maintained through regular visits by the Audit Division.



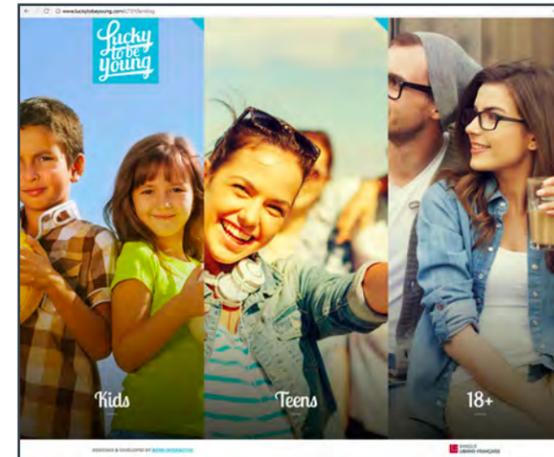
The Lucky To Be Young platform was launched to engage with the youth.

EMPOWERING THE MARKETPLACE

EMPOWERING YOUTH

Understanding the needs of young people, BLF launched incognito in 2014 “Lucky To Be Young”, a platform whose objective is to be the partner of the young people’s ambitions. BLF organized in 2015 a unique event, the Lucky To Be Young weekend in ABC Achrafieh, during which it revealed that Lucky To Be Young was its youth platform to communicate with the rising generation. In addition to the products and services that the Bank offers to the youth, among which the Youth Package with its multiple innovative services, BLF organizes, all year long, diversified activities to boost their personnel and professional development and invite them to live magical leisure moments.

During the last two years, BLF organized activities including workshops, trainings, conferences, open days, excursions, shows, concerts, games and other activities that impacted more than 120,000 young people.



BLF launched a website for the three age groups, featuring a youth banking lab, fun games, interesting facts and a lot of enticing options.



BLF organized encounters with students from various schools and universities to provide them with information on entrepreneurship, financial solutions, as well as to introduce them to the Banking sector.



With Mini Studio shows, the younger ones learned how to count while playing to win Youth Packages from BLF.

The Youth Package is especially designed for three different age groups, 0 to 14 years, 14 to 18 years and 18 years+, giving them the opportunity to manage their money and gain financial independence from early age while enjoying a wide range of offers and services. Children and teenagers can open their first bank account, get advice from the Bank’s commercial advisors, manage their money and take advantages of offers and discounts from BLF partners.

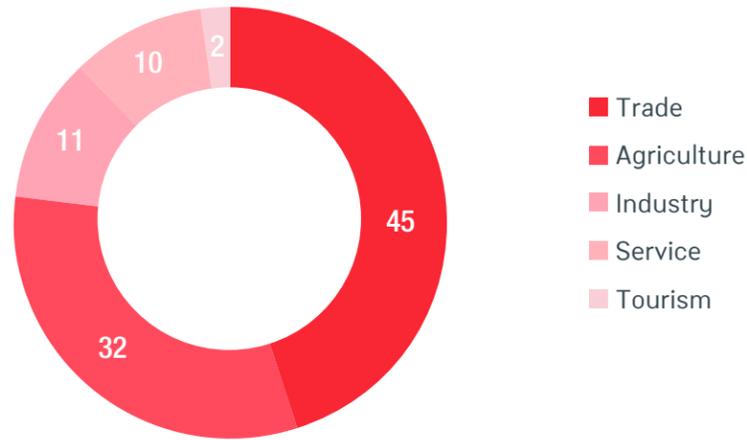
As part of its commitment to cater to the needs of the young Lebanese generation, BLF organized in 2014 and 2015 several encounters with the youth aged between 18 and 25 years to increase their financial literacy. The encounters include:

- BLF participation in conferences at various universities to build students’ capacities by providing them with guidance on business start-ups, writing of business plans, as well as information on financial solutions
- BLF presence at various job fairs to introduce students to job and training opportunities at the Bank
- Open doors at BLF Headquarters and professional orientation sessions at campuses giving students insight into the banking sector and the possibility to learn more about the work and mission of a bank.

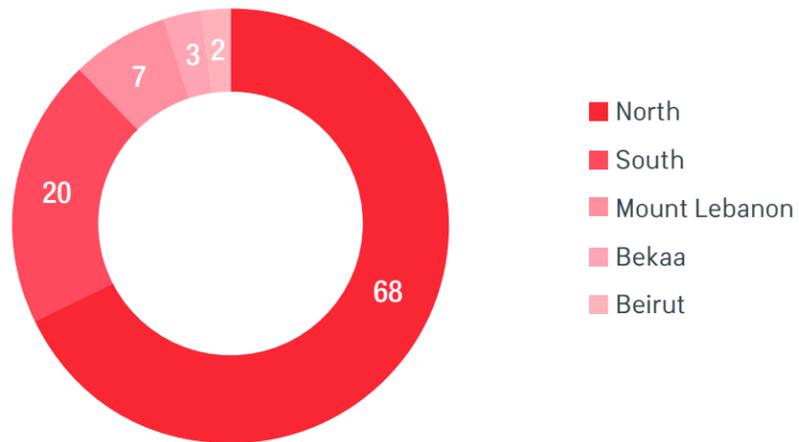
SUPPORTING BUSINESS INCUBATORS AND ENTREPRENEURSHIP

To encourage new businesses and stimulate social and economic growth, BLF grants since 2013 facilities to the Lebanese Cooperative for Development (LCD), which promotes development in rural regions by granting microcredits. As at end of 2015, 97 beneficiaries have already benefited from microcredits granted via BLF, amounting up to LBP 1,151,275,000 at a low interest rate.

Distribution of LCD microcredits by percentage of beneficiaries per economic sector



Geographic distribution of LCD microcredits beneficiaries in percentage



20% of microcredits were granted to women, whereas 80% were granted to men.

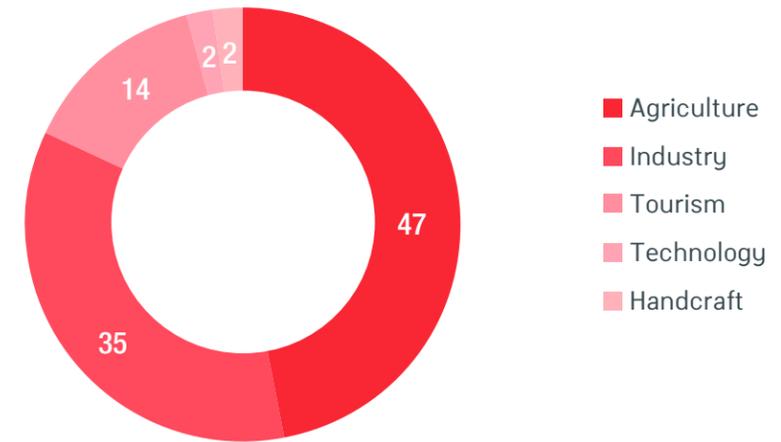
PARTICIPATING IN INVESTMENT FUNDS

In line with the Banque du Liban's Circular 331, BLF participated in the following Investment Funds, worth USD 24 million (USD 8 million each), to enrich the Lebanese national wealth: Berytech Fund, Middle East Venture Partners and LEAP Ventures.

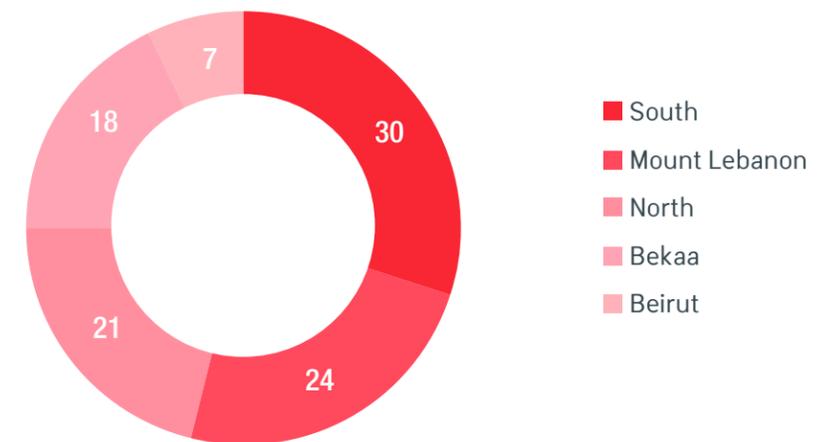
HELPING SMES THROUGH KAFALAT LOANS

BLF is a founding member of Kafalat and a member of its Board of Directors. It has been providing Kafalat loans to small and medium enterprises since 2000, contributing to the issuing of over 1,248 Letter of Guarantees worth LBP 179 billion and job creations for over 1,043 projects.

Distribution of Kafalat loans by percentage of beneficiaries per sector



Geographical distribution of Kafalat loans by percentage of beneficiaries per sector



BLF granted Kafalat Innovative loans amounting up to LBP 1,673,500,000 to support start-ups demonstrating innovation in the development of a new product or service, a new production or business process, new uses for existing products and new types or modes of distribution or sales channels.



BLF at BDL Accelerate.



BLF at Made in Bekaa.

EMPOWERING SMALL BUSINESS IN PARTNERSHIP WITH AEP

BLF granted USD 30,000 (without interest) to the Association d'Entraide Professionnelle (AEP), a French institution specialized in micro credits to ensure the financing of small businesses and promote their integration in the local economy. BLF's collaboration in this project aims to encourage small farmers, artisans and industrials to implement their projects.

TAKING PART IN VARIOUS EVENTS TO EMPOWER ENTREPRENEURS

BLF encourages entrepreneurship through the support to business incubators and events such as Horeca, Bader, Berytech. In 2014 and 2015, BLF took part in the Banque du Liban's initiative BDL Accelerate, an event that brings together startups, experienced entrepreneurs, investors, experts from around the world to share experiences. During the event, BLF received entrepreneurs at its stand, offered them the possibility to discover all its packages and banking facilities specially tailored for start-ups and SMEs, to help them grow, evolve and achieve all their ambitions. BLF also participated in Made in Bekaa, an exhibition organized by the Chamber of Commerce, Industry and Trade in Zahle and Bekaa. On the occasion, BLF met with manufacturers and industries to help them grow their businesses. In 2014, BIAT launched the Start Up Your Soap Business Workshop, in partnership with the Mutual Fund, Chamber of Commerce of Tripoli, North Lebanon and Banque Libano-Française. During the event, which aimed at encouraging new graduates, entrepreneurs and women to open a soap venture, and to highlight the importance of soap production, BLF presented an overview of its products, facilities and loans.



BLF so far won 4 awards for supporting MasterCard and the WFP.

DRIVING FINANCIAL INCLUSION

BLF has been supporting MasterCard in its partnership with the World Food Programme (WFP) in its massive humanitarian response to the Syrian crisis. It rolled out an innovative electronic voucher program in Lebanon that allows hundreds of Syrian refugees to meet their food needs, helps boost the local economy and drives financial inclusion for these refugees. By end of 2015, some 800,000 refugees were using these electronic cards.

In 2015, BLF won the Financial Inclusion Award for this partnership during the Sixth Annual Prepaid Middle East Awards in association with Visa at the Westin Dubai Mina Seyahi. The award was the third to be given to BLF for its digital-humanitarian initiative aiming at enhancing the living conditions of the Syrian refugees.

Previous awards and recognitions for the same partnership include:

- Driving Financial Inclusion Award at the MasterCard Innovation Forum in Singapore in 2014
- Tokens of appreciations to BLF from MasterCard delivered in Hamra Headquarters in 2014
- Ranked 4th among the World's Top 10 innovations that have improved the world in 2013, by Mashable (the 3rd most visited blog in the world).

"At Banque Libano-Française, we are committed to introduce technologically-advanced tools that offer real value to our customers and the community. This falls under BLF's CSR strategy that aims to make a social and environmental impact on the community while fostering sustainable development."

Raya Raphaël Nahas (BLF General Manager)

APPENDIX: UNGC and ISO 26000 Reference Table

UN Global Compact Area	ISO 26000 Core Subject/Issues	ISO 26000 Clause	Addressed in the following sections of the CSR Report
-	Organizational Governance	-	About Banque Libano-Française CSR Strategy
Human Rights	Human Rights	6.3	Workplace Marketplace
	Due diligence	6.3.3	
	Human rights risk situations	6.3.4	
	Avoidance of complicity	6.3.5	
	Resolving grievances	6.3.6	
	Discrimination and vulnerable Groups	6.3.7	
	Civil and political rights	6.3.8	
	Economic, social and cultural rights	6.3.9	
	Fundamental principles and rights at work	6.3.10	
Labor	Labor Practices	6.4	Workplace
	Employment and employment relationships	6.4.3	
	Conditions of work and social protection	6.4.4	
	Social dialogue	6.4.5	
	Health and safety at work	6.4.6	
	Human development and training in the workplace	6.4.7	
Environment	Environment	6.5	Environment
	Prevention of pollution	6.5.3	
	Sustainable resource use	6.5.4	
	Climate change mitigation and adaptation	6.5.5	
Anti-Corruption	Fair operating practices	6.6	Marketplace
	Anti-corruption	6.6.3	
	Responsible political involvement	6.6.4	
	Promoting social responsibility in the value chain	6.6.6	
	Respect for the property rights	6.6.7	
-	Consumer Issues	6.7	Marketplace
	Fair marketing, factual and unbiased information and fair contractual practices	6.7.3	
	Protecting consumers' health and safety	6.7.4	
	Sustainable consumption	6.7.5	
	Consumer service, support, and complaint and dispute resolution	6.7.6	
	Consumer data protection and privacy	6.7.7	
	Access to essential services	6.7.8	
	Education and awareness	6.7.9	
-	Community involvement and development	6.8	Community Marketplace
	Community involvement	6.8.3	
	Education and culture	6.8.4	
	Employment creation and skills development	6.8.5	
	Technology development and access	6.8.6	
	Wealth and income creation	6.8.7	
	Health	6.8.8	
Social investment	6.8.9		

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