

CORPORATE SOCIAL RESPONSIBILITY REPORT

OUR JOURNEY TOWARDS
SUSTAINABILITY 2016-2017



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A MESSAGE FROM OUR CHAIRMAN GENERAL MANAGER

Throughout time, Banque Libano-Française (BLF) has been running its operations guided by five core values: Responsibility, Integrity, Skills, Humanism and Commitment. Deeply embedded in our DNA, these values are the foundation stone of our Corporate Social Responsibility strategy that revolves around four main pillars: Workplace, Marketplace, Community and Environment. Furthermore and as entrenched in its motto, “A Partner for your Ambitions”, our Bank’s promise is to create shared value by spearheading sustainable banking in Lebanon through a balance between economic, environmental and social objectives.

With this in mind, I take great pride in reaffirming BLF’s support to the ten principles of the United Nations Global Compact (UNGC) in the areas of Human Rights, Labor Rights, Environment and Anti-Corruption, as well as to the ISO 26000 guidelines.

I am also pleased to present to you the third edition of our bi-annual CSR Report covering 2016 and 2017. It illustrates our continuous approach to integrate the UNGC and ISO 26000 principles into our strategy, culture, business and daily operations.

It further underlines our pledge, as a founding member of the Global Compact Network Lebanon (GCNL) Steering Committee, to embed the following United Nations Sustainable Development Goals in our CSR strategy: Quality Education (SDG 4), Gender Equality (SDG 5), Decent Work and Economic Growth (SDG 8), Climate Action (SDG 13), and more particularly Reduced Inequalities (SDG 10) which BLF is championing since December 2017.

I would like to take the opportunity to thank the Bank’s shareholders, clients, employees, correspondents, community partners and suppliers whose continuous commitment helped us achieve the significant milestones that we have reached despite the challenging prevailing situation in our country and region.

I count on their engagement to strengthen sustainability in the years ahead.



Walid Raphaël
Chairman General Manager

Believing that sustainability is a journey marked by countless small and big leaps, ongoing learning and improvement, our CSR Unit took in 2018 its reporting to a new level by preparing this 2016-2017 Report in accordance with the Global Reporting Initiative Standard Core Option.

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 participant in 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 wealth management, and correspondent banking.

As at end of June 2018, BLF operates in Lebanon through a network of 58 branches and 173 ATMs. Abroad, BLF Group is present in France and Cyprus (Banque SBA), in Switzerland (LF Finance Suisse), 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). It has 1,458 employees, including 1,385 persons employed in Lebanon.

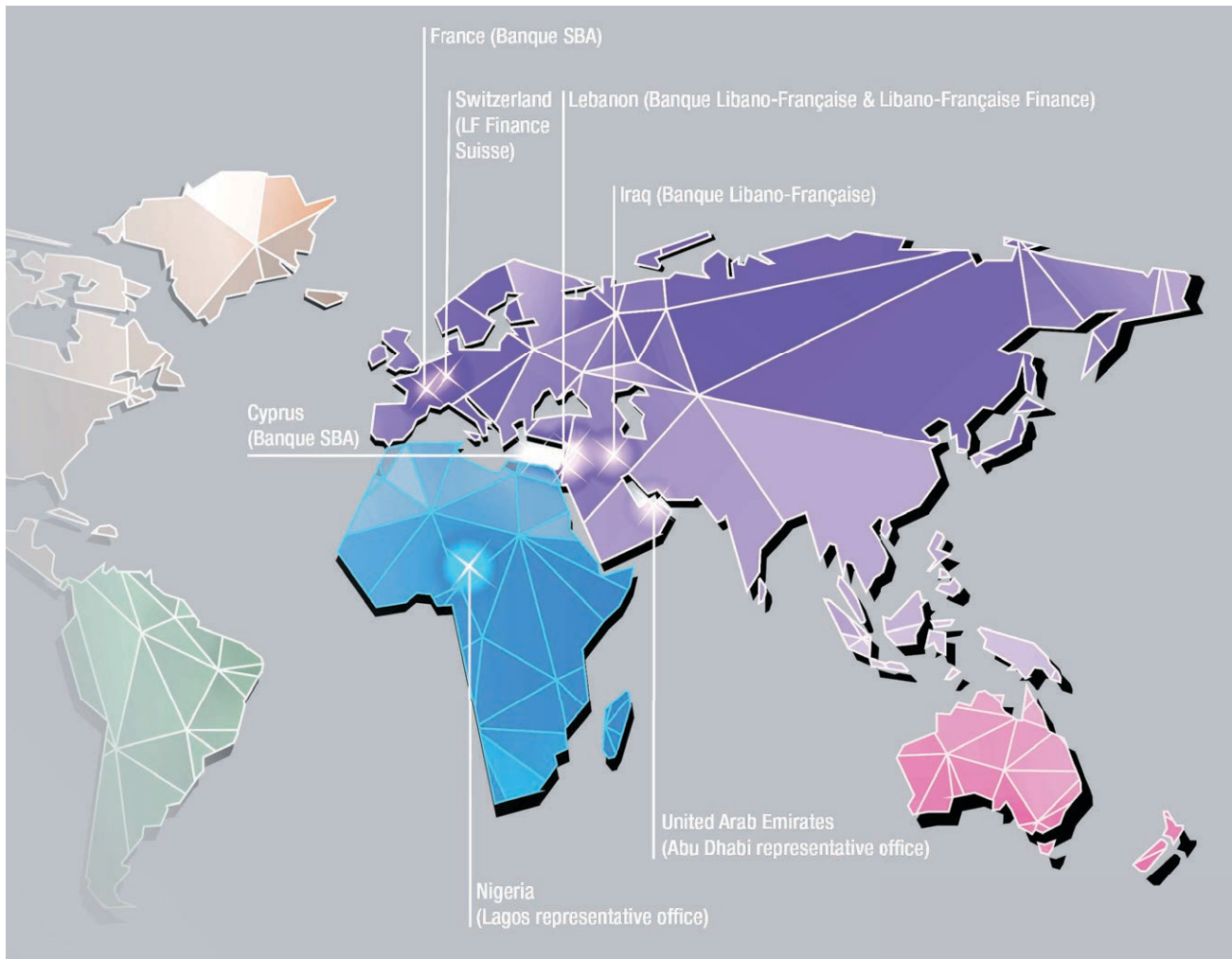
	2014	2015	2016	2017
Total assets in USD million	11,271	11,641	12,715	13,620
Shareholders' equity including net income in USD million	1,004	1,118	1,164	1,264
Customers' deposits in USD million	9,580	9,848	10,423	10,935
Assets in safekeeping and under management in USD million	1,737	1,484	1,283	1,895
Total loans in USD million	4,130	4,245	4,272	4,414
Total revenues in USD million	254	273	260	319
Operating expenses in USD million	(127)	(125)	(131)	(134)
O/W staff expenses in USD million	(78)	(74)	(78)	(82)
Taxes paid to government in USD million	(47)	(48)	(96)	(53)
Income taxes in USD million	(17)	(17)	(21)	(21)
Net income in USD million	102	106	112	120
Infrastructure investments in USD million*				2.5
Total number of employees	1,428	1,509	1,545	1,447
Total number of operations in million*			2.6	2.7
Total number of products			99	99
Total number of services			12	13

Scale of the organization (consolidated financial figures).

*Non-consolidated figures.

Banque Libano-Française believes that banking revolves first and foremost around services designed to provide an optimal experience to clients.

The Bank caters to a broad range of sectors including trading, real estate, contracting, services, insurance, and industries. Whether they are individuals, professionals or business owners, located in Lebanon or abroad, the Bank offers customers a superior service at a convenient nearby location thanks to the active collaboration between its various business divisions or subsidiaries.



58 branches in Lebanon - Presence in **7** countries

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. We are committed to constantly develop 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. They have made our history, they dictate our present and draw the path to follow 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 image of our Bank.

In addition, our values:

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

CORPORATE GOVERNANCE

Principles

Banque Libano-Française has defined its own model of governance, inspired by its founding values and the banking regulations. Its governance 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 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/her responsibilities with objectivity and independence, particularly through the quality of dialogue and the transparency of information
- 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
- Conformity to worldwide best practices in corporate governance
- Adherence to governing principles as discussed in several Bank's documents such as its statutes and those of its subsidiaries which define the roles of the Board of Directors and stakeholders in terms of management, regulations, procedures and codes of conduct aiming 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 establishes ways for the Group to respond to and prepare for new regulations; the Audit Committee and Risk Committee are focused on these changes.

Composition of the Board of Directors

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 the Board; these shares are inalienable during the Board Member's mandate
- A member of the Board is considered to have resigned if he/she 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/she has been given special permission to do so by the General Assembly
- Should one of the positions of Board Member become vacant, the Ordinary 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 mandate
- The Board of Directors elects a Chairman from among its members, to serve as such for the duration of their mandate
- On the basis of a proposal by the Chairman, the Board may nominate a General Manager from among the members or from outside the Board
- The General Manager will fulfill his/her duties under the Chairman'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 during his/her term or during the last two years preceding his/her nomination to 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 in the Bank’s Corporate Governance Guide on BLF’s website: www.eblf.com.

BLF’s Board Members



Walid Raphaël, Chairman



Elie Nahas, Chairman of Group
Banque Libano-Française



Zafer Chaoui, Member



Philippe Doré, Member



Samer Iskandar, Member



Habib Letayf, Member



Philippe Lette, Member



Raya Raphaël Nahas, Member



Marwan Nsouli, Member

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.

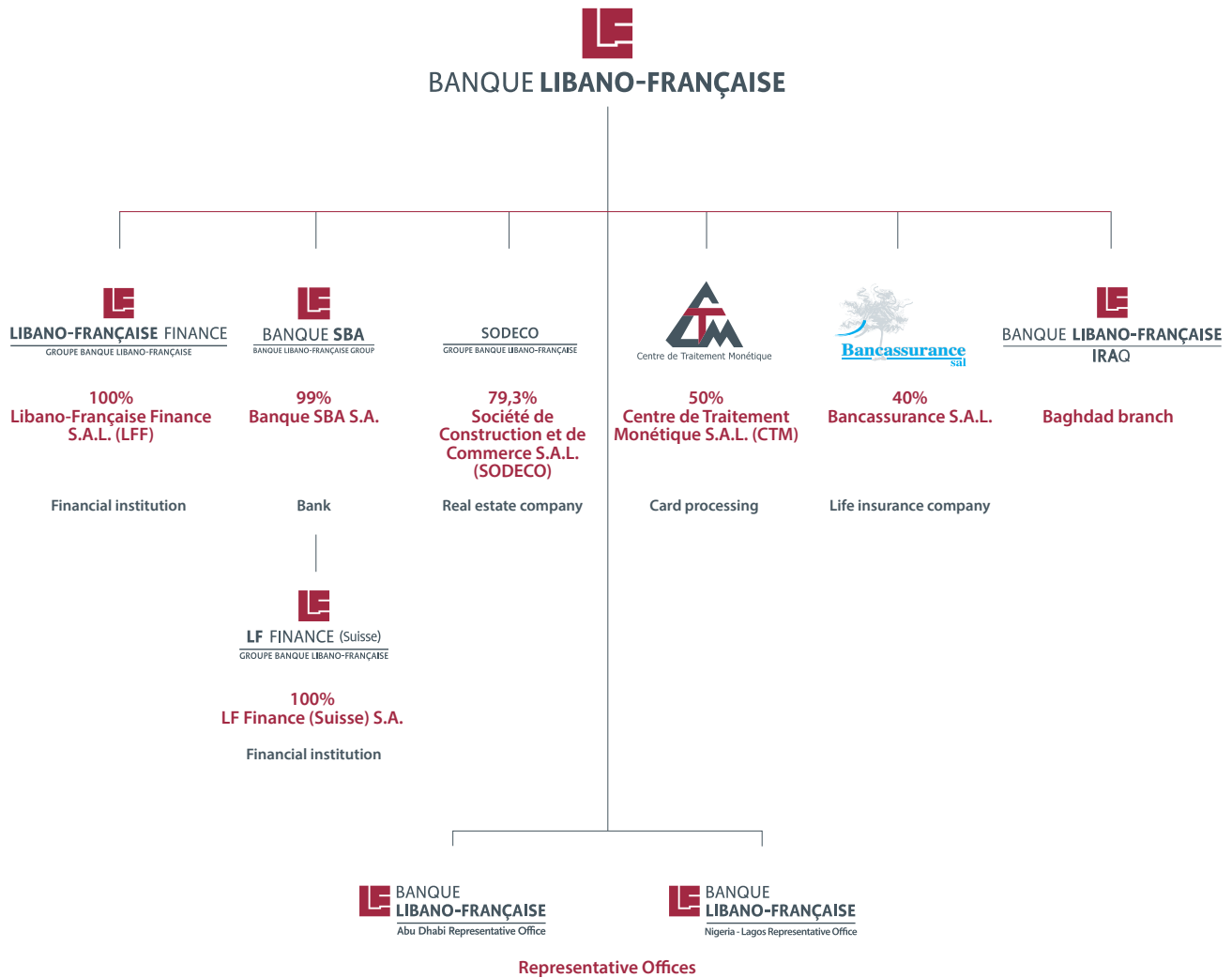
The Employee Handbook of Banque Libano-Française was hence created in order to:

- 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 efficiently
- Establish a set of regulations and points of reference
- Instill a culture of discipline, and ensure individual and collective behaviors are in line with the Bank's expectations, and with the 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, reputation and client confidentiality
- Provide, promote and maintain an atmosphere that is productive, serene, safe and respectful of individual and collective rights.

Summary of the Code of Conduct included in the Employee Handbook

- During the first six months of work at BLF, new recruits are invited to attend a presentation session tracing the history of the Bank and showing its values, objectives, management, products and services...
- Employees are required to comply with work schedules except in cases of force majeure and regular absence authorization
- Employees are required to work with a complete secrecy on all financial, commercial or administrative transactions carried out by the Bank for its own account or for the account of others
- Operational Risk is the responsibility of all employees of the Bank on a daily basis; employees are expected to know the operational risks associated with their business and entity, and systematically identify and report any operational risk to their supervisor, as well as potential risks or near misses
- Maintaining a healthy work environment, to foster good productivity is the responsibility of all employees
- Employees are required to respect the laws and regulations in force in Lebanon and other countries, and encourage the customers of the Bank to do the same
- In order to maintain a professional image of BLF, consistent with its values at all times and in all places, employees must refrain from posting in public and on social media, political, racist or discriminatory, indecent, indiscreet positions, talks, references, images or links
- Employees are required to maintain absolute neutrality with regard to politics and religion manners while at the Bank
- Employees must respect the dress code during their working hours at the Bank or while representing it outside
- Employees are prohibited to misuse authority, or hierarchical and functional superiority in favor of employees who ask for personal services for their benefit or the benefit of a third party
- Employees are prohibited from holding client mandates to enliven their accounts or make transactions on their behalf
- It is forbidden for employees to receive clients, suppliers or prospects, without the consent of their supervisory authority
- It is forbidden for employees to receive gifts from clients, suppliers or prospects, other than objects or promotional items of little value
- The rules of conduct that apply to all employees of the Bank strictly prohibit them from participating in gambling and speculation in market transactions.

SUBSIDIARIES



SUPPLY CHAIN

BLF deals with an extensive variety of 1,049 suppliers from different sectors such as banking equipment, paper and printing, IT, telecommunications, security, catering, hospitality, cleaning, facilities management, contracting, engineering, office supplies and equipment, consulting, mailing, advertising, web design and development, media buying... BLF purchased goods and services with a total cost of USD 32,882,186 in 2016 and a total cost of USD 34,124,577 in 2017. BLF's General Services Division has embedded sustainability into its procurement practices and strives to promote ethically, economically, socially and environmentally responsible business practices amongst its network of suppliers. In 2016, BLF launched a Sustainable Procurement Policy which details how the General Services Division selects the suppliers to ensure that their products and services have the lowest environmental impact and most positive social and economic impacts possible. The aim is not to favor Sustainable Procurement "at all costs", but to select the most competitive offer based on a rational analysis of costs, quality and risks as well as CSR criteria. Moreover, the selection of suppliers is conducted in a fair and equitable manner, free from discrimination and giving preference to local suppliers when their offers are competitive. Local suppliers comprise 94% of the Bank's total suppliers.

The Sustainable Policy also sets out the code of conduct the Bank expects from its suppliers and those within their suppliers' sphere of influence. More information on the Sustainable Procurement Policy can be found on the Bank's website:

www.eblf.com/Library/Files/SustainableProcurementPolicy-ENG.pdf

BLF also integrated a sustainability statement in all its contracts with suppliers urging them to abide by socially responsible principles, thus extending CSR awareness into its sphere of influence.

	2015	2016	2017
Total number of suppliers	518	765	1,049
Percentage of local suppliers	94%	94%	94%
Monetary value of payments made to suppliers	USD 29,893,354	USD 32,882,186	USD 34,124,577
Monetary value paid to local suppliers	USD 28,099,752	USD 30,909,254	USD 32,077,102
Geographic locations of Lebanese suppliers	Greater Beirut	Greater Beirut	Greater Beirut

Suppliers and spendings on suppliers.



AWARDS

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



Energy Ambassador of the year 2017 - Lebanese Financial Institution at the International Beirut Energy Forum 2017 in September 2017.



USD Straight Through Processing (STP) Excellence Award 2015 from Deutsche Bank, for the exceptional quality of payment processes, outstanding performance in payments formatting, professionalism of employees and effectiveness of technologies used at BLF, in June 2016.



EUR STP Excellence Award 2015 from Deutsche Bank for the exceptional quality of payment processes, outstanding performance in payments formatting, professionalism of employees and effectiveness of technologies used at BLF, in June 2016.



STP Excellence Award from Commerzbank, for the exquisite quality in payments processing and delivery of commercial and financial transfers of BLF, in April 2016.

MEMBERSHIP OF ASSOCIATIONS

BLF's main memberships of industry or other associations, and national or international advocacy organizations:

- Association of Banks in Lebanon (ABL)
- Union of Arab Banks (UAB)
- Arab Fund for Environment and Development (AFED)
- Bankers Association for Finance and Trade (BAFT)
- Institute of International Finance (IIF)
- Institute of Internal Auditors (IIA)
- Information Systems Audit and Control Association (ISACA)
- Association of Certified Anti-Money Laundering Specialists (ACAMS)
- American Chamber of Commerce (AmCham)
- Mouvement des Entreprises et Représentations Économiques Françaises au Liban (MEREFF)
- European Financial Management Association (EFMA)
- ACI - The Financial Markets Association
- International Advertising Association (IAA)
- Lebanese League for Women in Business (LLWB)
- United Nations Global Compact (UNGC)
- Global Compact Network Lebanon (GCNL)

BLF's membership in the Committees of the Association of Banks in Lebanon (ABL):

- Corporate Governance
- Compliance and Fighting Money Laundering
- Investment Banks and Capital Markets
- Banking Terms and Conditions
- Banking Risk
- Organization, Standardization and Information Technology
- Legal
- Human Resources and Social Affairs
- Research Studies
- Communications

CORPORATE SOCIAL RESPONSIBILITY STRATEGY

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



CSR standards and guidelines:

- ISO 26000
- United Nations Global Compact
- United Nations Sustainable Development Goals
- Global Reporting Initiative

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. Its CSR project team included members from the Communications, CSR and Customer Experience, International, Human Resources, as well as the Strategic and Organizational Planning Divisions, in addition to two experts from the Lebanese Standards Institution (LIBNOR). It conducted a stakeholder mapping and a gap analysis to assess the Bank's strength and identify opportunities for enhancement, based on ISO 26000 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 in 2014 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 Support to the Community
- Sustainable Engagement with Stakeholders.
- Sustainable Financial Innovation
- Sustainable Environmental Strategy

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



“Our key focus has been on building, among all employees, awareness on sustainability concepts and on further embedding CSR into our organizational governance, incorporating CSR into our policies, procedures...

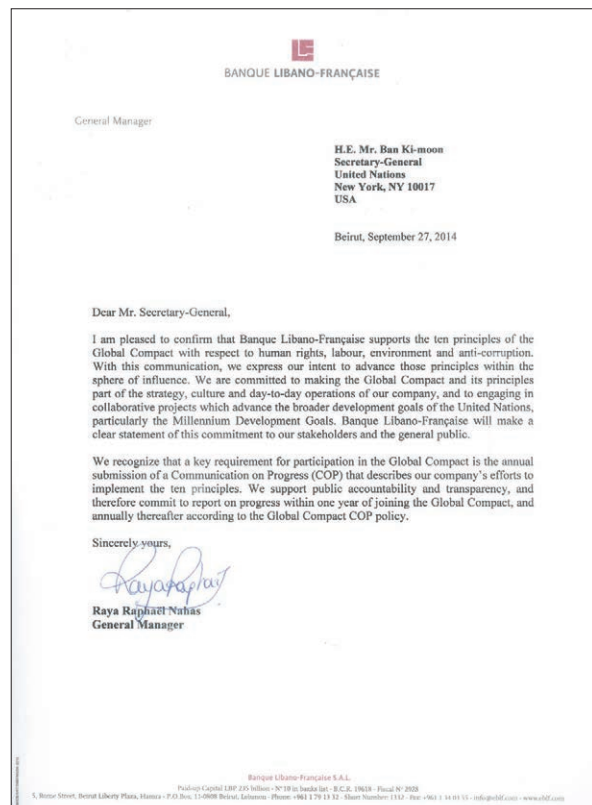
These steps are crucial to continuously enhance our commitment to our four pillars.”

Tania Rizk (Head of Group Communications, CSR and Customer Experience Division)

In 2014, BLF's new strategy and action plan were also selected as a case study for successful integration of CSR and they were presented in Geneva during the Joint Coordination Committee (JCC) 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 ISO Academy Director. The case study and action plan were published on the ISO website.

In 2014, BLF amended its Mission Statement to reflect its commitment towards shared value and sustainability.

During the same year, BLF took the next step to longstanding commitment to sustainability by joining the United Nations Global Compact, "the world's largest voluntary corporate 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."



BLF joined the United Nations Global Compact in 2014.

In 2015, BLF became a founding member of the Local Network Steering Committee of the United Nations Global Compact. Since then, it sits on board of the Global Compact Network Lebanon (GCNL) and works in partnership with other business and non-business leaders to support the advancement and implementation of the ten UNGC principles in Lebanon and to expand the number of signatories. Loyal to its long-term ISO 26000 action plan, BLF also 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, the Head of Communications, CSR and Customer Experience, the Head of International and the Head of Human Resources Divisions.



WE SUPPORT



Network Lebanon

MAJOR CSR MILESTONES



- Selection by LIBNOR as a pilot initiative for the uptake of ISO 26000 guidelines
- Creating a CSR project team
- Conducting a gap analysis based on ISO 26000 guidelines

2013

- Issuing the first CSR Report
- Establishing a CSR Committee
- Launching CSR awareness sessions for new recruits
- Becoming a founding member of the Global Compact Network Lebanon (GCNL) Steering Committee

2014

- Launching a stakeholders engagement survey and mapping of materiality issues
- Integrating sustainability and shared value in our Mission Statement
- Refining the CSR Strategy
- Drafting of a long-term CSR action plan
- Joining the United Nations Global Compact

2015

- Publishing a Human Rights Policy
- Launching an internal grievance mechanism
- Launching a Sustainable Procurement Policy
- Integrating a Sustainability Clause in contracts with suppliers and partners
- Publishing the second CSR Report for the year 2014-2015

2016

- Launching an employee volunteering initiative
- Integrating a sustainability clause in contracts with clients
- Conducting workshops related to our values to all employees
- Delivering CSR trainings to all employees
- Launching a metal cans recycling initiative
- Sitting on board of the GCNL SDG Council and championing Reduced Inequalities (SDG 10)

2017

KEY FIGURES AT A GLANCE



WORKPLACE

- 56.97% female employees and 43.03% male employees in 2017
- 51% of managerial positions held by women in 2017
- USD 1,017,000 on training in 2017
- Over 46,520 hours of training to 93% of employees in 2017
- 40 employees study loans with no interest in 2016 and 2017
- 100% of employee annual performance reviews in 2016 and 2017
- 211 students' internships in 2016 and 2017
- 204 new recruits sensitized on CSR in 2016 and 2017
- More than USD 72,000,000 on employees wages and benefits in 2017
- 758 loans to employees in 2016 and 2017
- USD 3,144,951 in subsidies for schools and universities of employees' children in 2016 and 2017
- USD 2,999,000 on employees' health issues in 2016 and 2017
- 5 employees with disabilities in 2017
- 122 new hires in 2017
- 58 beneficiaries of the flexible schedule for mothers in 2017



MARKETPLACE

- 58 branches as at end of 2017
- 171 ATMs as at end of 2017
- 140,000 total retail customers as at end of 2017
- 71% wheelchair accessible branches and 47% wheelchair accessible ATMs as at end of 2017
- 7% ATMs in rural areas as at end of 2017
- 738 mystery shopping visits as at end of 2017
- 93.2% branch customers' satisfaction as at end of 2017
- 265,225 youth reach through BLF Lucky to be Young program in 2016 and 2017
- USD 30,000,000 on six investment funds as at end of 2017
- Food assistance for 1,000,000 refugees with WFP as at end of 2017
- 400 employees attended AML/CFT sessions in 2017
- 197 new recruits attended FATCA awareness sessions in 2017
- 509 employees attended Common Reporting Standards awareness sessions in 2017
- 900 students benefited from special subsidized educational loans as at end of 2017
- USD 2,500,000 on infrastructure investments in 2017
- USD 900,000 on ESFD loans with 56 beneficiaries in 2017
- 509 Kafalat loans grants in 2017 with USD 5,400,000 spent per year



COMMUNITY

- USD 3,084,001 on community investments in 2016 and 2017
- 493 initiatives supported in 2017 as follows:
 - 40.5% social and humanitarian issues
 - 29.2% economic development
 - 21% education
 - 9.3% culture
- 2,380,337 beneficiaries in 2016 and 2017
- 33 contributions to municipalities in 2016 and 2017
- 34 art and music festivals supported in 2016 and 2017
- USD 173,817 spent on educational scholarships and donations in 2017
- USD 39,000 spent on 105 interns in 2017
- USD 119,226 on NGOs supporting disadvantaged people and USD 55,093 on NGOs supporting social causes in 2017



ENVIRONMENT

- USD 47,500,000 in green loans in 2016 and 2017
- USD 97,000,000 in Sustainable Energy Finance loans with USD 210,000,000 total value of financed projects in 2016 and 2017
- Over 50,000 tons of CO₂ emissions reduction between 2010 and 2017
- USD 275,000,000 Sustainable Energy and Environmental Finance loans granted between 2010 and 2017
- A 27% market share of solar heater loans with 4,416 solar water heater loans as at end of 2017
- 17.2% market share in BDL energy incentives NEEREA loans in 2017
- 461.517 tons of paper recycled as at end of 2017 saving an equivalent of:
 - 7,846 trees
 - 12,229,277 L of water
 - 1,846,068 kWh of electricity
 - 1,059 m³ of landfill space
 - 923 barrels of oil
- 2,714 e-waste items recycled as at end of 2017
- 455 metal cans recycled by as at end of 2017

RAISING CSR AWARENESS

Because it believes it can have an impact on its stakeholders and the community at large, BLF didn't 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 on social and environmental issues. It increased its communication on CSR via all communication channels and granted interviews to students who selected a CSR-related topic for their thesis.

It also engaged with stakeholders through the organization of and participation in numerous conferences and panels, including:

- “Strengthening the Banks’ Relationships”, delegated by the Association of Banks in Lebanon (ABL), held in the United States of America in January 2016
- “La Situation Économique Mondiale aux Etats-Unis, dans la Zone Euro, au Royaume Uni, au Japon et dans les Marchés Émergents”, organized by BLF with the Economics and Capital Markets Research Center (ECMRC) in February 2016
- “Vision of Beirut, and the Latest World Architecture Trends” conference held at Sursock Museum on April 18, 2016
- “Corporate Social Responsibility (CSR) and Human Resources Management (HR): Sharing Lebanese and International Practices” panel held at Notre-Dame University (NDU) on May 30, 2016
- “15^{ème} Session Annuelle de l’Institut Francophone de la Régulation Financière” (IFREFI) held at the Four Seasons Hotel on June 1, 2016
- “The Future of Architecture” conference by Fabrizio Barozzi and Alberto Veiga, Bjarke Ingels and Kjetil Thorsen held at the American University of Beirut (AUB) on June 14, 2016
- “Fighting Money Laundering” delegated by the Association of Banks in Lebanon (ABL), held in Paris in June 2016
- “The Lebanese Capital Markets: Liquidity, Accessibility and Governance” organized by the Lebanese International Finance Executives (LIFE) at Bank Audi Plaza on August 3, 2016
- “Innovation for Sustainability” panel held at the Beirut Energy Forum at le Royal, Dbayeh from September 21 to September 23, 2016
- “Institute of International Finance MENA Financial Summit” held in Dubai on February 13 and 14, 2017
- “BLF’s Journey Towards Sustainable Banking” presented as a case study to two business ethics classes held at the Olayan School of Business (OSB) of the American University of Beirut in March 2017
- “Opportunities for your Capital to Grow” organized by BLF at the Sursock Museum on April 4, 2017
- “Arab Financial Inclusion Day” organized by the Central Bank of Lebanon at École Supérieure des Affaires (ESA) Beirut on April 27, 2017
- “Green Buildings to Green Neighborhoods: Effective Tools to Fight Climate Change” panel held during the Beirut Energy Forum, at Le Royal Hotel, Dbayeh on September 19, 2017
- “Climate Change, a Priority for Lebanon” session held at the Multi-Stakeholder SDG Forum, by United Nations Global Compact Network Lebanon (GCNL) at the American University of Beirut on October 10, 2017
- “Banking and Insurance and their Role in the Economic Development” held during the Lebanese National Energy (LNE) event at BIEL Beirut in October 28, 2017.



BLF's Chairman General Manager participating in the “Banking and Insurance and their Role in the Economic Development” at the Lebanese National Energy conference.



BLF's Assistant General Manager leading the “Innovation for Sustainability” panel at the Beirut Energy Forum.

BLF engaged with a wider audience to spread awareness and targeted its stakeholders through its social media posts.



635 reactions, **405** comments,
31 shares, **3.59%** engagement rate



11,000 reactions, **48** comments,
230 shares, **7.34%** engagement rate



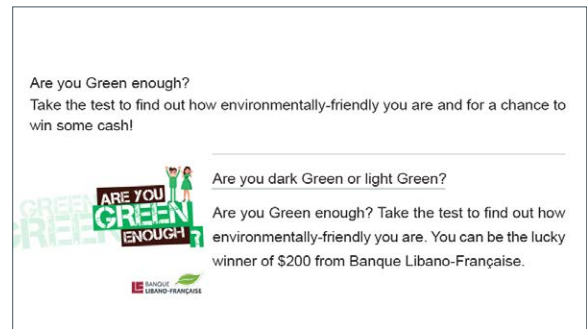
2,000 reactions, **21** comments,
62 shares, **3.50%** engagement rate



1,318 reactions, **37** comments,
110 shares, **3.04%** engagement rate



2,204 reactions, **4** comments,
30 shares, **7.86%** engagement rate



2,646 reactions, **43** comments,
36 shares, **6.41%** engagement rate

KEY STAKEHOLDERS

BLF conducted a stakeholder mapping to identify the stakeholders that can be impacted by the organization's activities, products, or services, or whose actions can reasonably be expected to affect the ability of the organization to implement its strategies or achieve its objectives.



Listening to its stakeholders and understanding their needs is essential to growing BLF's business, meeting society's demands and expectations, and determining which topics are material for the Bank. To this end, BLF engages in a continuous and transparent dialogue through a variety of channels, combining it with the insights it gathers from ongoing routine processes: Marketing studies, media and social media monitoring, engagement with the academia, involvement in associations, professional bodies, and participation in conferences...

MAIN CHANNELS FOR ENGAGEMENT WITH KEY STAKEHOLDERS

Shareholders

- General Assemblies
- Board of Directors Meetings
- Board Committees
- Annual Reports
- Reporting

Employees

- Committees
- Meetings
- Brand engagement think tank
- Employees' Club activities
- Internal events
- Internal campaigns
- Intranet
- Suggestion box
- Employees' newsletter
- Annual Reports
- CSR Reports
- Surveys
- Employees' Facebook Group
- Employees' Instagram account
- Employees' Staff Snapchat account

Suppliers

- Meetings
- Contracts (including sustainability clause)
- Sustainable Procurement Policy

Media, Social Media

- Meetings
- Interviews
- Press conferences
- Events
- Press releases
- Publications
- Social media

Competitors

- Conferences and events
- Workshops
- Membership in global sustainability initiatives (United Nations Global Compact Network Lebanon, Lebanese League for Women in Business...)
- Membership in Association of Banks in Lebanon (ABL) committees

Executives

- Committees
- Meetings
- Seminars
- Employees' Club activities
- Internal events
- Internal campaigns
- Intranet
- Suggestion box
- Employees' newsletter
- Annual Reports
- CSR Reports
- Surveys
- Employees' Facebook Group
- Employees' Staff Instagram account
- Employees' Staff Snapchat account

Clients

- Meetings
- Branches and online touch points (refer to details in Marketplace section)
- Feedback and complaints mechanisms (refer to details in Marketplace section)
- Surveys and focus groups
- Net Promoter Score (NPS)
- Market research studies

Regulators and Industry Associations

- Committees
- Meetings
- Conferences
- Workshops and trainings
- Reporting
- Auditing

Civil Society

- Meetings
- Conferences and events
- Volunteering
- Membership in global sustainability initiatives (United Nations Global Compact Network Lebanon, Lebanese League for Women in Business...)
- Donations
- Partnerships
- Sponsorships

MATERIALITY ASSESSMENT

In 2017, BLF identified the United Nations Sustainable Development Goals (SDGs) that are most relevant to its business:



SDG 4: Ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all.



SDG 5: Achieving gender equality and empowering all women and girls.



SDG 8: Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

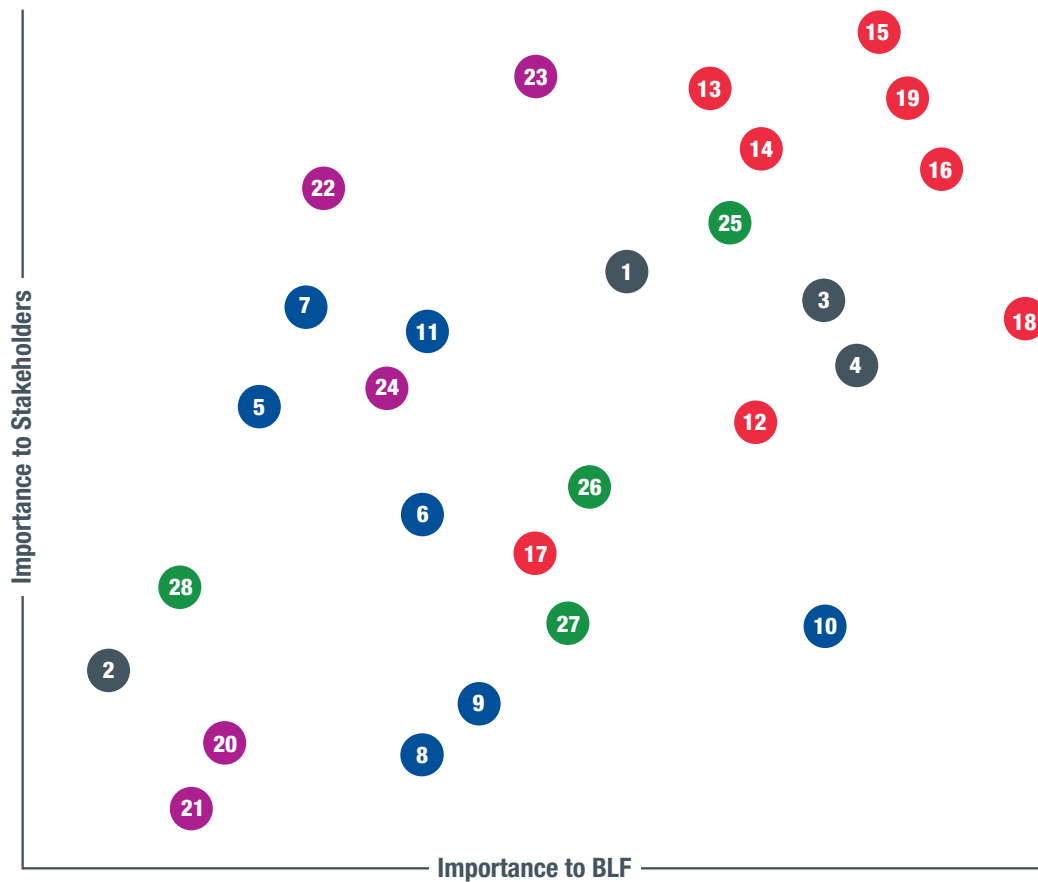


SDG 10: Reducing inequality within and among countries.



SDG 13: Taking action to combat climate change and its impacts.

Within the framework of its first CSR Report and ISO 26000 gap analysis, BLF identified in 2013 the themes which are relevant for its CSR. These material topics were selected on the basis of the Bank's economic, environmental and social impacts, and substantive influence on the decisions of stakeholders. This exercise was done internally by the ISO 26000 Committee and their two consultants, and then shared in 2014 for feedback with internal and external stakeholders through an online study. Engaged stakeholders included representatives from the Ministry of Finance, Central Bank of Lebanon (BDL), Association of Banks in Lebanon (ABL), banking sector, correspondent banks, suppliers, media, Board Members and employees. The findings shaped the basis for identifying and prioritizing material topics for the Bank and refining its strategy. BLF also discussed the GRI disclosures with over 30 internal stakeholders, in addition to reviewing hundreds of internal documents (presentations, reports, benchmarks, website, Intranet, press releases, interviews...). The four GRI reporting principles for defining the Report content (stakeholder inclusiveness, sustainability context, materiality, and completeness) were taken into consideration to determine material topics while considering their activities, impacts, and the substantive expectations and interests of its stakeholders. Priorities identified during the stakeholders engagement process are still relevant today. They will be validated in a formal way with all stakeholders in the next CSR Report. Further information on how each material topic is managed is provided in the Corporate Governance, Workplace, Marketplace, Community and Environment sections of this Report.



CORPORATE GOVERNANCE:

The boundary of the material topic occurs internally (shareholders, executives, employees) and externally (clients, regulators and industry associations, suppliers and civil society)

1- Principles 2- Supply chain 3- Values 4- Code of conduct

WORKPLACE:

The boundary of the material topics occurs internally (executives and employees)

5- Equal employment opportunity and diversity 6- Training and human development 7- Human rights policy and labor practices

8- Rewards and remuneration 9- Health, well-being and work-life balance 10- Engaging employees

11- Protection and freedom of expression

MARKETPLACE:

The boundary of the material topic occurs internally (executives and employees) and externally (clients, regulators and industry association, and civil society)

12- Diversified business activities, products and services to empower the marketplace 13- Enhancing customer experience

14- Feedback and complaints mechanisms 15- Compliance, anti-corruption and risk management 16- Fair operating principles

17- Financial inclusion 18- Financial literacy 19- Secure operations

COMMUNITY:

The boundary of the material topic occurs internally (employees) and externally (clients, media and civil society)

20- Backing-up education 21- Support to arts, culture and Lebanese heritage

22- Giving back to humanitarian and social causes 23- Supporting economic development 24- Employee corporate volunteering

ENVIRONMENT:

The boundary of the material topic occurs internally (employees) and externally (clients, media and civil society)

25- Eco-friendly products and services 26- Green partnerships 27- Environmentally-friendly practices at the workplace

28- Raising environmental awareness





WORKPLACE

Because Banque Libano-Française believes that human capital makes the ultimate difference for sustainable growth, it persistently does its utmost to attract, motivate and retain a talented workforce. BLF is committed to fair and ethical working conditions in compliance with the Lebanese Labor Law, the banking sector's Collective Labor Agreement, and the applicable international conventions ratified by Lebanon.

51% of managerial positions are held by women in 2017.

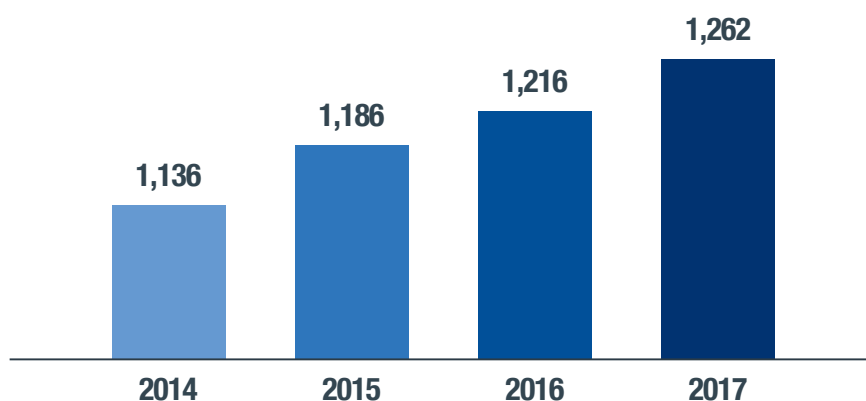


OUR PEOPLE

BLF nurtures an inclusive performance culture where accomplishments are rewarded with development opportunities, career advancements as well as attractive remuneration through effective human resources management, all while promoting health and well-being at the workplace.

In addition to developing the careers of its employees, the Bank is renowned for its good labor practices, effective internal communication and continual engagement with employees.

The creation of employment opportunities at Banque Libano-Française has been on a steady uphill trend 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 at BLF reached 1,262 by the end of December 2017, and 1,447 within the overall Group during the same year.



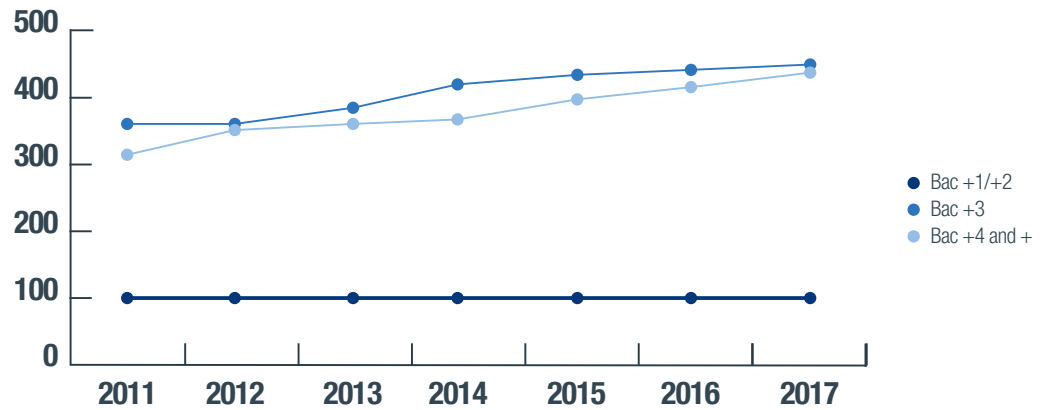
Increase in the number of BLF employees in Lebanon.

	2014		2015		2016		2017	
	Number of employees	Percentage of employees	Number of employees	Percentage of employees	Number of employees	Percentage of employees	Number of employees	Percentage of employees
BLF	1,136	79.55%	1,186	78.60%	1,216	78.71%	1,262	87.21%
CLI	0	0.00%	0	0.00%	0	0.00%	1	0.07%
LFF	15	1.05%	16	1.06%	16	1.04%	14	0.97%
SBA France	45	3.15%	43	2.85%	48	3.11%	44	3.04%
SBA Cyprus	14	0.98%	15	0.99%	14	0.91%	13	0.90%
SBA Geneva	10	0.70%	9	0.60%	7	0.45%	8	0.55%
Baghdad	6	0.42%	7	0.46%	5	0.32%	6	0.41%
Abu Dhabi	2	0.14%	2	0.13%	2	0.13%	2	0.14%
CTM	38	2.66%	43	2.85%	45	2.91%	46	3.18%
Bank Al Sharq	113	7.91%	140	9.28%	141	9.13%	0	0%
Sodeco	5	0.35%	5	0.33%	5	0.32%	5	0.35%
Bancassurance	44	3.08%	43	2.85%	46	2.98%	46	3.18%
Total	1,428	100%	1,509	100%	1,545	100%	1,447	100%

Geographic breakdown of BLF Group employees.

A HIGHLY EDUCATED WORKFORCE

The Bank keeps attracting highly skilled individuals with a successful academic and professional track record. The latest figures of the education level at Banque Libano-Française show an increase in recruiting highly educated staff.



Educational level of BLF employees.



BLF attracts highly skilled talents who thrive in a workplace of continuous learning.

EQUAL EMPLOYMENT OPPORTUNITY AND DIVERSITY

Lebanon is confronted with numerous inequalities in terms of employment opportunities (pay inequalities, gender discrimination...). BLF, as an equal opportunity employer, ensures that its employment practices - recruitment and selection, remuneration, benefits, training, performance appraisal, career advancement, termination - are non-discriminatory with respect to criteria such as gender, age, religion, disability, marital status, pregnancy, wealth, union membership and are solely dependent on the employee's qualifications and performance. The Bank also applies the principle of equal remuneration for work of equal value. By valuing diversity, the skills of all our employees are leveraged for individual, team and organizational success. BLF's inclusive Human Resource practices contribute to reducing inequalities by empowering women, youth, older people and people with disabilities.



As an equal opportunity employer, BLF values diversity.

GENDER EQUALITY

In a country where women only make up 25% of the total labor force in 2017 - according to the International Labor Organization, using World Bank population estimates - BLF's policy focuses on offering equal employment opportunities and recruiting competent women at every level of the Bank, and in particular in increasing the percentage of female representation in managerial positions.

	2014					2015					2016					2017				
	F	%	M	%	T	F	%	M	%	T	F	%	M	%	T	F	%	M	%	T
Board of Directors	1	11%	8	89%	9	1	11%	8	89%	9	1	11%	8	89%	9	1	11%	8	89%	9
Executive Committee	3	33%	6	67%	9	3	33%	6	67%	9	3	33%	6	67%	9	3	27%	8	73%	11
Upper Management	18	27%	49	73%	67	22	30%	51	70%	73	28	36%	49	64%	77	31	38%	51	62%	82
Middle Management	165	54%	141	46%	306	174	54%	147	46%	321	186	53%	163	47%	349	197	55%	163	45%	360
Branch Managers	28	52%	26	48%	54	29	52%	27	48%	56	30	53%	27	47%	57	32	55%	26	45%	58
Total	215	48%	230	52%	445	229	49%	239	51%	468	248	50%	253	50%	501	264	51%	256	49%	520

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

“The evolution of the number of women has been clearly noticeable during the last 10 years. In 2017, women accounted for 57% of our workforce. The number of women occupying managerial positions has been also on a significant mounting trend, reaching 51% of managerial positions.”

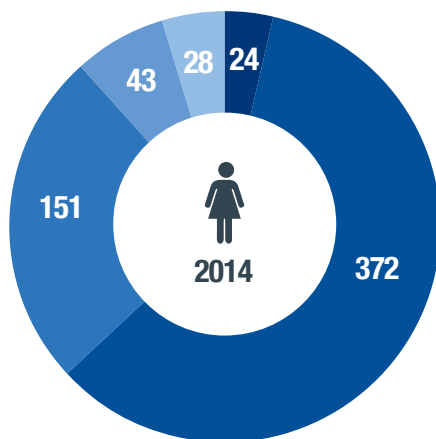
Georges Behlock (Head of Human Resources Division)

Despite the fact that the Lebanese Labor Law (decree issued in 1965) stipulates that women and men performing the same job obtain the same remuneration, women in Lebanon usually still face inequalities. At BLF, all employees are compensated without gender discrimination in accordance with a salary scale.

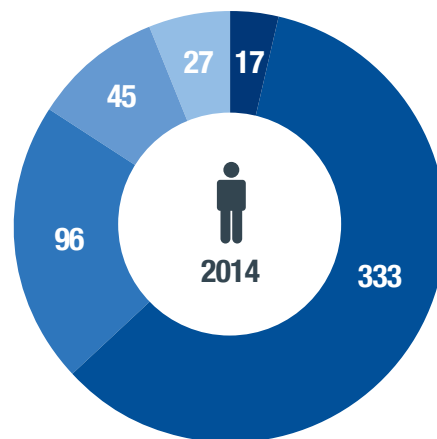


Gender diversity is at the heart of BLF's employment practices. Here, employees during a team-building seminar.

Permanent	2014		2015		2016		2017	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Female	618	54.40%	668	56.32%	691	56.82%	719	56.97%
Male	518	45.60%	518	43.68%	525	43.18%	543	43.03%
Total	1,136	100%	1,186	100%	1,216	100%	1,262	100%



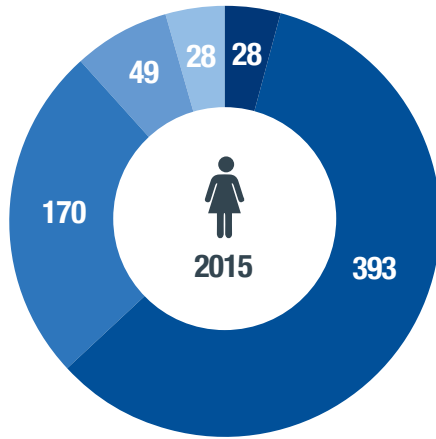
Total: 618



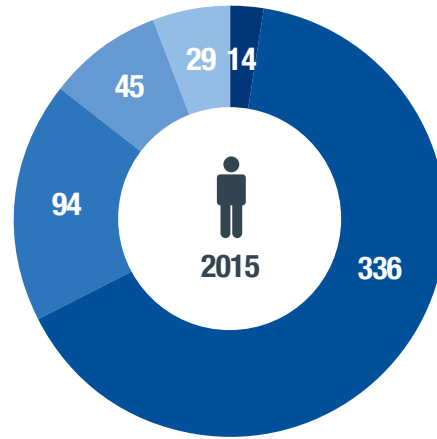
Total: 518

- Bekaa (4 premises)
- Beirut (13 premises)
- Mount Lebanon (23 premises)
- North (9 premises)
- South (5 premises)

Total number of employees by region and gender in 2014.

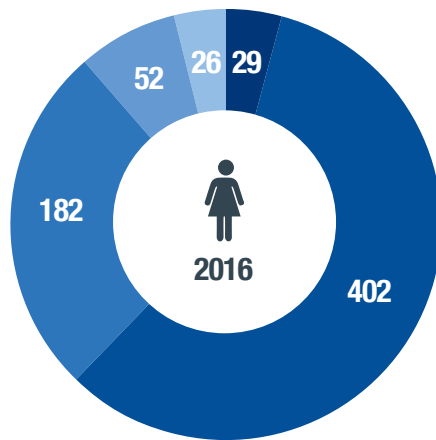


Total: 668

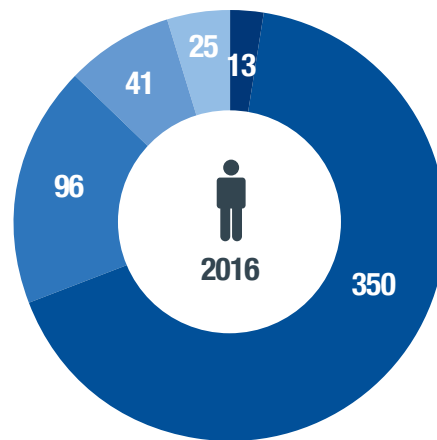


Total: 518

● Bekaa (4 premises) ● Beirut (13 premises) ● Mount Lebanon (25 premises) ● North (9 premises) ● South (5 premises)
 Total number of employees by region and gender in 2015.

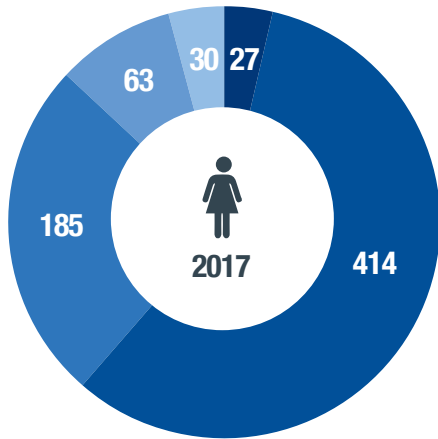


Total: 691

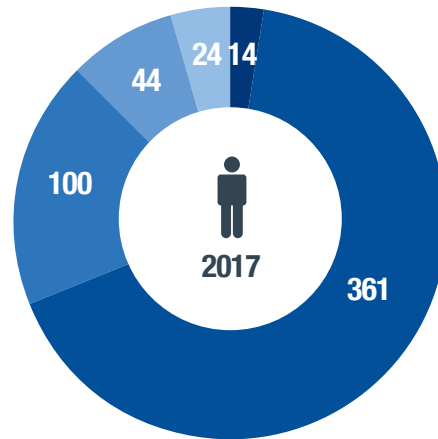


Total: 525

● Bekaa (4 premises) ● Beirut (13 premises) ● Mount Lebanon (25 premises) ● North (9 premises) ● South (5 premises)
 Total number of employees by region and gender in 2016.



Total: 719



Total: 533

● Bekaa (4 premises) ● Beirut (13 premises) ● Mount Lebanon (26 premises) ● North (10 premises) ● South (5 premises)

Total number of employees by region and gender in 2017.

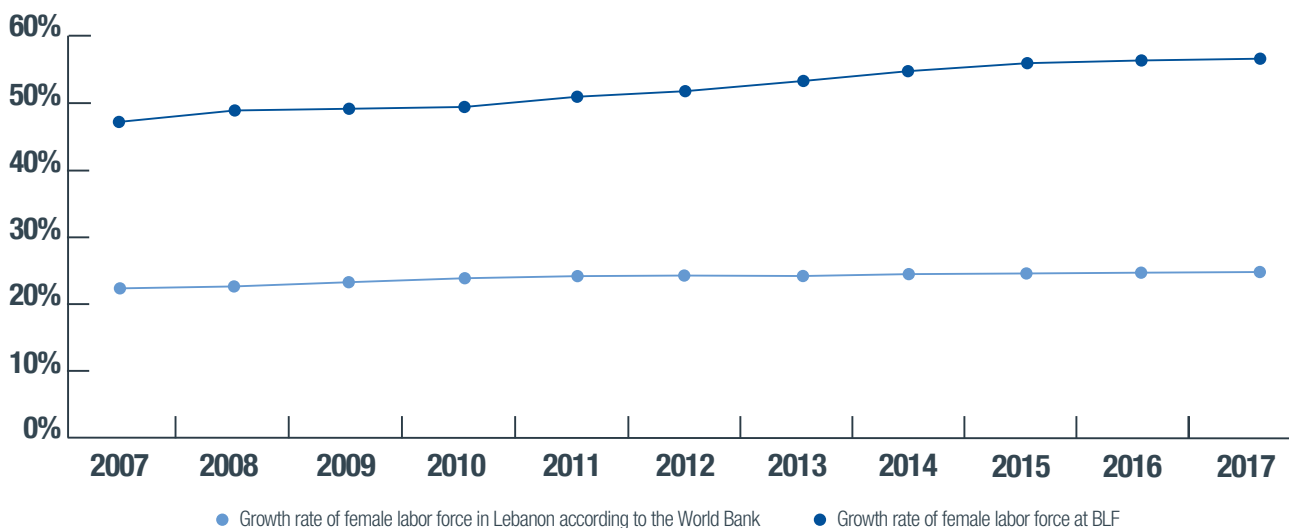
	2014		2015		2016		2017	
	F	M	F	M	F	M	F	M
Permanent								
Turnover by gender	4.67%	2.99%	3.46%	4.30%	4.19%	3.13%	3.09%	2.93%
Total turnover	7.66%		7.76%		7.32%		6.02%	

Total turnover rate*.

*The total turnover rate refers to the percentage of employees who left the organization voluntary, or due to dismissal, retirement or death.

51% of managerial positions are occupied by women in 2017.

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.



The growth rate of female labor forces at BLF has been much faster than the growth rate of the overall female labor force in Lebanon.

	Number of women	Total number of employees	Percentage of women	Women variation
2007	362	766	47.26%	4.62%
2008	399	810	49.26%	10.22%
2009	432	871	49.60%	8.27%
2010	476	962	49.48%	10.19%
2011	532	1,044	50.96%	11.76%
2012	547	1,050	52.10%	2.82%
2013	584	1,085	53.82%	6.76%
2014	618	1,136	54.40%	5.82%
2015	668	1,186	56.32%	8.09%
2016	691	1,216	56.82%	3.44%
2017	719	1,262	56.97%	4.05%

The percentage of women employed at the Bank rose from 47.26% in 2007 to 56.97% in 2017.

2017			
Employee educational level	Entry level minimum wage	Local minimum wage	Ratio
Bac + 3	LBP 1,000,000	LBP 675,000	1.48
Bac + 5	LBP 1,300,000	LBP 675,000	1.93

Ratio of the basic salary and employees' remuneration compared to local minimum wage in 2017.

AGE DIVERSITY

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

	2014				2015				2016				2017			
	F	%	M	%	F	%	M	%	F	%	M	%	F	%	M	%
< 30 years	267	43%	135	26%	301	45%	129	25%	306	44%	131	25%	309	43%	146	27%
30 - 50 years	240	39%	218	42%	252	38%	217	42%	272	39%	218	42%	294	41%	229	42%
> 50 years	111	18%	165	32%	115	17%	172	33%	113	16%	176	34%	116	16%	168	31%
Total	618	54%	518	46%	668	56%	518	44%	691	57%	525	43%	719	58%	543	43%

Distribution of employees by age and gender.

The average age decreased from **40** years in 2009 to **38** years in 2017.



The average employee age from 2009 till 2017.



Employees from diverse age groups participating in workshops.

	2014										
	Female					Male					Grand Total
	< 30 years	%	30 - 50 years	%	Total	< 30 years	%	30 - 50 years	%	Total	
Beirut	33	43%	6	60%	39	27	55%	3	100%	30	69
Mount Leb.	31	40%	2	20%	33	16	33%	0	0%	16	49
Bekaa	3	4%	0	0%	3	0	0%	0	0%	0	3
North	1	1%	2	20%	3	4	8%	0	0%	4	7
South	9	12%	0	0%	9	2	4%	0	0%	2	11
Total	77	56%	10	7%	87	49	35%	3	2%	52	139

Total number and rate of new employee hires by age group, gender, and region in 2014.

	2015										Grand Total
	Female					Male					
	< 30 years	%	30 - 50 years	%	Total	< 30 years	%	30 - 50 years	%	Total	
Beirut	36	43%	5	63%	41	17	44%	11	92%	28	69
Mount Leb.	31	37%	3	38%	34	17	44%	1	8%	18	52
Bekaa	4	5%	0	0%	4	0	0%	0	0%	0	4
North	8	10%	0	0%	8	3	8%	0	0%	3	11
South	4	5%	0	0%	4	2	5%	0	0%	2	6
Total	83	59%	8	6%	91	39	27%	12	8%	51	142

Total number and rate of new employee hires by age group, gender, and region in 2015.

	2016										Grand Total
	Female					Male					
	< 30 years	%	30 - 50 years	%	Total	< 30 years	%	30 - 50 years	%	Total	
Beirut	34	51%	6	86%	40	21	58%	5	56%	26	66
Mount Leb.	26	39%	1	14%	27	13	36%	4	44%	17	44
Bekaa	1	1%	0	0%	1	0	0%	0	0%	0	1
North	4	6%	0	0%	4	2	6%	0	0%	2	6
South	2	3%	0	0%	2	0	0%	0	0%	0	2
Total	67	56%	7	6%	74	36	30%	9	8%	45	119

Total number and rate of new employee hires by age group, gender, and region in 2016.

	2017										Grand Total
	Female					Male					
	< 30 years	%	30 - 50 years	%	Total	< 30 years	%	30 - 50 years	%	Total	
Beirut	31	55%	3	27%	34	20	43%	6	75%	26	60
Mount Leb.	16	29%	5	45%	21	14	30%	2	25%	16	37
Bekaa	0	0%	0	0%	0	1	2%	0	0%	1	1
North	7	13%	3	27%	10	8	17%	0	0%	8	18
South	2	4%	0	0%	2	4	9%	0	0%	4	6
Total	56	46%	11	8%	67	47	39%	8	7%	55	122

Total number and rate of new employee hires by age group, gender, and region in 2017.

WORK EXPERIENCE DIVERSITY

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

	2014					2015					2016					2017				
	F	%	M	%	T	F	%	M	%	T	F	%	M	%	T	F	%	M	%	T
Without work experience	52	60%	34	40%	86	57	72%	22	28%	79	50	72%	19	28%	69	32	57%	24	43%	56
With work experience	35	66%	18	34%	53	34	54%	29	46%	63	24	48%	26	52%	50	35	53%	31	47%	66
Total	87	63%	52	37%	139	91	64%	51	36%	142	74	62%	45	38%	119	67	55%	55	45%	122

Number of new recruits based on work experience.

The overall unemployment rate in Lebanon in 2017 stands at 25%, with unemployment among those under 25 years at 37% according to the Ministry of Labor. Given this reality, the Bank opens yearly several job opportunities to young graduates. It actively takes part in the job fairs of all major Lebanese universities in order to offer jobs to ambitious graduates. In 2017, fresh graduates accounted for 46% of the overall recruits.

	2014	2015	2016	2017
Total number of new hires	139	142	119	122
Total number of newly hired fresh graduates	86	79	69	56
Percentage of newly hired fresh graduates	62%	56%	58%	46%

Percentage of fresh graduates from overall recruits.



BLF actively takes part in major job fairs to recruit talents.

	2014		2015		2016		2017	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
< 5 years	490	43%	472	40%	401	33%	420	33%
5 - 10 years	197	17%	260	20%	357	29%	377	30%
> 10 years	449	40%	454	40%	458	38%	465	37%
Total	1,136	100%	1,186	100%	1,216	100%	1,262	100%

Employee tenure.

INCLUSION OF EMPLOYEES WITH DISABILITIES

The percentage of people with physical and mental disabilities in Lebanon stands at 10% according to a report published by the Universal Periodic Review (UPR) in 2015. Despite the Law 220/2000 which safeguards the rights of disabled people, the latter continue to suffer from inequalities. BLF continually strives to ensure an adequate and safe environment adapted to employees with special needs and equips them with the necessary tools to perform their daily tasks with ease. In order to ensure their integration in the work environment, a Human Resources Career Management Officer ensures their internal coaching. In 2017, the Bank engaged with NGOs to identify further ways to integrate people with disabilities at the workplace.



BLF facilitated Branch Manager Marc Torbey Helou's come back to BLF following his injury.

In 2017, BLF employs 5 employees with physical disabilities.



The Global Compact Network Lebanon Steering Committee, on whose board BLF sits, organized in 2016 and 2017 a series of awareness raising sessions to bridge the gap between recruiters and job seekers with disabilities.

TRAINING AND HUMAN DEVELOPMENT

CAPACITY BUILDING THROUGH INTERNSHIP OPPORTUNITIES

The Bank offers internships to students each summer, thus facilitating the transition between university and workplace. Between 2016 and 2017, 211 students were offered internships across various BLF entities that allowed them to acquire a practical professional experience. There has been an increase of 18% in internships between 2014 and 2017.

	2014					2015					2016					2017				
	M	%	F	%	T	M	%	F	%	T	M	%	F	%	T	M	%	F	%	T
Bekaa	1	1.10%	1	1.10%	2	0	0%	2	2.20%	2	3	2.80%	1	0.90%	4	2	1.90%	1	1%	3
Beirut	17	19.10%	13	14.60%	30	15	16.90%	21	23.60%	36	17	16%	22	20.80%	39	25	23.80%	26	24.80%	51
Mount Leb.	10	11.20%	21	23.60%	31	10	11.20%	13	14.60%	23	10	9.40%	19	17.90%	29	9	8.60%	16	15.20%	25
North	5	5.60%	12	13.50%	17	6	6.70%	12	13.50%	18	10	9.40%	11	10.40%	21	9	8.60%	10	9.50%	19
South	1	1.10%	8	9%	9	2	2.20%	8	8.90%	10	4	3.80%	9	8.50%	13	4	3.80%	3	2.90%	7
Total	34	38.10%	55	61.80%	89	33	37%	56	62.80%	89	44	41.40%	62	58.50%	106	49	46.70%	56	53.40%	105

Number and percentage of internships offered by region and by gender.

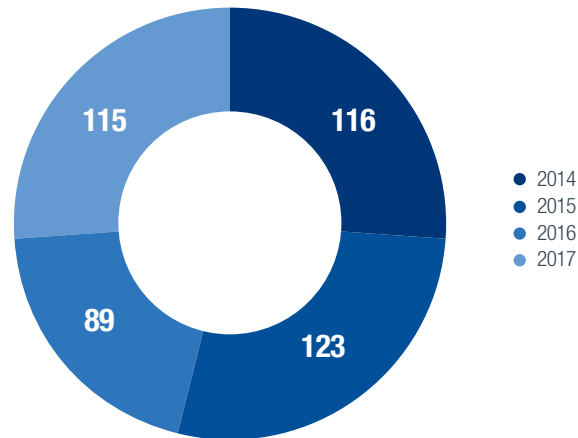
INTEGRATION OF NEWCOMERS

All new recruits attend a two-day "Welcome to Ambitions Land" integration seminar to get an in-depth introduction to BLF's values, strategy, history, different business lines, risk management, as well as meet colleagues and heads of various departments.

CSR awareness sessions are also delivered to all new employees 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.

204 new recruits were sensitized on Corporate Social Responsibility in 2016 and 2017 as part of the Bank's commitment to raise CSR awareness within its sphere of influence.

As part of the induction process, new employees are also given a Welcome Kit including a welcome letter, a copy of their contract, their job description, business cards, names tags, BLF values kit, as well as a welcome gift. The kit includes also an Employee Handbook containing all necessary information concerning working at BLF, such as the Code of Conduct, organizational directives, employee rights and duties, career-related information...



Number of new employees who were trained on CSR, including ISO 26000 and UNGC principles.

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. The coaching system consists of teaming each newcomer with three contact persons:

- A coach whose main responsibility is to train the newcomer on specific tasks and technical knowledge needed to successfully perform the job
- A sponsor appointed by the Head of Division and the Human Resources Division, who has been at the Bank for more than two years, responsible to facilitate the newcomer's integration in his/her environment
- A Career Management Officer who acts as a point of contact to assist newcomers on any concerns that may arise.

The Bank also organizes "Breakfast with the Human Resources" brainstorming sessions between new employees and representatives from the Human Resources Career Officers. These sessions highlight the importance of:

- Fostering a teamwork spirit
- Adhering to the Bank's values
- Engaging in CSR activities
- Participating actively in the BLF Club activities.



BLF organizes team building activities for its new recruits.

TRAINING ACADEMY

BLF's 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 his 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 trained employees. External training sessions are held in Lebanon as well as abroad.

BLF employees also benefit from two kinds of custom-made induction programs that consist of on-the-job-trainings and job rotations across various entities to enhance their knowledge of internal flows and processes.



Employees benefit from the Training Academy to develop their skills.

In 2017, the Bank allocated USD 1,017,000 to provide over 46,520 hours (+9% since 2016) of trainings to 93% of its employees, amounting to more than 6 days per employee.

The number of trained employees has increased by 53.3% from 2014 to 2017.

	Total number of trained employees	Percentage of trained employees	Total number of trained employees by gender		Percentage of trained employees by gender	
			Male	Female	Male	Female
2014	756	66%	326	430	65%	77%
2015	761	64%	297	464	55%	74%
2016	1,190	99%	473	717	93%	100%
2017	1,159	93%	453	706	86%	98%

Number and percentage of employees who benefited from trainings by gender.

	Average hours of training			
	Gender		Employment category	
	Male	Female	Managers	Technicians
2014	19.2	28.2	27	18
2015	21.5	33.2	16	31
2016	31	36	31	35
2017	38	42	34	42

Average hours of training that BLF's employees have undertaken by gender and employment category.

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

	Total amount in USD allocated to trainings (internal & external)
2014	458,000
2015	555,000
2016	809,000
2017	1,017,000

Total amount in USD allocated to internal and external trainings.

	Number of training hours (internal & external)
2014	27,400
2015	33,350
2016	36,000
2017	46,520

Number of internal and external training hours delivered to employees.

BLF Training Academy plays an increasingly important role in preparing the employees to optimize their performance. It assesses employees according to the trainings delivered to them, and measures the impact of these trainings on their behavior and productivity, using appropriate tools and mechanisms.



BLF employees attending the "Leadership for Leaders" seminar.

	Banking & financial techniques, risk		IT & computing		Management		Others		Personal development		Sales & negotiations	
	Nb.	%	Nb.	%	Nb.	%	Nb.	%	Nb.	%	Nb.	%
2014	21	41%	4	8%	3	6%	11	22%	2	4%	10	20%
2015	17	41%	2	5%	3	7%	11	27%	1	2%	7	17%
2016	16	30%	14	26%	3	6%	10	19%	1	2%	9	17%
2017	14	25%	6	11%	4	7%	15	26%	3	5%	15	26%

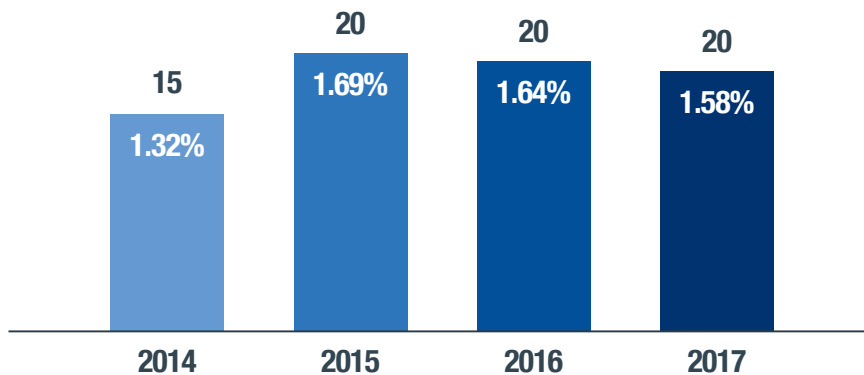
Number and percentage of internal trainings per category.



BLF Group's executives and Branch Managers also take part in BLF's training sessions.

EDUCATION

Additionally, the Bank offers educational loans with 0% interest to employees to encourage them to pursue a higher education and thus increase the educational level of its human capital.



Number of employees who benefited from loans to study.

HUMAN RIGHTS POLICY

In the 2030 Agenda for Sustainable Development, governments have highlighted that mounting inequalities have become a crucial issue of our time. Reducing inequalities is tightly linked with the respect for Human Rights, two essential components of BLF's business model. BLF's Human Rights Policy reiterates its respect of fundamental Human Rights as an essential component in the Bank's business conduct.

In addition to complying with the internationally recognized Human Rights Declaration, the Lebanese Labor Law and the Collective Labor Agreement, BLF strives to observe and promote the respect of the following:

- ISO 26000 guidelines on social responsibility
- The United Nations Global Compact (UNGC) principles
- The International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work
- The Arab Labor Organization (ALO) Convention on Human Rights.

The Human Rights policy details how BLF respects human rights in the workplace and promotes them within its sphere of influence. It applies equally to the corporate actions of the Bank and to the behavior of its employees. It was shared with all employees via Intranet, the Employee Handbook, the Corporate Governance Guide, as well as on BLF website.



All employees have to commit to respecting BLF's Human Rights Policy when signing the Employee Handbook.

CSR AWARENESS SESSIONS

In order to create and nurture an environment and culture in which the principles of social responsibility are practiced, BLF delivered internal awareness sessions on this subject to its entire staff in 2016 and 2017. The trainings took place within the framework of “Live our Values Everyday” workshops, providing a vital introduction to CSR and highlighting the relationship between the Bank’s core values and social responsibility.

	2016		2017	
	Number of employees	Percentage of overall employees	Number of employees	Percentage of overall employees
“Welcome to Ambitions Land” integration seminar	84	7%	115	9%
“Live Love Values” seminar	812	66%	238	19%

Percentage of employees trained during the reporting period on the Bank’s values and CSR strategy, including its Human Rights Policy.



BLF employees attending the “Live Love Values” seminars in 2016 and 2017.

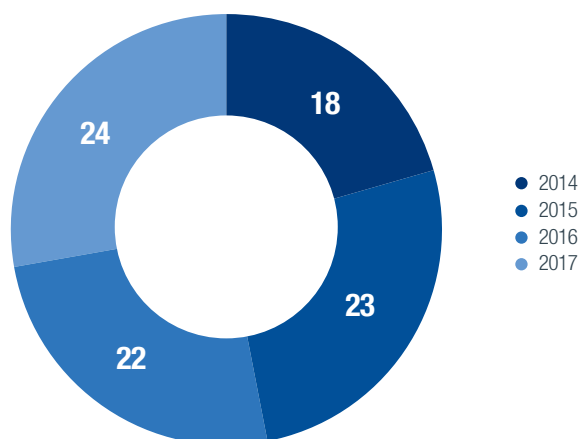
CAREER DEVELOPMENT

HUMAN RESOURCES COMMITTEE

The Human Resources Committee sets the recruitment policy, prepares career development plans and training programs, formulates employee benefits policies and supervises the annual employee evaluation process and the Bank's Code of Conduct. It has eleven members, is headed by the Chairman and General Manager, and meets periodically.

CAREER DEVELOPMENT COMMITTEE

The Career Development Committee discusses the employees' careers and establishes specific training programs for employees' that show potential to reach managerial positions. It has four members, is headed by the Human Resources Manager and meets on a monthly basis. It also helps employees who have career orientation problems, identifies highly qualified employees 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.



Number of employees who were seen in the Career Development Committee in 2016 and 2017.

PERFORMANCE MANAGEMENT

BLF is concerned with the career development of its employees and seeks to encourage ambitious employees by rewarding them for their performance. In this context, a standardized annual performance review takes place between employees and their managers in order to assess the work and mutually set the objectives for the coming year. The annual performance review is an effective 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 to monitor the achievement of the objectives and to help employees optimize their performance and achieve maximum results. Since 2016, BLF evaluates employees not only on goals, but also on embedding the Bank's values into their day-to-day activities. In order to further reinforce the CSR Strategy and its realization, BLF also integrated in 2017 a CSR component into the employees' objectives in order to make them contribute to BLF's culture of sustainability through their day-to-day behaviors and decisions.

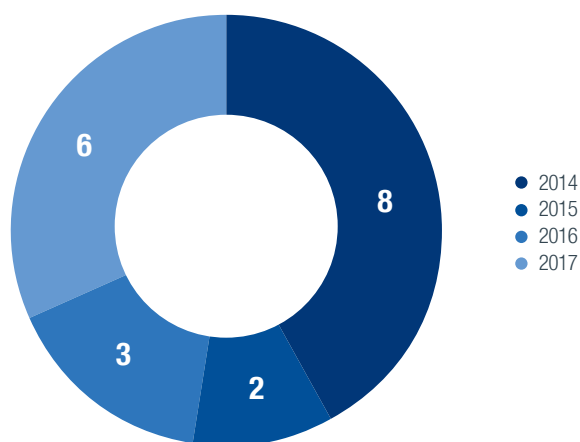
100% of employees received an annual performance review in 2016 and 2017.

MANAGEMENT BY OBJECTIVES

Banque Libano-Française has implemented a management by objectives policy in order to align the individuals' 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, Managers set the annual plan of their Divisions 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.

MANAGEMENT TRAINING PROGRAM

The Bank offers a Management Training Program (MTP) to highly performing and promising employees. To shift into management positions, the latter are invited to follow a specific program which can reach up to two years depending on their profile. The program provides them with tailor-made internships at various entities of the Bank, as well as trainings. The candidates who are enrolled in the program witness real-life experiences. In 2017, BLF included newly recruited employees to this program, in order to identify their true potential and fast-track their professional development.



Number and percentage of employees who enrolled in MTP.

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) and helps the Bank keep expertise, experience and talent within the organization. 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 available vacancies before initiating an external recruitment process. BLF truly believes that in addition to filling vacant positions faster and more efficiently, internal mobility leads to greater staff satisfaction and retention. Moreover, prioritizing internal candidates for vacant positions allows employees affected by restructuring measures to find new roles within the organization.

	Vacancies filled through internal recruitment	Total of external recruitment	Percentage of vacancies filled internally
2014	81	139	58%
2015	81	142	57%
2016	64	119	54%
2017	47	122	39%

Percentage of vacancies filled through internal recruitment.

REWARDS AND REMUNERATION

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 are measured based on predefined yearly objectives, annual plans and monthly progress reports. BLF has developed an equitable framework to reward outstanding performing employees who add value to the business. The Bank follows a standardized salary scale where education, previous employment and experience are taken into consideration regardless of gender. For instance, entry level employees are offered basic salaries ranging from LBP 1,000,000 to LBP 1,650,000, paid sixteen times a year.

	2014	2015	2016	2017
Employee taxes	5,567,576	4,911,224	5,264,297	5,958,505
Employee salaries	55,533,215	55,533,215	55,533,215	59,199,577
Other employee benefits	270,328	320,418	318,311	346,433

Employee taxes, salaries (total payroll) and other employee benefits in USD.

SOCIAL AND WELFARE BENEFITS

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

- Transport allowance
- Food allowance
- Family allowance
- Marriage allowance
- Child birth allowance
- Cash allowance for specific positions
- Education allowance for employees' children
- Bonus
- Sales commission
- Driver allowance
- Night shift allowance
- Representation allowance
- Exceptional allowance
- Housing allowance
- Collective Labor Agreement allowance
- Cell phone allowance
- Expatriation allowance.

Other benefits:

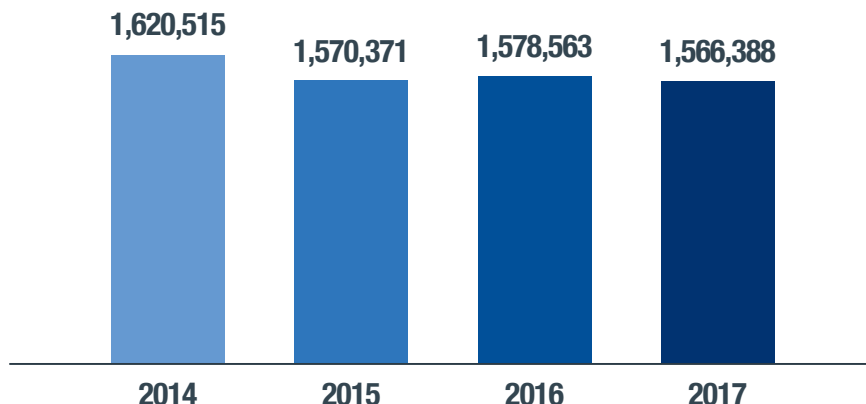
- Education subsidy for employees
- Highly discounted travel and leisure activities provided by the Employees' Club.

Advantages:

- Death of relatives leave
- Maternity and paternity leave
- Marriage leave
- Insurance coverage and discounts at specific clinics, pharmacies and hospitals across the country
- Flexible work schedules for expecting mothers and mothers of children of less than 10 years old.



Percentage of total employees covered by the Collective Labor Agreement.



Spending in USD to support school and university fees of employees' children.

Recognizing that education is a fundamental human right and essential to all other human rights, the Bank spent USD 1,566,388 to support school and university fees of employees' children in 2017.

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 all bank services, transactions and loans.

	Total number of employees	Number of loans beneficiaries	Percentage of loans beneficiaries
2014	1,136	298	26%
2015	1,186	343	29%
2016	1,216	371	30%
2017	1,262	387	31%

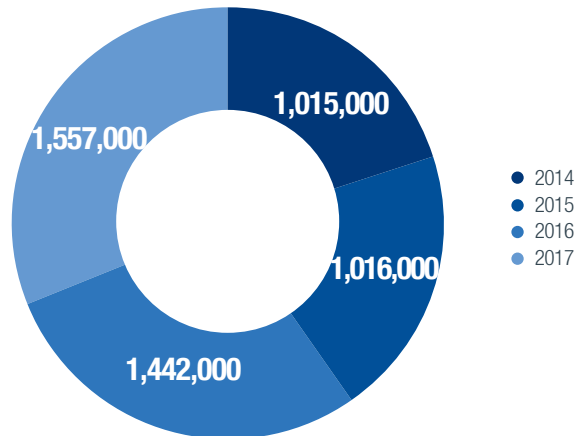
Number and percentage of employees who benefited from BLF loans.

758 loans were granted to employees in 2016 and 2017.

HEALTH, WELL-BEING AND WORK-LIFE BALANCE

HEALTH AND SAFETY

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



Amount in USD spent on health-related issues.

BLF ensures a safe and healthy workplace environment for its employees, and takes steps to prevent potential accidents and injuries arising out of, associated with, or occurring in the course of work, by minimizing, as far as is reasonably practicable, the risks of work-related accidents, injuries, illnesses and incidents.

Moreover, BLF conducts regular health and safety training for its employees. It provided its staff in 2017 with safety guidelines for major disasters and trained them on evacuation processes.



Evacuation trainings were provided to the entire staff.

The Bank provided in 2016 and 2017 trainings to enhance the health and well-being of the employees.

	Number of hours of health & well-being trainings	Number of employees who attended health & well-being trainings
2016	8	1
2017	2,214	267

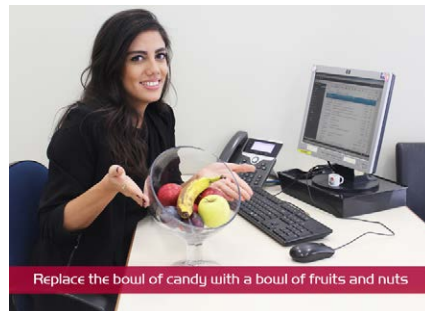
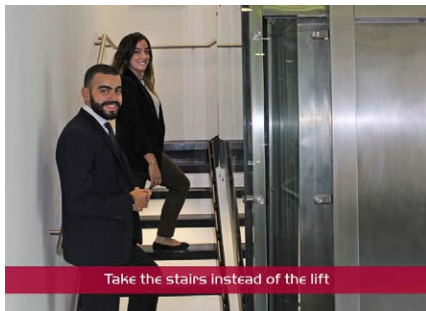
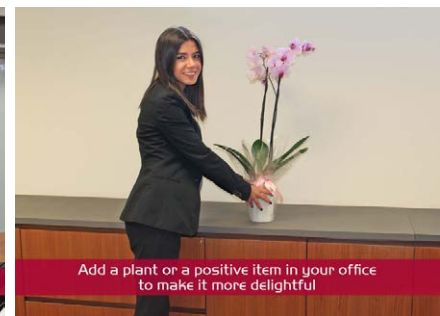
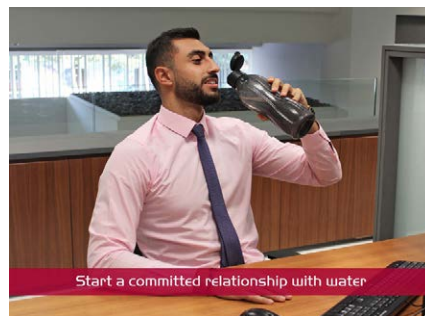
To promote health at work and reduce sickness absence, BLF Training Academy launched “Bring Yoga to Your Desk” seminar in 2017.



“Bring Yoga to your Desk” was introduced to enhance the work-life balance and health and well-being of employees.

Moreover, the Bank encourages employees to engage in sports activities by offering them the possibility to subscribe to health centers and sports’ activities free of charge or at reduced prices.

It also regularly conducts internal awareness campaigns to sensitize employees on the importance of adopting healthy habits such as drinking water, eating healthy, taking appropriate postures at work, and exercising. The corporate canteen always offers healthy meal options, including a salad bar and light meal.



“Bankers Live Fit” campaign was launched to sensitize employees on healthy lifestyle habits.



Healthy bites offered at the Training Academy.

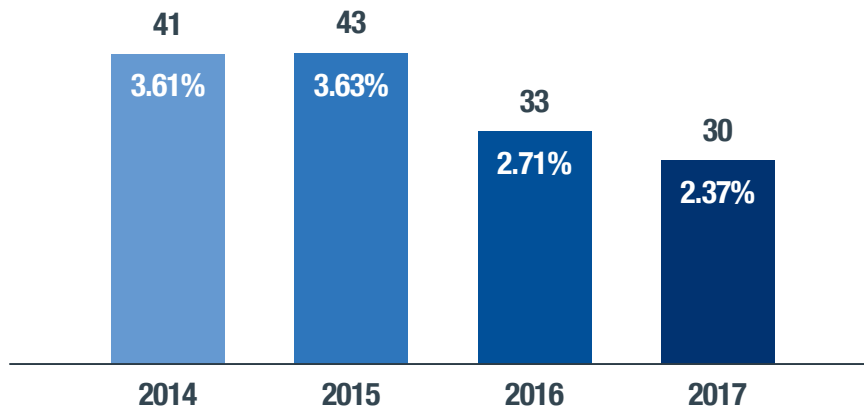
In 2017, the Training Academy launched the “Healthy Bites” during the breakfast session to kick off the day with healthy and diversified food that suits all tastes.

	2014		2015		2016		2017	
	M	F	M	F	M	F	M	F
Number of employees	618	518	668	518	691	525	719	543
Number of absence days	1,678	783	1,851	912	2,009	984	1,621	628
Number of working days	294		290		295		292	
Average of annual leave in days	18		18		18		18	
Number of days worked	276		272		277		274	
Percentage of unworked days by gender	0.98%	0.55%	1.02%	0.65%	1.05 %	0.68 %	0.82 %	0.42 %
Total percentage of unworked days	0.78%		0.86%		0.89%		0.65%	

Absenteeism rate score.

SUPPORTING EMPLOYEES WITH LONG-TERM ILLNESSES

In case of a long-term illness, the employee's job is protected for a period ranging from 8 months up to 32 months depending on his/her tenure.



Number and percentage of employees who were supported during long-term illness (above 10 days).

SMOKE-FREE WORKPLACE

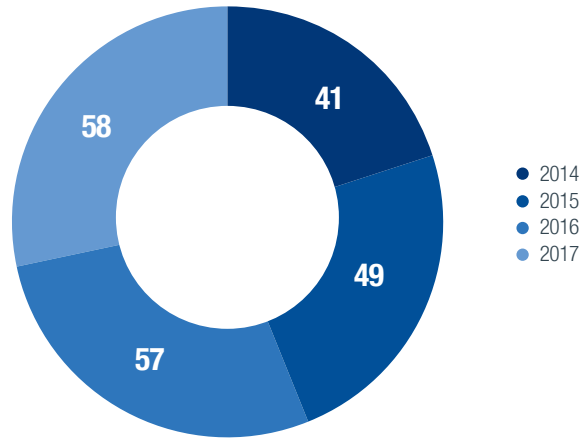
The Bank banned indoor smoking as early as 2005 in all its premises, way before the law was passed in 2011. The smoking ban was smoothly launched along with internal campaigns covering issues such as the dangers of smoking and second-hand smoking.

ERGONOMIC FURNITURE

The Bank invests in ergonomic office furniture (chairs, tables and PCs) in order to provide its employees.

FLEXIBLE SCHEDULE FOR MOTHERS OF CHILDREN UNDER 10 YEARS

Being an equal opportunity employer with women accounting for 57% of its workforce, the Bank acknowledges the need to help working mothers achieve a proper work-life balance. Following an internal stakeholder engagement, in which BLF working mothers asked for flexible arrangements, BLF launched in 2009 a special schedule for mothers of children under the age of 10, allowing them to work Mondays through Fridays from 8am to 3pm and on Saturdays from 8am to 1pm, instead of Mondays through Fridays from 8am to 5pm and one Saturday per month from 8am to 1pm.



Number of mothers who benefit from BLF flexible mothers' schedule.

Pregnant women and mothers benefit from a special schedule to balance work and family life. In 2017, 63.73% of eligible mothers benefited from the flexible mothers' schedule.

	2014				
	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
Female	37	37	36	100%	97.30%
Male	14	14	13	100%	92.86%
Total	51	51	49	100%	96.08%

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
Female	34	34	33	100%	97.06%
Male	16	16	15	100%	93.75%
Total	50	50	48	100%	96%

2016					
	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
Female	40	40	38	100%	95%
Male	13	13	13	100%	100%
Total	53	53	51	100%	96.23%

2017					
	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
Female	35	35	33	100%	94.30%
Male	15	15	15	100%	100%
Total	50	50	48	100%	96%

PATERNITY DAY

BLF offers a one-day paternity leave to men employees for the birth of their children.

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. At the same time, a completely unrestricted freedom of expression may lead to the infringement of the rights of others. Therefore, BLF practices political and religious neutrality and prohibits discussion of political or religious matters at the workplace. Employees must maintain absolute neutrality towards such topics, issues and events, and refrain from displaying in their work and working space political or religious documents and symbols that may be perceived as implying institutional support for a particular affiliation. BLF promotes the freedom of expression amongst its staff by fostering a two-way communication between employees and Management, encouraging employees to voice their concerns, opinions and problems via several communication channels.

FREEDOM OF ASSOCIATION

BLF recognizes and respects the right of employees to freedom of association. The Bank affirms that employees that have decided to join or to refrain from joining 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. It is committed to ensuring that its workplace is free from violence, power abuse, harassment and bullying. It does not permit nor 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

With regards to the internal and external schemes for reporting concerns and seeking advice on ethical and lawful matters, BLF has instated the following mechanisms:

- Complaints and grievances module on the Intranet: To ensure a proper and confidential pathway for sensitive and compromising information, BLF has created a portal that allows employees to report grievances anonymously and 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.
- Internal whistle-blowing policy: The internal whistle-blowing policy aims to facilitate the detection and prevention of illegal activities harmful to the profitability and to the image of the Bank in accordance with guidelines of Circular N° 271 of the Banking Control Commission. Each employee is handed the detailed policy the day of recruitment and is asked to acknowledge that he has read, understood and will abide by the terms outlined in the policy. Similarly he 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 site visits: 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 openly discussing 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. During these confidential meetings, the Human Resources Division advises the employees taking into consideration the Bank's rules and regulations as well as its values and ethics.

No incidents of discrimination were reported at the Bank during the reporting period.

EFFECTIVE ENGAGEMENT WITH EMPLOYEES

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. But most importantly, internal communication allows keeping communication lines open between Management and employees, which is essential to convey management policies to employees and encourage them to voice their opinions.

Internal stakeholders' engagement tools include the following:

- Intranet
- Suggestion box
- Employees' newsletter
- Employees' Staff Instagram account
- Committees.
- Employees' Facebook Group
- Brand engagement think tank
- Employees' Club activities
- Employees' Staff Snapchat account
- Internal events
- Internal campaigns
- Surveys
- Meetings



Winners of the suggestion box award.



Trait d'Union, the employees newsletter.

CELEBRATING SUCCESS AND STRENGTHENING TIES

To reinforce the employees' sense of belongingness, BLF organizes regular gatherings. In 2016, the Bank organized a field day at Notre-Dame de Jamhour School, during which it invited all employees with their families to take part in a panoply of activities: Sports, games, talent-shows, paying tributes to new recruits and retired employees, inspirational speeches...



Employees gathered during a field day held in 2016.



Employees showcasing their talents during the annual employee field day.



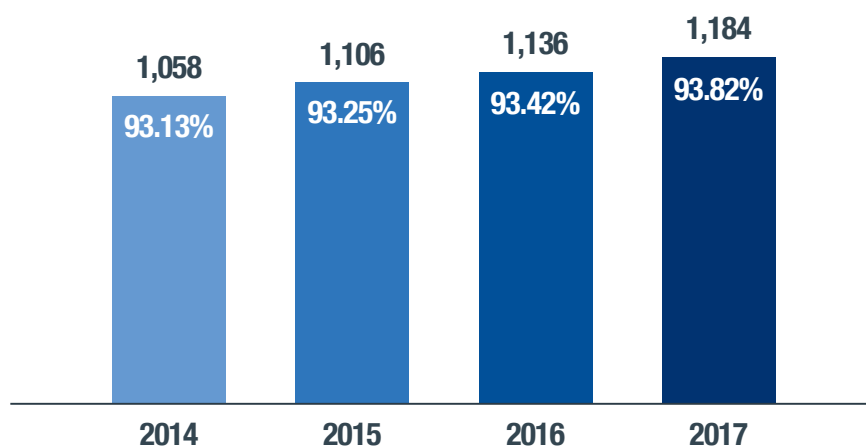
Employees express solidarity with Branch Manager Marc Helou Torbey following his severe injury.

The Bank also organizes regular events to award winners of internal challenges for their outstanding performances.

THE EMPLOYEES' CLUB

To help increase employee engagement, motivation and well-being, BLF founded "Le Club des Employés" in 1972. The Employees' Club arranges social, cultural, sports, recreational activities, and travels, thus enhancing cooperation among colleagues from all Lebanese regions and all entities. While some of the activities are free of charge, others are held at reduced costs, mainly because they are subsidized by the Bank or financed thanks to a symbolic monthly membership fee paid by the members.

In 2017, 93.82% 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.



Number and percentage of staff who are members of the Club.

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

Type of activity	2014		2015		2016		2017	
	Number of activities	Percentage of activities	Number of activities	Percentage of activities	Number of activities	Percentage of activities	Number of activities	Percentage of activities
Health	3	12%	3	12%	0	0	0	0
Sports	4	15%	5	19%	5	20%	5	20%
Socio-cultural	17	65%	15	58%	17	68%	15	60%
Children	2	8%	3	12%	3	12%	5	20%
Total	26	100%	26	100%	25	100%	25	100%

Club activities employees took part in.



Employees participating in the Beirut Marathon in 2016 and 2017, and running for Marc Torbey, Kunhadi and Offre Joie.



BLF employees partying together at Bahay in December 2016...

... and at an Iftar at the Four Seasons Hotel in June 2016.



Employees at the Beirut Corporate Games...

... and during a night at 7 sisters in May 2016.



BLF employees participating in a day out in Jezzine organized in May 2016...

... and in the Puma Hannibal Race in July 2017.





MARKETPLACE

BLF has always played an important role in the country's economic development helping the community prosper. In 2016 and 2017, BLF continued to empower individuals and corporations to achieve their ambitions by offering them products and services that meet their needs, and granting them loans in a responsible manner according to their financial means. BLF conducts its business in an ethical and transparent manner, continuously enhances the customer experience while complying with local and international regulations and ensuring fair and ethical operating practices.

BLF had 58 branches covering all the regions in Lebanon and a network of 171 ATMs as at end of 2017.



MAKING CLIENTS THRIVE THROUGH DIVERSIFIED BUSINESS ACTIVITIES

COMMERCIAL BANKING

Banque Libano-Française 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 the Bank 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 deposits accounts, cash management services and cards services.

Commercial banking activities are carried out through two main commercial divisions: The Middle-Market Banking Division and the Corporate Banking Division.

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 December 31, 2017,
the Middle Market Banking Division had approximately 2,400 clients
spread across the Bank's 58 local branches.**

In addition to the primary products and services outlined above, the Middle-Market Banking Division provides advisory services to its clients. Such advisory services include the promotion and structuring of a wide array of financing programs such as:

- Kafalat subsidized loans
- Banque du Liban subsidized loans
- Arab Trade Financing Program facilities
- IFC program facilities
- European Investment Bank facilities
- Agence Française de Développement and other international financial institutions programs

Through these services, the Bank 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 in terms of sales turnover or facilities extended. Corporate clients are currently defined as those with a sales turnover exceeding USD 10 million or whose banking facilities at the Bank exceed USD 1.5 million.

**As at December 31, 2017,
the Corporate Banking Division had around 550 clients.**

Corporate client files are distributed among specialized units within the Corporate Banking Division:

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

“Banking products are similar but it's the service and speed that differentiate one bank from another. BLF always thrives to offer the best service to its clients according to their needs and financial capabilities.”

Hoda Assi (Assistant General Manager, Head of Corporate Banking)

INVESTMENT BANKING AND GLOBAL MARKETS

The Bank provides general investment banking services, including acting as 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 banking clients and structures sophisticated hedging solutions. The Bank has a proprietary trading activity in Lebanese and international fixed income securities 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.

RETAIL BANKING

As at December 31, 2017, the Bank had more than 140,000 active retail customers. They are offered a full range of products and services, including traditional products and services, a unique term deposit account featuring a 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, mobile banking, phone banking, sms banking and a call center). The Bank's phone, web and mobile distribution channels, Point Phone®, Point Com®, My BLF and its Call Center Point Call®, allow customers to check account balances and movements, obtain answers to their inquires over the phone or internet, and execute transfers and many other transactions. In addition, BLF offers life and non-life-insurance, retirement plans and education plans through its subsidiary, Bancassurance S.A.L. In 2017, the Bank's customers subscribing in Bancassurance savings insurance plans benefited from better-than-market returns on their investments.

List of BLF products and services

Corporate Banking		
Category	Sub-Category	Main Products/Services
Loans	Commercial banking activity	
	Investment banking	
	Products' coverage	Overdraft facilities / Short-term loans (ATFP, refinancing...) / Project financing / Medium and long-term loans / Letters of credit (import and export LCs) / Documentary collections (import and export LCs) / Bills collection / Discounting / Bid bonds / Performance bonds / Advance payment guarantees / Retention bonds / Financial bank guarantees / Other guarantees / Standby letter of credits
	Structured loans	Subsidized loans / Incentive investment loans / Incentive specialized loans (green energy and environment, R&D, industrial) / Industrial export

Cards Services		
Category	Sub-Category	Main Products/Services
Cards	Air France KLM - Banque Libano-Française cards	Visa signature revolving USD / Visa platinum revolving USD / Visa platinum revolving EURO / Visa platinum charge EURO / Visa platinum charge USD / Visa signature charge USD
	Revolving credit cards	Visa revolving blue LBP / Visa/MasterCard revolving blue USD / Visa revolving blue EURO / Visa revolving gold LBP / Visa/MasterCard revolving gold USD / Visa revolving gold EURO / MasterCard earth revolving USD / MasterCard earth revolving LBP / Visa platinum revolving LBP / Visa platinum revolving USD / Visa charge blue LBP / Visa/MasterCard charge blue USD / Visa charge blue EURO / Visa charge gold LBP / Visa/MasterCard charge gold USD / Visa charge gold EURO / MasterCard earth charge USD / MasterCard earth charge LBP / Visa platinum charge USD / Visa platinum charge LBP / Visa infinite charge USD / Visa infinite charge EURO
	Debit cards	Visa/MasterCard debit blue USD / Visa debit blue EURO / Visa/MasterCard debit gold USD / Visa debit gold EURO / MasterCard earth card USD / MasterCard earth card LBP / Visa platinum debit USD / Visa infinite debit USD / Visa infinite debit EURO
	Cash cards	Visa debit contactless blue / Visa cash card blue / Visa cash card blue CCDM / Visa debit contactless platinum / Visa/MasterCard cash card platinum
	Youth cards	Visa youth 14-18 / MasterCard youth 18+
	Internet card	Visa internet card
	Priority pass	Priority pass
	Prepaid cards	Visa youth 0-14 / Visa gift card
	Loyalty points program	
	Point Cash®, BLF ATM network	
	Points of sale (POS)	
	Point e-Com®, e-commerce service	



Electronic Banking

Category	Sub-Category	Main Products/Services
Digital services	Point Com®, e-banking	Account statement / Checkbook request / Check your checks / Edit the TDA renewal mode / Beneficiary creation and management / Account to account transfers / Transfers to beneficiaries / Loans and cards request / Message box / SWIFT statement / POS statement / Credit card settlement / Wedding list payment / Tuition payment / e-banking access via user ID+PIN+OTP from a physical token or SMS
	My BLF	Native app
	Point Info®	Welcome alert

SME & Professional Banking

Category	Sub-Category	Main Products/Services
Packages	Packages	Pharmacist package / Pro package
Loans	Kafalat loans	Kafalat basic / Kafalat plus / Kafalat innovative / Kafalat startups and innovation / Kafalat energy / Kafalat agriculture
	Subsidized loans	Subsidized loan in USD / Subsidized loan in LBP
	Business loan	Business loan in LBP (as per circular no. 313)
	Credit facilities with 100% coverage	SMEs delegation LCs / SMEs delegation LGs / Credit facilities cash collateral
	ESFD loan	Business loan in collaboration with ESFD
Bancassurance		Key person insurance / Life insurance / Fire insurance

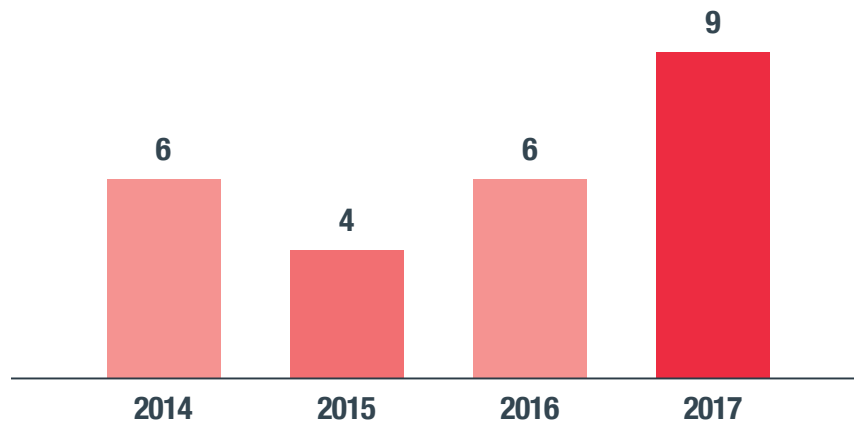
Retail Banking

Sub-Category	Main Products/Services
Housing loans	Housing loan / Housing loan with the Public Corporation for Housing (PCH) / Renovation housing loan / Housing loans in Europe
Car loan	Car loan / Motorcycle loan
Education loan	Educational loan for school students / Educational loan / Educational loan for university students INSEAD
Targeted consumer loans	Canon loan / Bike loan / iLoan / Wedding loan / Travel loan / Solar water heater loan / NEEREA loan
Consumer loan	Consumer loan
Term deposit account	Term deposit account / Sight savings account / Youth deposit account
Insurance	Educational savings plan / Retirement savings plan / Housing savings plan / Life insurance plan / Life insurance plan with accidental coverage / Key person insurance / Group life insurance / Group schooling insurance / Home insurance plan / Shop and/or office insurance plan / Insurance plan of payment means / Travel insurance plan / Income compensation plan / Mandatory car insurance
Account packages	Wedding package / Expat package / Multi package / Youth package
Services	Bills domiciliation / Safe deposit box / SMS alerts / Call center / Checkbook
Overdraft	Overdraft facilities Express

“What makes us different is the quality of our service and our ability to meet our customers’ needs. We advise customers on the best products that suit their profiles”.

Ronald Zirka (Head of Retail Banking and Marketing Divisions)

Impact of Retail Products	
Type	Main Products/Services
Educational loan	BLF granted more than 900 educational loans representing USD 12,000,000, allowing students to pursue a high level of education.
Housing loan	The Bank granted more than 2,400 housing loans, empowering individuals to purchase a home thanks to a full range of subsidized housing loans worth USD 350,000,000 at very competitive conditions, with a guaranteed and predefined discount on the applicable interest rate, with no file fees and expertise fees on the housing loan associated with the savings plan.
Insurance - Educational savings plans	BLF granted 16,000 educational savings plans, helping parents secure the future of their children within their financial means by guaranteeing them a higher education for a successful professional life. The children also benefit from a life insurance coverage.
Insurance - Retirement savings plans	20,000 BLF clients benefited from retirement savings plans, prioritizing saving for retirement among their financial goals.
Insurance - Housing savings plans	BLF issued more than 800 housing savings plan granting preferential rates for housing loans holder. It allows customers to save money for the future and reserve a down payment on a home at a discounted rate.



Number of newly launched Retail products and services, excluding re-lifts, upgrades, offers and promotions.



PRIVATE BANKING AND WEALTH MANAGEMENT

The Private Banking activities were first launched by the Bank in 2000. In 2008, the Wealth Management Department was created. It is composed of a highly skilled team of 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.



“I think we can have private banking world-class services here - as one can find traditionally in Switzerland, Europe, and the US”.

Charles Salem (Assistant General Manager, Global Head of Private Banking and Wealth Management Division)

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 BLF'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 (IFC) 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.

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), in Lagos (Nigeria) and its Baghdad branch (Iraq).

FINANCIAL INCLUSION THROUGH DIVERSE DELIVERY CHANNELS

BRANCHES

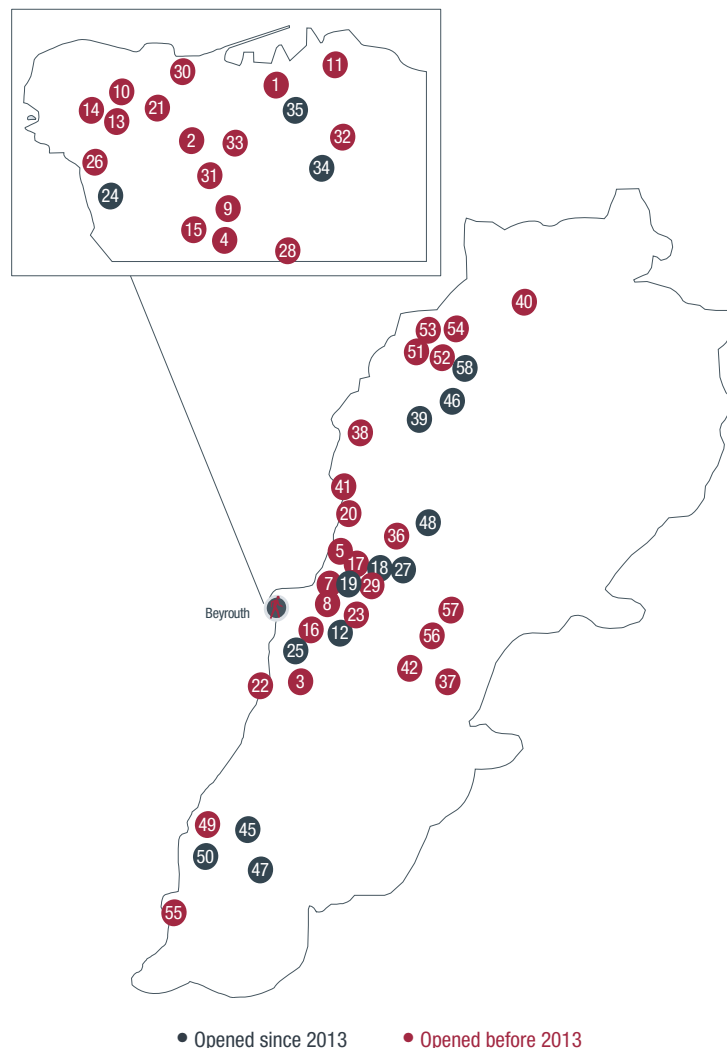
Since the Bank intends to continuously invest and enhance the country's economy, it aims to grow and expand outside the capital Beirut. New branches are hence opened every year and ATMs installed in as many geographical areas as possible.

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. Gefinor
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. Kaslik*
44. Kousba*
45. Lebaa
46. Mizyara
47. Nabatieh
48. Reyfoun
49. Saida
50. Saida Boulevard
51. Tripoli El-Mina
52. Tripoli Tebbaneh
53. Tripoli Tell
54. Tripoli Zehrieh
55. Tyre
56. Zahleh
57. Zahleh Boulevard
58. Zghorta



*New branches inaugurated in 2016 and 2017.



Hazmieh branch equipped with a ramp.

**In line with its commitment towards SDG 10
and the Lebanese Central Bank's Intermediate Circular 458,
71% of BLF branches are wheelchair accessible
and ramps are installed in five branches.**

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.

The upgrade of the Bank's POS terminals to enable contactless transactions was introduced in 2015 and is now available on the majority of BLF's devices allowing cardholders to perform their transactions securely and swiftly. This technology lays down the foundation for future innovations at BLF.

ATMS

BLF's Point Cash® network, which included 171 ATMs as at end of December 2017, allows clients to perform different transactions and benefit from new dematerialized, convenient and time-saving services without queuing at the branch counter or worry about operating hours.

ATM Services

- Withdrawing money in Lebanese pounds and US dollars
- Monitoring card expenditures
- Processing account-to-account transactions
- Changing pin codes
- Recharging prepaid mobile phone line at any time
- Depositing a check
- Depositing cash
- Obtaining a statement of account
- Making a cardless wedding account payment
- Ordering a checkbook
- Inquiring about a loan
- Settling credit cards
- Making a cardless donation.

	2014	2015	2016	2017
Number of ATMs	141	150	158	171
Increase in percentage	6%	6%	5%	8%

Number of BLF's ATMs has increased by 21% from 2014 till 2017.

BLF ranked third in Lebanon in total number of ATMs in 2017.

	2014	2015	2016	2017
Beirut and suburbs	55	56	57	55
Mount Lebanon	46	52	56	71
Bekaa	6	7	7	8
South	12	12	12	11
Nabatieh	2	2	2	2
North	20	21	24	24
Total	141	150	158	171

Geographical distribution of ATMs across Lebanon from 2014 till 2017.

	2014	2015	2016	2017
Total number of ATMs	141	150	158	171
Total number of ATMs in rural areas	5	6	10	13
Percentage of ATMs in rural areas	3.5%	4%	6%	7%

Number of ATMs in rural areas from 2014 till 2017.

Aiming to protect BLF's clients from frauds, the Bank installed an intrusion protection to keep its ATMs safe from unauthorized manipulations. In addition, it continuously monitors transactions to identify any suspicious activities.

e-BANKING

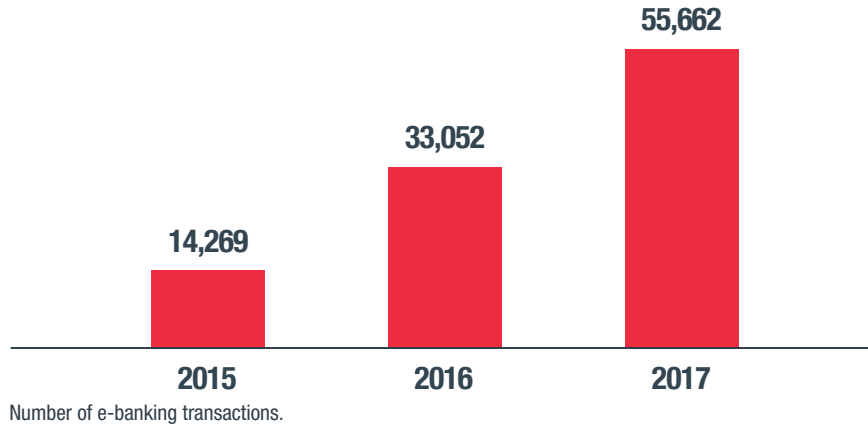
The Point Com® online banking platform offers a 24/7 user-friendly service with different solutions while ensuring confidentiality and security all year long. This real-time platform allows clients to check:

- Accounts and joints accounts balances and transactions
- Loans
- Cards and insurance policies
- Checks
- Card expenses
- Domiciled bills
- SWIFT statements
- POS statements.

In addition, clients can:

- Pay for a wedding gift
- Settle credit cards
- Pay tuition fees
- Get a statement of account in Excel format
- Transfer funds to permanent beneficiaries
- Order checkbooks
- Apply for loans and cards
- Modify the renewal mode of deposit accounts
- Personalize accounts
- Get in touch with the customer service advisor at the branch via a message box.

Point Com® has a 3D secure payment gateway with high-end security norms applied.



CALL CENTER

BLF's Call Center Point Call® operates from 8am to 5pm from Mondays till Fridays and from 8am till 1pm on Saturdays. It acts as an extended branch that offers reliable and quick access to information about the Bank's products and services, branch addresses, exchange rates and term deposit rates. It also allows for loan simulations as well as account balances and transactions' checking, credit cards manual settlement, checkbook requests and permanent sweep orders.

SMS NOTIFICATIONS

BLF's Point SMS® sends clients an SMS notification every time their cards is used. It is a secure practical service that helps clients control their spending, supervise all withdrawals and payment activities of their card and detect early on flawed transactions or attempts of fraud.

MOBILE APP

My BLF mobile app allows 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 services. The application was redesigned in 2017 to offer an optimized user experience and new features:

- Accessing the user's accounts with a fingerprint and One-Time Password (OTP)
- Transferring money instantly and on the go between the clients' accounts or to a beneficiary
- Creating, editing or deleting beneficiaries
- Making Credit Card payments
- Depositing money on a wedding list
- Paying tuition fees for registered schools and/or universities
- Checking details of swift transfers
- Viewing POS statements
- Calling BLF via a landline, web or video
- Customizing the welcome page
- Sharing thoughts and feedback with BLF Customer Experience Department.

Online banking is not only convenient, but it also minimizes car trips to the Bank and thus helps preserve the environment. It ensures a better work-life balance for customers and accessibility for expats and people with disabilities.



BLF main touch points

- Branches
- ATMS
- Points of sale
- Internet banking
- Call center
- SMS notification
- Mobile app
- Emails
- Mails
- Websites
- Blogs
- Phones/Faxes
- Social media channels...

MANAGEMENT OF RISKS

Banque Libano-Française is fully compliant with all prudential regulations and guidelines issued by the Central Bank of Lebanon (BDL). These regulations are often more restrictive than those issued by the Basel Committee.

In accordance with Pillar 1 of Basel II & III, BLF applies the “standardized approach” for credit risk, the “standardized approach” for market risk and the “basic indicator approach” for operational risk.

The Bank has sufficient capital to satisfy these requirements. In addition, BLF’s investment in advanced technological solutions to manage risks allows the Bank to reduce the capital charge for credit and operational risks.

In terms of liquidity management, BLF is also fully compliant with Basel III rules covering short-term liquidity (Liquidity Coverage Ratio) and the long-term Net Stable Funding Ratios, as required by the Central Bank of Lebanon.

BLF has also invested in a new ALM module which is being implemented.

Furthermore, BLF conducts an internal assessment of the ability of its capital to cover further risks not identified by the Pillar 1, through the annual Internal Capital Adequacy Assessment Process (ICAAP) exercise recommended by the Pillar 2 of Basel II. In addition, the Bank abides by the new regulations of Basel III concerning the quality and quantity of eligible capital, and maintains a large buffer above the minimum solvency ratios required by the Lebanese regulators.

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, terrorism financing and other criminal activities, as well as strictly implementing international sanctions and embargo programs. Disseminating a strong compliance 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 BLF products and services from being used for illegal purposes, all employees are constantly informed of compliance risks and trained to avoid or mitigate them.

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 is strictly implemented. The Bank has also put in place adequate measures and procedures forbidding its employees from accepting gifts above a certain value or other undue benefits from third parties.

As a member of the UN Global Compact (UNGC) since 2014, a founding member of UNGC's Local Network Steering Committee since 2015, a member of the SDG Council since 2017 and a champion of SDG 10 "Reduced inequalities", BLF pledges to apply and promote within its sphere of influence the 10th principle of 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 its 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.

For the performance of its tasks, the Compliance Division resorts to various tools and controls, including a risk-based Anti-Money Laundering (AML) system, regular reports based on clients' aggregated movements, and sanctions names filtering systems. 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/Terrorism Financing (ML/TF), acts of bribery, corruption or tax evasion.

Banque Libano-Francaise 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 (RBA).

Risk level is assessed according to the Risk-Based Approach which identifies the ultimate beneficial owners and assesses the inherent risks of ML/TF of the legal entities to apply an appropriate level of due diligence.

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
- Screening on sanctions lists
- Obligation to report suspicious transactions or doubtful clients
- Roles and responsibilities of all staff and compliance officers in branches and divisions.

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, Foreign Account Tax Compliance Act (FATCA), Common Reporting Standard (CRS), combating financial crime.

In 2016 and 2017, 400 employees - including Branch Managers and Heads of Divisions - attended intensive AML/CFT sessions and 85 Compliance Officers from branches and back-offices followed an e-learning session and successfully passed its three modules (due diligence, sanctions and AML/CFT).

Since 2016, the Bank creates annual quizzes to test the knowledge of all employees on AML/CFT issues. The employees' participation and the recorded average score on these tests are highly satisfactory.

In 2016 and 2017, 197 new recruits attended FATCA awareness sessions while 509 employees attended CRS awareness sessions.

BLF PARTICIPATES IN THE SECOND EDITION OF THE "SANCTIONS, CRS, AML AND KYC COMPLIANCE" EVENT IN DUBAI

In May 2017, BLF was present in the JW Marriott Deira at the second edition of the "Sanctions, CRS, AML and KYC Compliance" event. This event brought together Compliance, Risk and Audit professionals from the APAC and MENA region to discuss the latest trends regarding financial crimes and challenges of the new international standard to fight tax evasion worldwide (known as the Common Reporting Standard - or CRS). "Tackling the Complexity of Implementing the CRS Requirements" was discussed by BLF along with challenges surrounding the Due Diligence required to be performed on clients (dual residency, joint accounts, ownership structure of entities, beneficial ownership), as well as those surrounding the Data Management (data storage, validation, integrity and mining).

ENSURING SECURE OPERATIONS

Cyber security has become one of the most prevalent threats to the financial sector. Hackers are getting increasingly resourceful day after day: They are developing sophisticated attack methods leading to a significant rise in the number of successful breaches in all types of businesses and thus resulting in a huge data compromise.

In line with its commitment to preserve the confidentiality, integrity and availability of its customers' data, BLF raised the awareness of its staff and adopted the latest protection mechanisms to enhance the security level of its IT infrastructure and processes.

STAFF AWARENESS

Knowing that people are the weakest link in the security chain, the Bank focused on enhancing the level of its staff awareness through the following:

- Increasing the email communications of security guidelines to all staff members
- Diffusing security publications on Intranet
- Diffusing security tips set as screen savers to constantly remind employees of the security controls they need to follow
- Conducting social engineering tests to determine the level of awareness of the staff and to identify any weak points
- Delivering to new recruits an awareness program to tackle cyber security threats
- Conducting trainings on cybercrime and fraud.

DEFENSIVE SECURITY TOPOLOGY

With the rise of sophisticated intrusion techniques and advanced malware attacks, BLF has put in place the latest defensive technologies to monitor, detect and block these attacks.

BUSINESS CONTINUITY PLANS

BLF has put in place Business Continuity and Disaster Recovery Plans (BCP/DRP) that ensure the continuity of its business processes in disaster situations.

ENHANCING CUSTOMER EXPERIENCE

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.

In 2016 and 2017, the Customer Experience Department trained all new employees on the requirements of the Central Bank of Lebanon Basic Circular 134 to create awareness about customer protection.

A Customer Experience Department within the Communications, CSR and Customer Experience Division works on advancing the objectives of the Central Bank of Lebanon 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.

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 has been provided to all clients in three languages and has also been diffused on all BLF communication channels. In line with the Central Bank of Lebanon Basic Circular 134, related to the Principles of Banking and Financial Operations with Customers, 62.23% of clients signed the Rights & Duties list by end of 2017.

In compliance with the Circular 134, BLF also 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 on:
 - The purpose and the need to obtain the product or 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 products and services and take risks
- Documenting the fact that the product or service was sold under the suitability principle.

MAINTAINING TRANSPARENCY

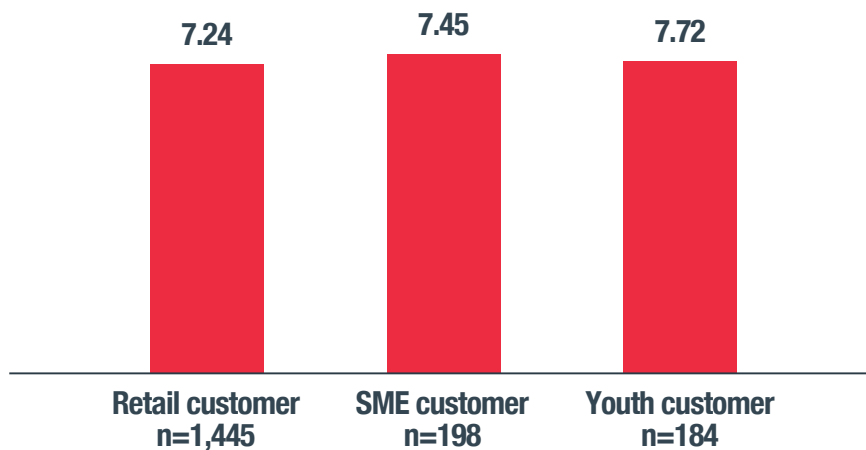
BLF developed Key Facts Statement for all types of cards, POS machines, Retail and SME loans in order for its customers to be aware of the conditions, the commitments and risks related to the products or services. On another note, BLF always displays its tariffs in three languages allowing customers to make informed decisions.

With reference to Central Bank of Lebanon Circular 124, BLF continuously commits to provide clear, comprehensive and accurate direct or indirect advertisement on all its credit conditions.

LOYALTY RESEARCH

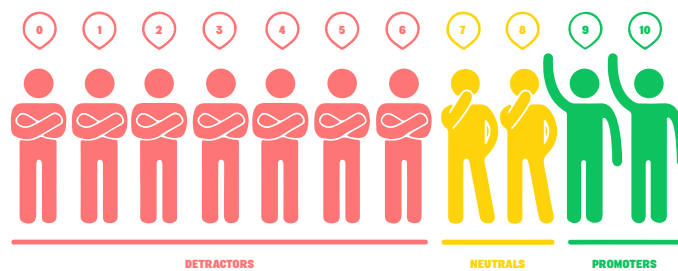
The implementation of a continuous mystery shopping program assists the Bank in measuring the clients' genuine experience in BLF branches and monitors the employees' performance thus spotting possible areas for improvement. Ten mystery shopping waves comprising over 738 mystery shopping visits were conducted between 2016 and 2017 for the branch network with a score of 93.2/100, the Call Center with a score of 81.2/100, the SME Units with a score of 93.9/100 in December 2017.

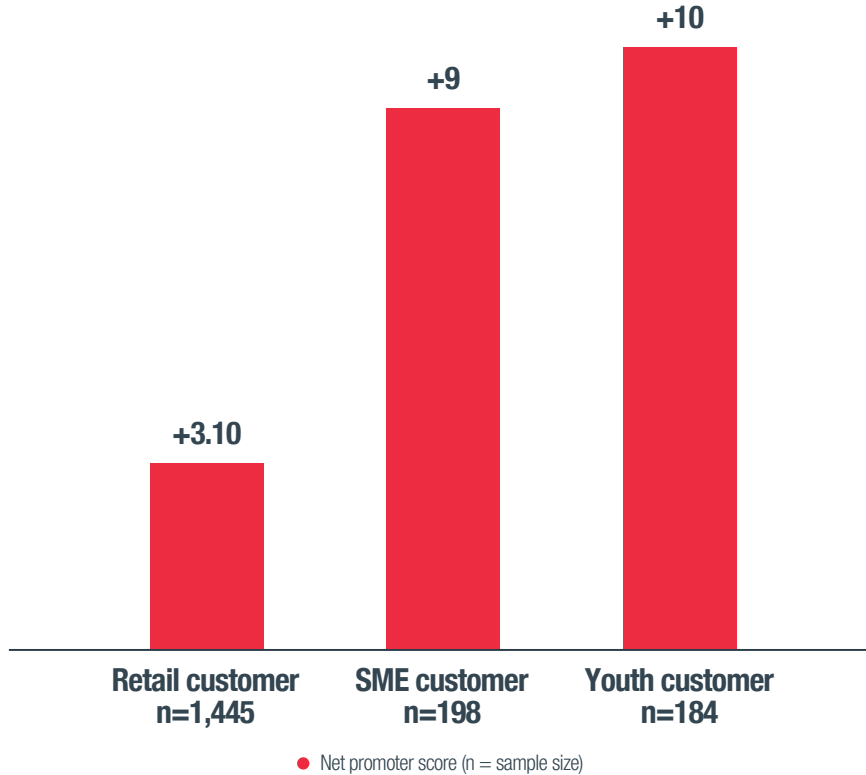
BLF also conducts qualitative and quantitative satisfaction surveys to measure the clients' loyalty and assess their satisfaction with its services and its products.



Overall satisfaction results of the Bank's online customer barometers conducted in 2017.

A Net Promoter Score (NPS) is regularly calculated to measure the willingness of customers to recommend BLF's products or services.





Net Promoter Scores of the Bank's online customer barometers conducted in 2017.

An SME customer satisfaction study was also performed over the phone reaching an overall 8.08/10 satisfaction with a sample size equal to n= 83.

Market research studies and focus groups conducted in 2016-2017:

- Youth lifestyle study (n = 900)
- Youth syndicated study (n = 302)
- Ad assessment study (n = 500) | SNA insurance products
- Ad assessment study (n = 507) | SNA insurance products
- Ipsos grade (ad post testing) (n = 200)
- Three focus groups (new concept branch)
- Ad assessment study (n = 512) | My BLF Campaign

FEEDBACK AND COMPLAINTS MECHANISMS

Keen to serve its Retail, SME and Corporate clients in a better manner and take their feedback into account, BLF was able to receive and handle 491 feedbacks in 2016 and 2017 through the below eight channels:

- 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
- The feedback box 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
- MyBLF mobile app.

Any claim addressed to the Bank is directly and exclusively submitted to the Customer Experience Department which 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 his/her complaint's submission. If exceptionally needed, the Customer Experience Department can extend the review 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, to the 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 the client's approval.

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

- Head of Customer Experience Department
- Head of Group Communications and Customer Experience
- General Management.

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



Customers often share positive feedback with BLF.

EMPOWERING THE MARKETPLACE

EMPOWERING YOUTH

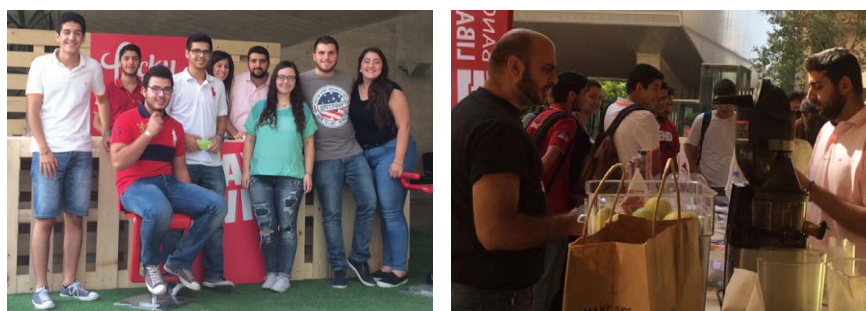
BLF brings young people closer to the world of banking with its Lucky to be Young platform, organizing diversified activities all year long, to boost the youth's personnel and professional development and invite them to leisure events.

BLF impacted more than 265,225 students in 2016 and 2017 through various activities or events.

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 since their 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, and manage their money and take advantages of offers and discounts from BLF partners.



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



Lucky to be Young at the Notre-Dame University (NDU) and Saint-Joseph University (USJ) Campuses in 2016 and 2017 introducing banking products, spreading banking literacy and highlighting the importance of being financially independent.



More than 6,000 youngsters visited BLF's stand at AUB Outdoors in 2016 and 2017 to know about the youth packages and their benefits.



In 2016, BLF welcomed up to 40 students from private Lebanese schools in an open doors session at BLF Headquarters. The students were introduced to the different divisions of the Bank to raise early awareness on banking jobs.



BLF participates, on a yearly basis, in the job fairs held at AUB, USJ, NDU, USEK, LAU, Balamand, ESA, Antonine, and Sagesse universities to offer graduates internships, job opportunities and financial literacy.

Around 1,725 students visited BLF job fair stands in 2016 and 2017.



In collaboration with USJ's social service, BLF offered scholarships to the Straight-A university students benefiting from the Bank's educational loan. During 2016 and 2017, BLF rewarded three students by offering them 5,000 USD each and celebrated their achievements in a ceremony held at the Bank's premises.



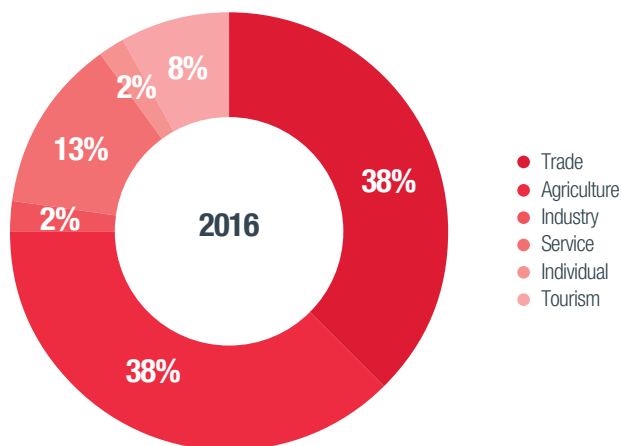
In addition, the Bank was on hand at many scout kermesses in 2016 (Collège Notre-Dame des Frères, Furn el Chebbak, Lycée Montaigne, École des Soeurs de la Charité - Besançon, École Carmel Sioufi, Collège Notre-Dame de Nazareth) impacting a total of 1,500 youngsters.



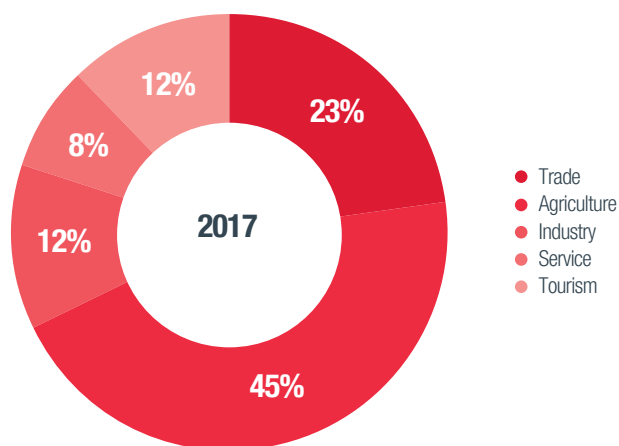
BLF and Virgin Radio Lebanon (VRL) partnered for a general knowledge competition in 2017 with the biggest cash prize in the Lebanese media history (USD 400,000) granted to a young Lebanese man who answered all the quiz questions correctly and quickly. To raise CSR awareness in the marketplace among youth, BLF and VRL organized, in 2016 and 2017, 12 days and 20 days of giveaways during Christmas season making many listeners' wishes come true.

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 through microcredits. As at end of 2017, 203 beneficiaries profited from low interest rate microcredits granted via BLF, amounting to LBP 3.4 billion.

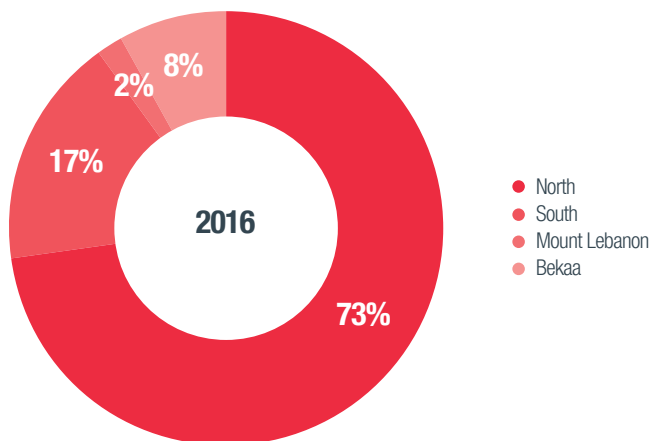


Distribution of LCD microcredits by percentage of beneficiaries per economic sector as at end of 2016.

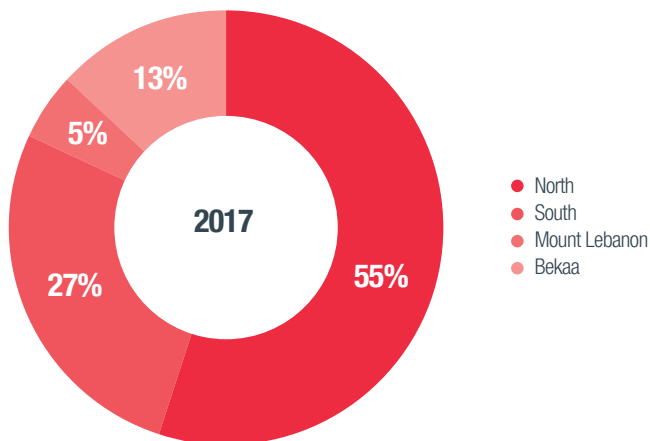


Distribution of LCD microcredits by percentage of beneficiaries per economic sector as at end of 2017.

Compared to the LCD microcredits granted in 2015, 2017 shows a 69% evolution in the agriculture sector and a 600% evolution in the tourism sector.



Geographical distribution of LCD microcredits beneficiaries as at end of 2016.



Geographical distribution of LCD microcredits beneficiaries as at end of 2017.

Compared to the geographic distribution of LCD microcredits granted in 2015, 2017 shows a 3% evolution in the North and a 45% evolution in the South.

PARTICIPATING IN INVESTMENT FUNDS

Banque Libano-Française actively participates in the economic development of the country and the financing of SMEs. As part of the Central Bank of Lebanon Circular 331 which allows banks to invest up to 4% of their equity in the capital of Lebanese companies operating in the new economy, BLF invested USD 30 million in the following Investment Funds:

1. Berytech Fund II
2. Impact Fund
3. Leap Ventures Fund
4. Cedar Mundi Fund
5. Azure Fund
6. Division One Fund by B & Y Venture Partners

EMPOWERING SMALL AND MEDIUM-SIZED ENTERPRISES

BLF supports SMEs in Lebanon through a diversified portfolio of products and services at advantageous rates. In 2017, an amount of USD 130 million was invested in SMEs.

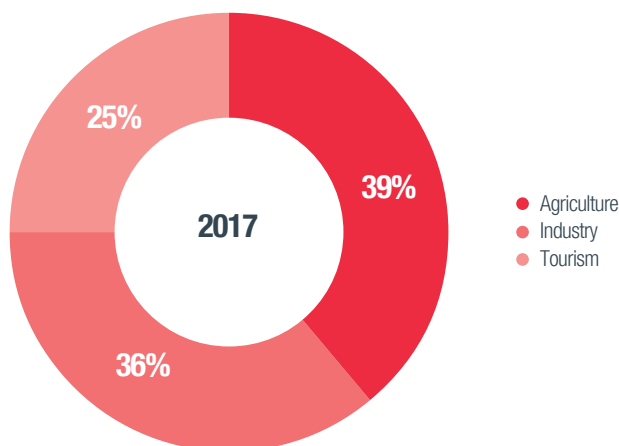
BLF financed one of the largest agricultural projects in South Lebanon covering an area of 1,165,000 m².

“SMEs are the backbone of the Lebanese economy. That’s why we were the first bank to support them since the establishment of Kafalat in 1999. We have always believed that this sector boosts the economic growth, creates job opportunities, encourages the labor force in the crafts and agriculture sectors and reduces emigration and desertification of rural areas.”

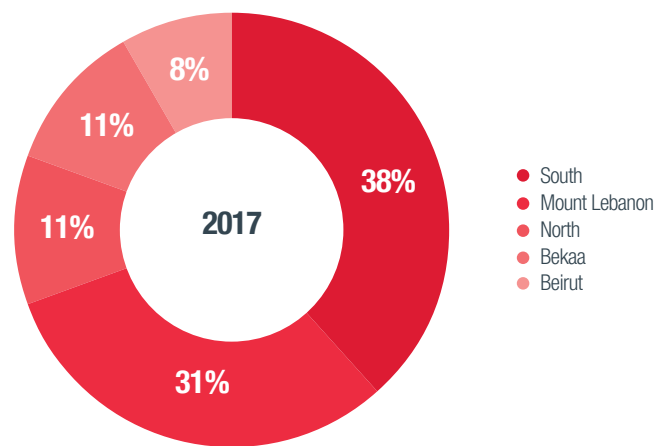
Elie Aoun (Assistant General Manager, Head of Middle-Market Banking Division)

HELPING SMEs THROUGH KAFALAT LOANS

As a founding member of Kafalat and a member of its Board of Directors, BLF has been providing Kafalat loans to small and medium enterprises since 2000, contributing to issuing over 1,316 Letters of guarantees worth LBP 190 billion.

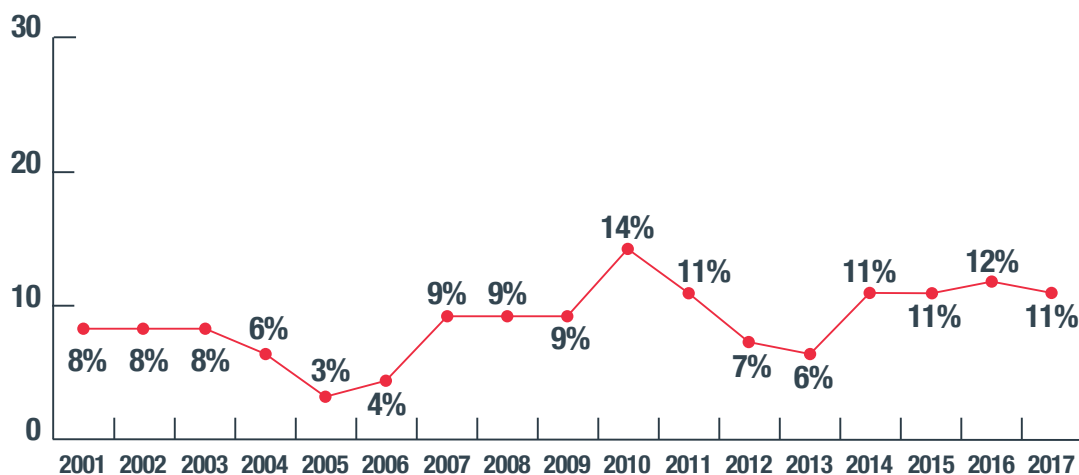


Distribution of Kafalat loans by percentage of beneficiaries per economic sector as at end of 2017.



Distribution of Kafalat loans by percentage of beneficiaries per geographical area as at end of 2017.

BLF financed 30% of all Kafalat innovative projects in Lebanon.
During the years 2016 and 2017, its Kafalat loans resulted in the creation of 900 jobs.



BLF has held a significant national market share in Kafalat loans since the year 2001.

“Banque Libano-Française thrives to support SMEs located mainly in rural areas, to help villages grow and to keep the population from moving to the cities. For instance, the bank supports guesthouses in these areas as they contribute to the development of domestic tourism and introduce the Lebanese and the tourists to our beautiful Lebanon.”

Elie Aoun (Assistant General Manager, Head of Middle-Market Banking Division)

SUPPORTING AMBITIOUS ENTREPRENEURS AND STARTUPS

In the field of startups and innovative companies, BLF was the first Lebanese bank to offer startups and innovative companies the “Kafalat Innovative” credit that aims to support clients who innovate in terms of products and services, production or manufacturing processes, and improvement of existing products, types, modes of distribution or sales channels.

During the last four years, the Bank has financed 28 startups, despite the high credit risk they represented. Contributing to economic growth, 11 startups were real success stories in their fields of activity!

BLF STARTUPS SUCCESS STORIES

1. CardioDiagnostics: President Obama’s recognition

Founded in 2013, CardioDiagnostics is a Lebanese-American startup. It is specialized in cardiac care and provides innovative technological solutions allowing to control the patient’s heart and send an alert to his/her medical team. President Obama awarded CardioDiagnostics as one of the top five international startups in 2013.



2. La Maison de la Forêt: A boon for investors

Established in 2012, la Maison de la Forêt is a communal eco-touristic destination within Southern Bkassine's pine forest aimed for nature lovers, adventurers and families. More than USD 1.5 million was invested in this project.



3. Coopérative des Côteaux d'Héliopolis: Economic development of the region

The “Heliopolis Cooperative” was created by a group of 250 farmers from 11 different villages in the Bekaa aiming to get a legal and lucrative activity such as planting vineyards, and to abandon the cultivation of illicit crops. Their “Côteaux les Cèdres” is the first wine in the Middle-East to have both fairtrade and organic certifications. This project created many job opportunities and improved the farmers’ lives.



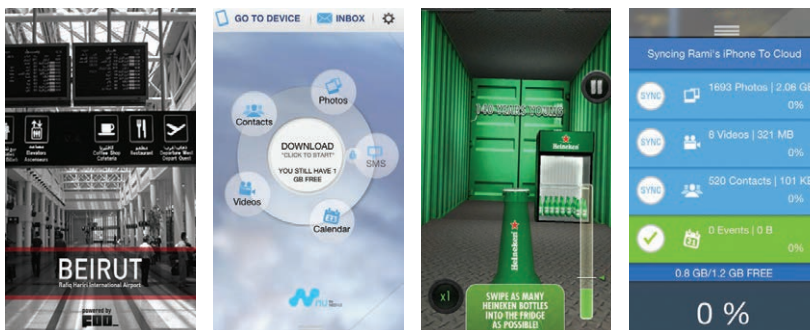
4. Instabeat: In the Forbes Top 10 best startups in the Middle East

Instabeat is an accessory for swimmers created to monitor and store heart-rate, stroke types and laps in a mobile application. It is connected to swimmers’ goggles.



5. FOO: Winner of Arabnet’s startup demo contest

Founded in 2009, FOO is a leading Fintech provider that focuses on technology, innovation, expertise and quality. FOO has quickly expanded in the MENA region.



6. Dermandar: Award for the best application in the world

Dermandar (DMD) is a company specialized in digital image technologies that offers some popular international applications like DMD Panorama, DMD Clone and DMD Topic. DMD Panorama won the “World Summit Awards” organized by the United Nations (UN) in 2013.



7. Netsila: Exit of the company at USD 13.5 million after 3 years

Netsila benefitted from a USD 200,000 “Kafalat Plus” to develop “Shahiya.com” a cooking platform, in Arabic that rapidly became the number one Arab digital food brand with more than three million users. Cookpad bought Netsila for USD 13.5 million in 2013.



8. Miel du Levant: The first organic 100% Lebanese honey

Miel du Levant produces the first organic honey in Lebanon certified by the European Union known for its quality and ecological culture.



9. Classic Burger Joint: The burger “made in Lebanon”

CBJ introduced in 2010 a new concept specialized in burgers. After five years, the company expanded into 20 branches in Lebanon, Kuwait, Dubai and Cyprus.



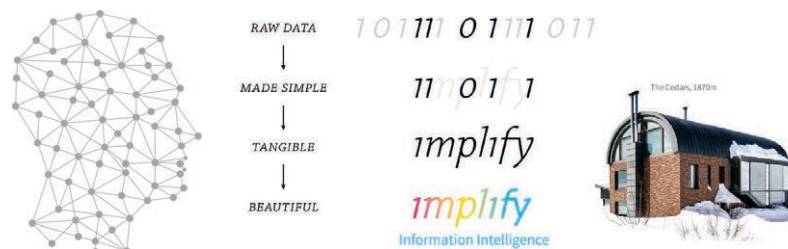
10. Fonderie d'Art: A dedicated place for arts

Founded in 2003 by the Lebanese painter, sculptor, and poet Rudy Rahme, the Fonderie d'art is a 3,000 m² showroom and exterior space dedicated to art. Visited annually by 70,000 persons, it will soon develop to include a literary lounge, a library and meeting places.



11. Roxana: A marketer for every single customer

Founded in 1999, Roxana specializes in architecture, conception and development of logistic solutions particularly in the field of management and data analysis “Data Management and Behavior”. It provides the banking sector with the Neumann solution enabling leaders and marketing directors to monitor and control clients’ behaviors.



GRANTING MICROCREDITS WITH THE ECONOMIC AND SOCIAL FUND FOR DEVELOPMENT

The Economic and Social Fund for Development (ESFD) Project is part of the Euro-Med Partnership established between the European Commission (EC) and the Republic of Lebanon in November 2000. The ESFD reaches out to the underprivileged through systematic and sustainable partnerships with competent intermediaries (banks, municipalities, NGOs, others). It aims at alleviating poverty and mitigating the social impact of the economic transition on disadvantaged groups through targeted actions in job creation, community development, infrastructure and local economies.

In February 2017, the Bank launched a new Professional Loan in partnership with the ESFD addressed to finance clients' new projects or to support their activities in economic sectors, to reduce the poverty rate in the country and to create new job opportunities.

Economic Sector	Number	Percentage	Amount in LBP
Trade	25	45%	506,550,000
Industry	10	18%	204,700,000
Service	9	16%	259,300,000
Tourism	6	10.5%	243,000,000
Agriculture	6	10.5%	141,500,000
Total	56	100%	1,355,050,000

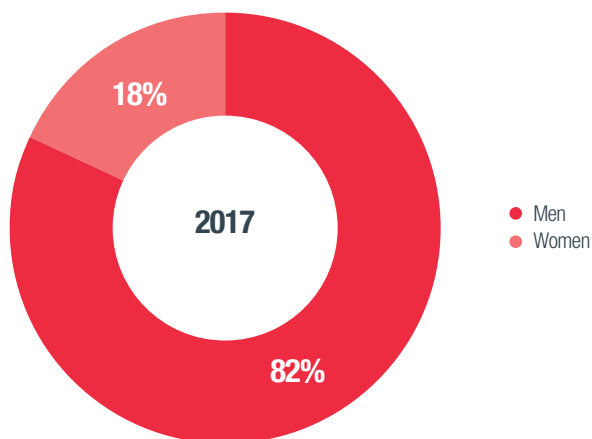
BLF's distribution of the microcredit beneficiaries per economic sector in 2017.

Economic Sector	Number	Percentage	Amount in LBP
Beirut	7	12.5%	186,000,000
Mount - Lebanon	14	25%	396,500,000
North	12	21%	404,300,000
Bekaa	16	29%	256,550,000
South	7	12.5%	111,700,000
Total	56	100%	1,355,050,000

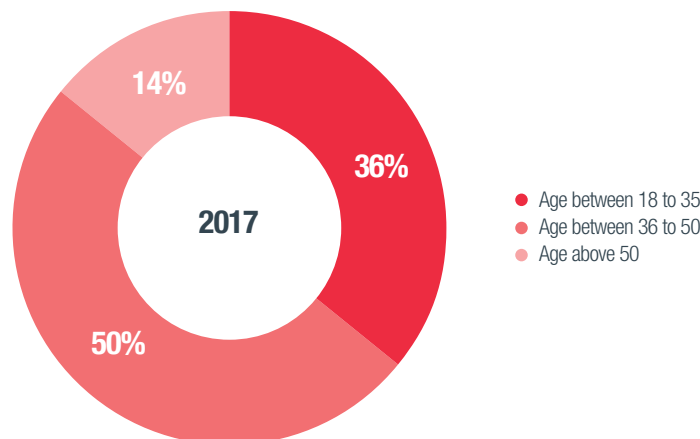
BLF's distribution of the microcredit beneficiaries per geographic region in 2017.

82% of the microcredits were granted to men and 18% of the microcredits were allocated to people aged between 36 and 50.

The ratio of non-performing microcredits loans for dates below 90 days was 0.04% as at end of 2017. This reflects that most of creditors are ensuring the payments of their credits.



Gender distribution of microcredit beneficiaries as at end of 2017.



Age distribution of microcredit beneficiaries as at end of 2017.

TAKING PART IN EVENTS TO PROMOTE ENTREPRENEURSHIP AND FINANCIAL INCLUSION

BLF took part in several events supporting entrepreneurship such as the annual Global Business Summit hosted by Endeavor Lebanon and Lebanese International Finance Executives (LIFE), gathering hundreds of entrepreneurs, diaspora members, investors and startups.



BLF sponsored the annual Global Business Summit in 2016.

BLF also participated in the 2017 Institute of International Finance (IIF) MENA Financial Summit in Dubai to discuss challenges and opportunities for the region. The challenges of macroeconomic stability and reinvigorated growth, the strong resilience of the Lebanese banking sector since 2005 and the success in job creation of the Central Bank of Lebanon Circular 331 were addressed by the Chairman and General Manager.

“We are already testing the success of startups as people from abroad are coming back to Lebanon to take advantage of the Circular (...) with the money invested, our GDP could grow 1.5% in the next 5 years.”

Walid Raphaël (Chairman and General Manager)



BLF participation in the Institute of International Finance MENA.

BLF moreover took part in the opening ceremony of the 15th annual session of the Institut Francophone de la Régulation Financière (IFREF) to talk about “SME /ETI financing by the financial sector: Opportunities and challenges”.

In addition, the Bank participated in the second session entitled “Innovative financial products & financial consumer protection” at the Arab Financial Inclusion Day organized by Banque du Liban at the École Supérieure des Affaires (ESA) in 2017.



BLF participating in the Arab Financial Inclusion Day in the Innovative Financial Products and Financial Consumer Protection session.

“Our green initiatives, our youth and social involvement and our continuous cooperation with the private and public sectors aim at promoting a sustainable environment and shared values, contributing to the continuous development of our Bank, of the banking sector and of our community.”

Maurice Iskandar (Assistant General Manager, Head of International Division)

PROVIDING FINANCIAL LITERACY TO RURAL AREAS

In February 2017, the Bank gave a presentation about the SME market in Lebanon at the Chamber of Commerce and Industry in the North in partnership with the Business Incubation Association in Tripoli (BIAT). The presentation focused on the economic sectors of the SMEs, the Lebanese entrepreneurial ecosystem and its main actors, as well as the contribution of BLF in supporting SMEs.

DRIVING FINANCIAL INCLUSION AND REDUCING HUNGER

In 2013, BLF and MasterCard created a pioneering electronic solution to support the World Food Program (WFP) to provide food assistance for vulnerable Syrian and Lebanese families in need of basic food requirements. The e-card allows refugees and vulnerable Lebanese to decide on the makeup of their meals and access free food, while boosting the economy and driving financial inclusion. E-cards are loaded on a monthly basis with USD 27 per person and are used to purchase food in any of the 500 contracted stores across Lebanon. By end of 2017, more than 1,000,000 persons were using them.

BLF won several international awards for this initiative:

2013	2014	2015
Ranked 4 th among the world's top 10 Innovation that have improved the world in 2013, by Mashable (third most visited blog in the world).	Driving Financial Inclusion Award at the MasterCard Innovation Forum in Singapore. Token of Appreciation from MasterCard.	Financial Inclusion Award at the Sixth Annual Prepaid Middle East Awards in association with Visa.

“In line with our involvement in CSR initiatives within the marketplace, the World Food Program allowed us to achieve the financial inclusion of more than a million individuals using a digital and secure way, and to increase the banking literacy in rural and peripheral areas of Lebanon...”

Myrna Wehbe (Head of Cards Services Division)

Extracts from Walid Raphaël's intervention at the Economic Conference for Development through Reforms with the Private Sector (CEDRE) in Paris, on April 6, 2018



Walid Raphaël at CEDRE in Paris.

“This Conference has already brought the concerns of our political leaders back to our country's economy. It is actually raising a public debate that was long absent especially that the economy has been neglected in recent years and has greatly suffered from the multitude of events that have shaken our region... The GDP growth rate collapsed after the good years of 2008 to 2010 which recorded rates ranging from 8% to 10%. Since then, it has been oscillating between 1 and 2%. But we avoided the recession by keeping on attracting capital and carrying out private investment projects...

Our economy has a huge potential. Its size has more than doubled since Paris 3 and has multiplied by 19 times since the end of the civil war. I believe it can still double in the next 10 years, which should reduce the debt burden; but this would only happen when the budget deficit is cut off and the potential of human capital is unlocked.

Beyond improving the business environment, we are envisioning 3 growth poles for our economy:

The first pole is the oil and gas sector which represents a real opportunity for Lebanon.

Although it is necessary to wait for the exploration phase in order to discover the true potential of our resources, the exploration companies must base their companies and managers in Lebanon, rent offices and apartments, recruit staff and outsource many services. New companies will be created and invest to serve this new industry. This opportunity alone will help initiate an investment process that should benefit the entire Lebanese economy.

The second pole is the knowledge economy.

Banque du Liban took the initiative of developing the entrepreneurship sector to create jobs and retain the human capital in Lebanon. Circular 331 allows banks to invest 4% of their equity in start-ups or venture capital funds with a 75% guarantee from the Central Bank against sharing 50% of profits. We are beginning to see the positive effects of this Circular as Lebanon is differentiating itself as a place of innovation. The digital sector could thus add an additional 1.5% GDP growth in 5 years.

Finally, Public Private Partnerships stand as the third axis of development for our economy.

In our view, this is the real opportunity for our country to reform the state and invest in infrastructures while avoiding the overburdening of public financing of an additional debt, to increase the efficiency of investments and to improve the provision of public services to our citizens. The only way to attract substantial investments to Lebanon is to privatize public services or set up Private Public Partnerships. We support the Government's capital investment plan, while stressing on the importance of following the recommendations of the International Monetary Fund in the management of the plan, particularly regarding the need to apply good governance standards.

The banking sector stands ready to support the reforms to be undertaken by the Government and to provide some of the funding required for PPPs.”





COMMUNITY

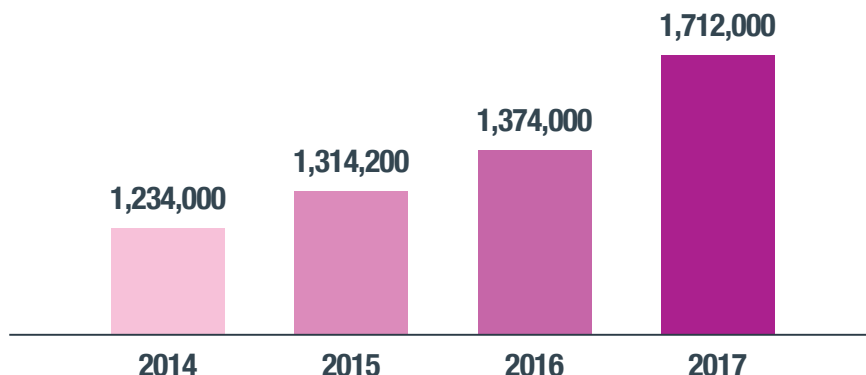
Deeply engrained in Banque Libano-Française's values is a sense of commitment to give back to the community. Throughout the years, BLF has been investing in the community in which it operates to create a positive social impact and enhance the well-being of individuals and society at large. Today, the Bank is committed to play a role in the 2030 Agenda and strives to contribute to the implementation of the Sustainable Development Goals.

BLF has invested over USD 3,084,000 in sponsoring community projects in 2016 and 2017.



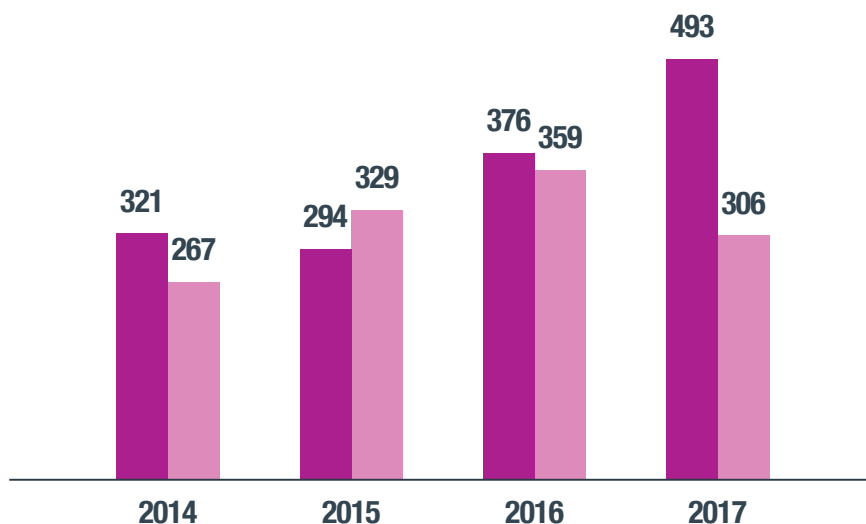
SUPPORTING THE COMMUNITY PILLAR IN FOUR FOCUS AREAS

Over the past two years, BLF supported 376 beneficiaries in 2016 and 493 in 2017 in the four focus areas of culture, education, humanitarian and social causes, and economic development. The community spending has increased by 38% from 2014 to 2017 to help meet the complex challenges the country is facing and to reduce inequalities.



Contributions to the community in the four focus areas (in USD).

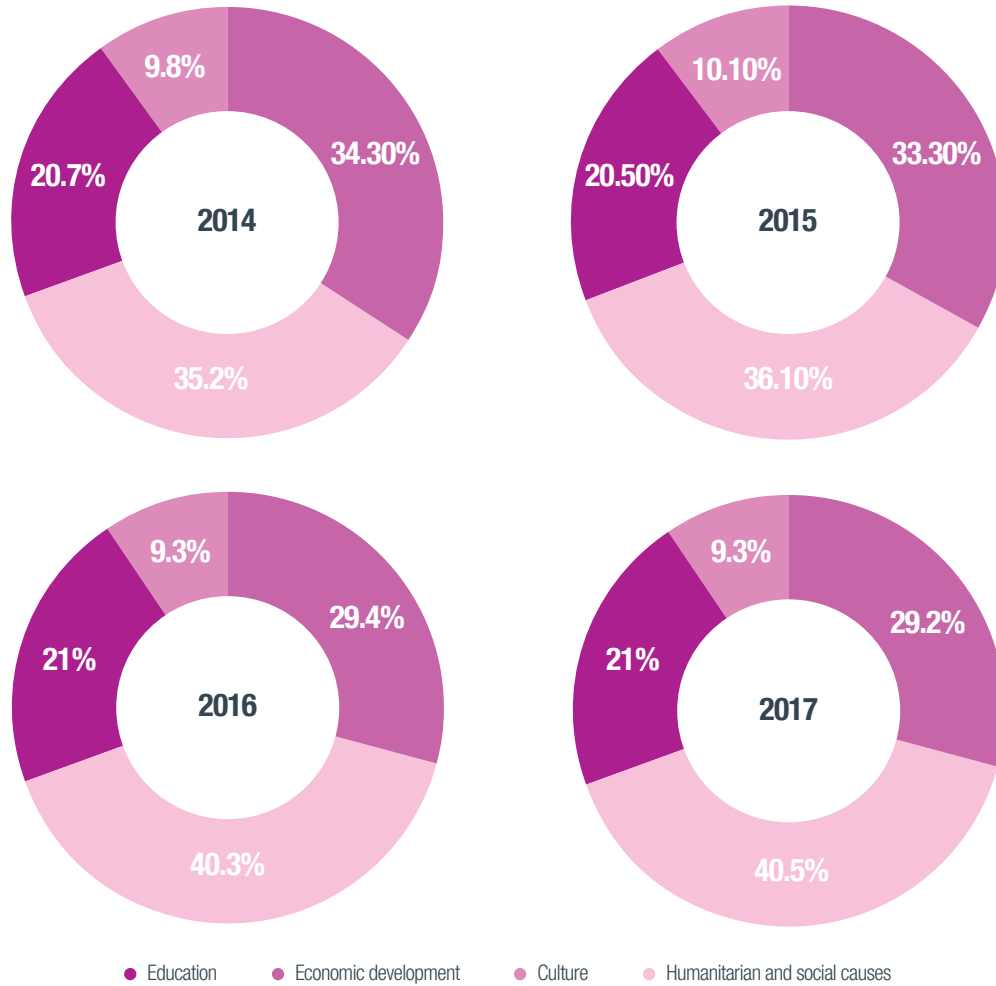
BLF is known to respond to community needs across all regions in Lebanon, it has thus received over 1,534 solicitations from various organizations in 2016 and 2017. BLF thoroughly studies all requests, evaluates their answers to pressing community needs, assesses their alignment with the Bank’s strategy and relevance to its business, and performs a due diligence before granting approval on the project financing. It makes sure to always answer all people and organizations requesting its help, even if it has to decline their requests, either because the project is not in line with its values or strategy, or due to budget restrictions.



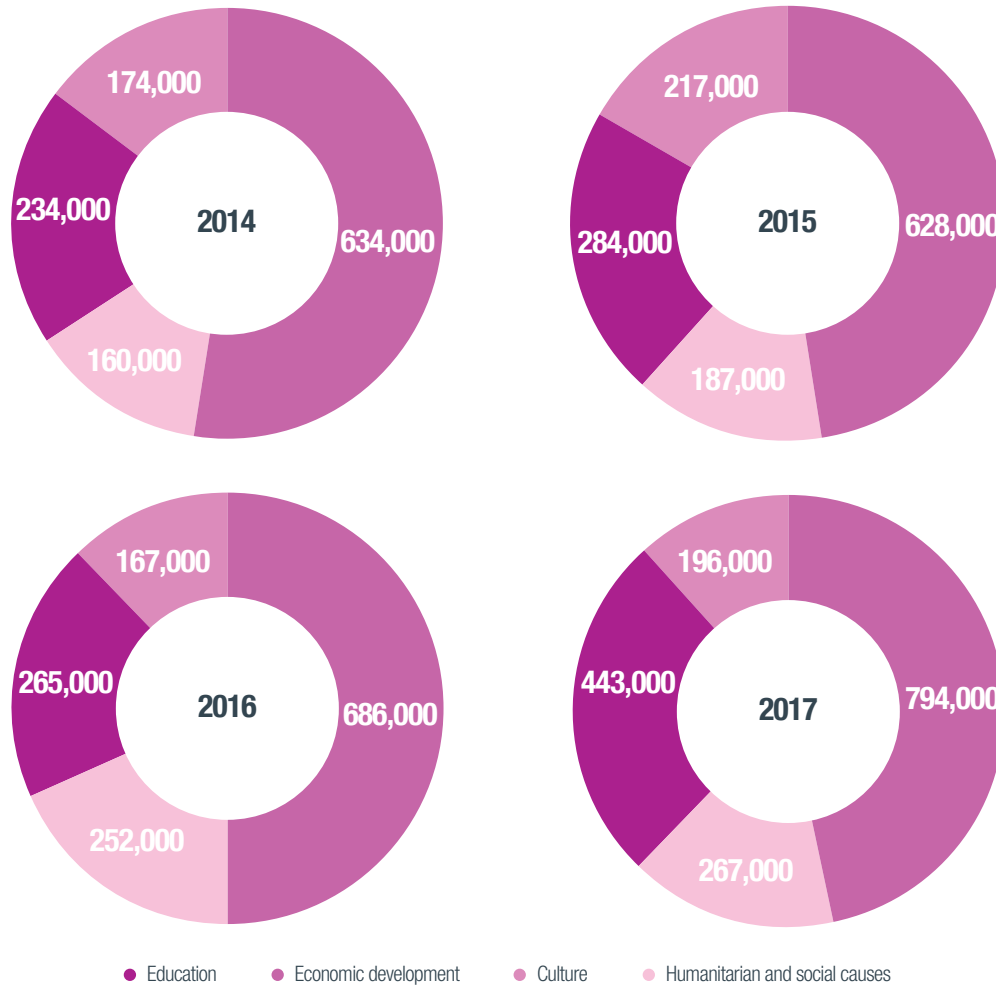
● Number of accepted requests ● Number of declined requests

Number of community support requests.

To face the challenges resulting from the humanitarian crisis, the economic situation and the impact of Syrian refugees in Lebanon, BLF increased its contribution to humanitarian and social causes by 14% between 2014 and 2017, and its spending on humanitarian and social causes increased by 67% between 2014 and 2017.



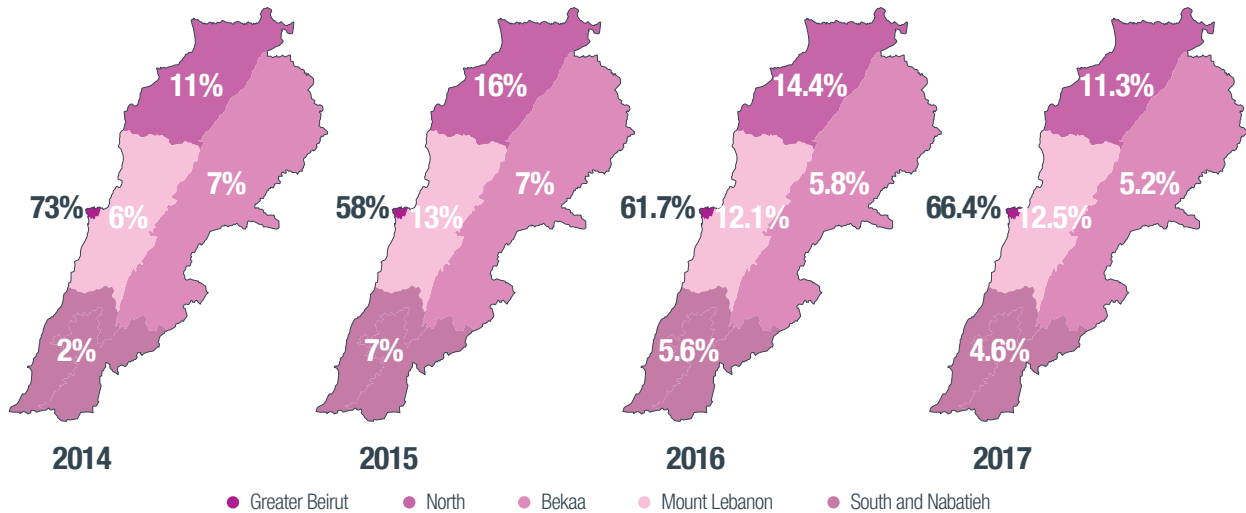
Percentage of community issues supported by areas of focus from 2014 till 2017.



BLF community investments in USD per focus area from 2014 to 2017.

1,560,024 beneficiaries were impacted by BLF's community involvement in 2016
and **2,380,337** in 2017.

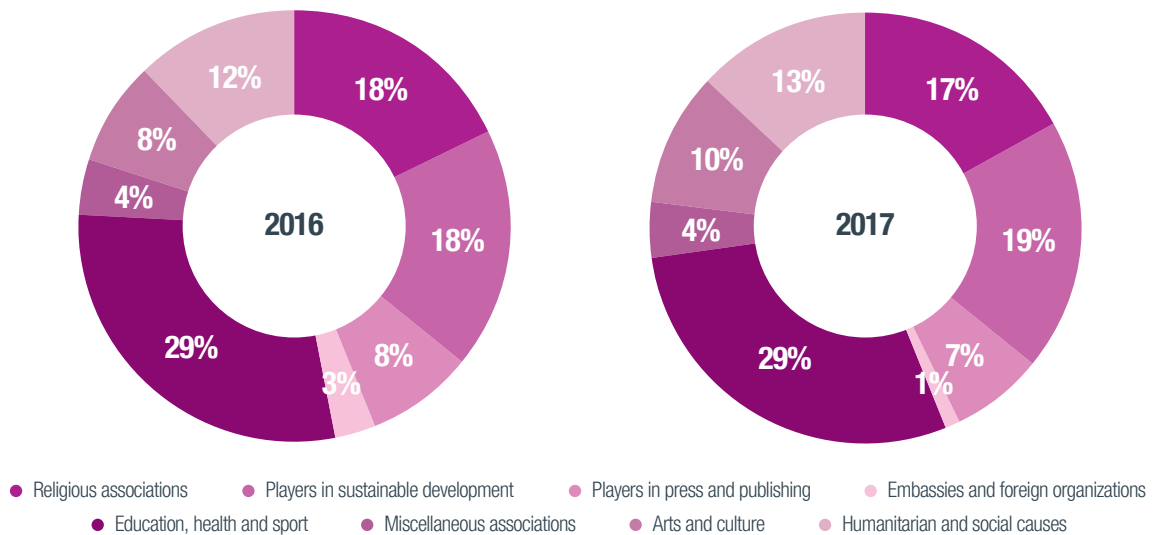
BLF has increased its community support in the regions outside of Greater Beirut from 27% in 2014 to 34% in 2017, striving towards geographical equity.



Geographical distribution of BLF's community support from 2014 till 2017.

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

BLF requests from its partners to report back on the outcome of the community initiative and describe the impact the initiative had.



Spending (in percentage) for the different types of organizations supported by BLF in 2016 and 2017.

EXTENDING SUPPORT TO ARTS, CULTURE AND THE LEBANESE HERITAGE

The United Nations Educational, Scientific and Cultural Organization (UNESCO) mentioned in an article entitled “Sustainable Development Goals for Culture on the 2030 Agenda” that “Culture contributes to poverty reduction and paves the way for a human-centered, inclusive and equitable development. No development can be sustainable without it. Placing culture at the heart of development policies constitutes an essential investment in the world’s future and a pre-condition to successful globalization processes that take into account the principle of cultural diversity.”

Since its early inception, Banque Libano-Française has been extending its unwavering support to arts, culture and patrimony, always aiming to encourage local initiatives to spur economic growth, education 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 cultural events such as festivals, theater, dance, art, photography, museums amongst others, stems from a deeply rooted belief that arts and culture do not only foster economic growth and enhance the image of our country, but also create social cohesion, contribute to education and enhance the health and well-being of society.

Supported festivals in 2016 and 2017

- Ajaltoun Festival
- Al Bustan Festival
- Arak Festival
- Aramoun Festival
- Baabdat Festival
- Baalbeck International Festival
- Batroun International Festival
- Beirut Cultural Festival
- Beirut Holidays Festival
- Beiteddine Festival
- Bhamdoun Flowers Festival
- Bkassine Festival
- Chebaniyeh Summer Festival
- Dbayeh International Festival
- Ehden Apple Festival
- Ehdeniyat International Festival
- Festival Faqra Kfardebiane
- Ghalboun Festival
- Ghazir Festival
- Ghosta Festival
- Hammana Cherry Festival
- Harissa Festival
- Jabalna Festival
- Jezzine Festival
- Jounieh International Festival
- Jounieh Summer Festival
- Kousba Festival
- Mayrouba Festival
- Mazraat Yachouh Festival
- Olea Olive Festival
- Summer Misk Festival
- Youth Movement Apple Festival
- Zahlé Maalaka Festival
- Zouk Michael Music Festival



Jounieh International Festival.



Summer Misk Festival.

PRESERVING LEBANESE HERITAGE THROUGH THE PUBLISHING OF BOOKS

In addition to sponsoring festivals, BLF underlines its constant commitment to the safeguarding of Lebanese heritage and cultural wealth, by backing up the publishing industry. The books it finances are offered as end of year gifts.



Nabil Nahas in 2016 (in English).



Passing Time by Fouad El Khoury in 2017 (in Arabic/French and Arabic/English).



Le Journal du Docteur Cottard in 2017 (in Arabic/French).

BLF spent USD 161,178 on books publishing in 2016 and 2017.

PROMOTING PERFORMING ARTS

It is widely recognized that performing arts generate profound benefits on individuals and on society. It is for this reason that BLF granted its support to the following theater, dance and music performances in 2016 and 2017:

- “Knock ou le triomphe de la médecine”, by Alain Plisson, held at Tournesol Theater
- “L’important est d’être aimé”, by Alain Plisson, held at Tournesol Theater
- “Al malik yamout”, by Fouad Naim, held at Al Madina Theater
- “Maasati”, by Issam Bou Khaled, held at Al Madina Theater
- “Beyrouth ghiyabiyyan”, by Roger Assaf, held at Al Madina Theater
- “Geography the synapse”, by Nagi Sourati, held at Al Madina Theater
- “Bi entizar Godot”, by Lina Khoury, held at Al Madina Theater
- “Ekht I rjeil”, by Jack Maroun, held at Al Madina Theater
- “Freezer”, by Betty Taoutel, held at Tournesol Theater
- “On ne voyait que le bonheur”, by Gregori Baquet, held at Al Bustan Theater
- “L’apprenti magicien”, by Josiane Boulos, held at Monot Theater
- “The crazy kids show”, by Josiane Boulos, held at Monot Theater.



BUILDING THRIVING COMMUNITIES BY TEAMING UP WITH MUSEUMS AND CULTURAL CENTERS

Museums and cultural initiatives supported by BLF in 2016 and 2017

- Arab Center for Architecture
- Arab Image Foundation
- Association Sacrum Venise Liban - Zad Moultaqa Šamaš in Venice
- Beirut Art Center
- Espace Kettaneh Kunigh
- Fondation Liban Cinema
- Maqamat Theatre Dance - Beirut International platform for Dance (BIPOD)
- National Museum
- Sursock Museum
- Terbol Museum
- The Silk Museum



“Unravelled” is a group exhibition about the embroidery in contemporary artistic practice at the Beirut Art Center.



“Falling is not collapsing” exhibition by Marwa Arsanios at the Beirut Art Center.

TEAMING UP WITH THE ARAB IMAGE FOUNDATION

BLF renewed in 2016 and 2017 its support to the Arab Image Foundation (AIF) to contribute to the preservation of the social history of the Arab World. 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.

To sensitize its clients and employees on the Lebanese legacy captured through AIF’s remarkable photographs, BLF hosted a series of touring mini-exhibitions in its branches.

The ongoing research and acquisition of photographs included as at end of 2017, more than 600,000 photographs from Lebanon, Syria, Palestine, Jordan, Egypt, Morocco, Iraq, Iran, Mexico, Argentina and Senegal.



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



Another mini exhibition illustrated the history of various professions in Lebanon and the Arab Region between 1870 and 1970.

PROMOTING CONTEMPORARY ART WITH THE BEIRUT ART CENTER

By supporting the Beirut Art Center (BAC), BLF contributes to promoting local and international contemporary artists who face great difficulties due to the lack of financial and institutional support in this domain. The Center's program includes exhibitions, educational activities, workshops, conferences, screenings and concerts.

REVIVAL OF THE NATIONAL MUSEUM

Being a supporter of the National Museum of Beirut since 1996, BLF contributed in 2016 in the financing of Bahij Hojeij's documentary entitled "Revival" in partnership with the Ministry of Culture. The project aimed at promoting the restoration and rebirth of the National Museum basement.

LEBANON PAVILLON AT VENISE BIENNALE

BLF supported artist and musician Zad Moultaqa in his participation at the 57th Venice Art Biennale that took place from May till November 2017. At the Lebanese Pavillon, Zad Moultaqa conceived a constantly evolving work "Sacrum" inspired by the prehistoric caves of Jeita (Lebanon) and Chauvet (France), combining visual architecture and sound composition.

SUPPORTING GATHERING AT THE RESIDENCE DES PINS

BLF has been contributing since 2011 to the enrichment of the community through "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 French speakers to discuss with the Lebanese public a broad range of issues in the fields of culture, economy, politics and science.

In 2016 and 2017, the following speakers were hosted:

- Patrick de Carolis, journalist, writer, producer, presenter and former president of the French public service broadcaster "France Télévisions"
- Yann Arthus-Bertrand, photographer, producer, environmentalist and president of the Good Planet Foundation
- Marcel Rufo, professor emeritus at Aix-Marseille University, child psychiatrist and writer of "Les Nouveaux Parents".



Marcel Rufo intervening during "Les Rencontres de la Résidence des Pins".

BACKING-UP EDUCATION

Access to information and to education are the cornerstone of building peace and justice, ensuring decent work and economic growth as well as contributing to reduced inequalities. For these reasons, BLF strives to build the knowledge of the community in which it operates.

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

The BLF Sageesse Smart Center is the first simulation center for managing companies in the Middle East. The center has been offering students, since its inauguration in 2015 at La Sageesse University, customized coaching and a hands-on experience. It enables students to learn about financial markets in a real environment.

BLF BACKS UP THE ECONOMIC RESEARCH CENTER OF BALAMAND UNIVERSITY

BLF has renewed its long-term partnership with the Economics and Capital Markets Research Center (ECMRC) of Balamand University to back up research related to G7 and BRIC countries that will help it understand and predict the movements of financial markets.



Father Paul Douaihy (Director of ECMRC at Balamand) during a conference on the economic situation in the United States, the Euro Zone, the United Kingdom, Japan and the emerging markets held at BLF.

PROMOTING INTERSCIENCE AND DRAWING COMPETITIONS

Within the framework of its youth strategy “Lucky to be Young”, BLF renewed in 2016 and 2017 its partnership 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 seven international science competitions:

- The number race (Course aux Nombres)
- Math without borders (Mathématiques sans Frontières)
- IT Castors (Castors de l’Informatique)
- Math Olympics (Olympiades de Mathématiques)
- Geosciences Olympics (Olympiades des Géosciences)
- Chemistry Olympics (Olympiades de Chimie)
- Young Scientist Competition (Concours du Jeune Scientifique).

In 2016 and 2017, 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 in 2016 and 2017 to more than 130,000 students in more than 530 schools, thus contributing to fostering team spirit, a sense of initiative as well as stimulating scientific and artistic skills”.

Tania Rizk (Head of Group Communications, CSR and Customer Experience Division)

CELEBRATING TEACHERS' DAY

BLF celebrated teachers' day by visiting more than 57 school partners around Lebanon in 2016 and 2017 and meeting more than 5,000 teachers.



BLF visiting schools and meeting with the teachers.

BLF supported and engaged around 40 schools and seven universities in 2016-2017:

Universities

- American University of Beirut
- Balamand University
- Ecole Supérieure des Affaires - HEC
- INSEAD
- Lebanese International University
- Université La Sagesse
- Université Saint-Joseph de Beyrouth

Schools

- Ahliah School
- Beirut Modern School
- Collège de la Charité Besançon Baabda
- Collège de la Sagesse
- Collège de la Salle Furn el Chebbak
- Collège de la Salle Kfaryachit
- Collège des Dominicaines de Notre-Dame de la Délivrance Araya
- Collège des Frères Deddeh
- Collège Elysée
- Collège Notre-Dame de Jamhour
- Collège Notre-Dame de Nazareth
- Collège Notre-Dame Louaize
- Collège Oriental Zahlé
- Collège Protestant Français
- Collège Saint-Charles
- Collège Saint-Joseph Aintoura
- Collège Saint-Joseph Zahlé
- Ecole des Religieuses de Nazareth
- Ecole Rawdat Al Fayhaa
- Ecole Saint-Georges Bsalim
- Filles de la Charité
- Grand Lycée Franco-Libanais
- Institut Moderne du Liban
- Institut Monseigneur Cortbawi
- Institut Technique des Frères Furn el Chebbak
- Institut Technique Franco-Libanais
- Institut Technique Orthodoxe du Akkar
- Institut Technique René Moawad
- Lycée Adonis
- Lycée Montaigne
- Lycée Saint-Joseph Miniara
- Mutuelle des Élèves des Frères au Liban
- Sagesse High School
- Saint-Nicolas Lebaa
- Soeurs des Saints-Coeurs Hadath
- Soeurs des Saints-Coeurs Ain Najem
- Soeurs des Saints-Coeurs Sioufi

FOSTERING A SPIRIT OF EXCELLENCE AMONG THE YOUTH

BLF sponsored the Jalapenos team to participate in the First Tech Challenge (FTC), in 2016 and 2017. During this international competition, teams (Grades 7-12) are challenged to design, build, program, and operate robots to compete in a head-to-head challenge. Guided by adult coaches and mentors, students develop STEM skills and practice engineering principles (like keeping an engineering notebook), while realizing the value of hard work, innovation, and sharing ideas.



Jalapenos team participating in the First Tech Challenge.



BRIDGING THE BUSINESS AND IT GAPS

BLF organized during the reporting period a two session-seminar for the Masters students in Web Science & Digital Economy at Université Saint-Joseph. Topics related to the influence of the digital and mobile technologies in banks strategies were tackled during this event to build the knowledge of these students. Students were introduced to BLF's latest banking IT programs and technological innovations in this field. Members of the BLF IT Division volunteered their time to present the various IT departments and their scope, the Bank's multi-channel strategy, the conception of the e-Banking from design, to development and deployment. The students were also invited to visit the monitoring centers, as well as the Bank's IT Service Desk.



BLF team introduces students to the working realities at the BLF IT Center.



BUILDING HEALTHIER AND HAPPIER COMMUNITIES THROUGH SPORTS

Because sports helps build healthier and happier communities, BLF extended its support to various sport clubs such as:

- Body Coach Gym
- Club des Sports Faraya Mzaar
- Club Fidar
- Club Jeunesse Bauchrieh
- Club Jeunesse Bazoun
- Club Sportif de Mayrouba
- Club Sportif Kfaraabida
- Damour Country Club
- Flying Frog Surfski Club
- Phoenicia Sports Club
- Social Way Association – Bikeathon
- Tadamon Club

BLF also sponsored, for the third consecutive year, the Tripoli International Half Marathon organized by the NGO Ma'an Loubnan which raises awareness on the importance of sports and its positive impact.



BLF employees run in support of humanitarian causes.



Being the partner of the youth's ambitions, BLF sponsored the participation of young Lebanese swimmer, Marie Khoury, in a series of sports competitions held between November 2016 and May 2017.



BLF supported young swimmer, Christelle Feghali, on her path to success as she witnessed an international victory at the Open Water swim competition.

In 2016 and 2017, BLF encouraged more than 320 employees to participate in the Beirut Marathon to run in support of Offre Joie and Kunhadi associations.

GIVING BACK TO HUMANITARIAN AND SOCIAL CAUSES

The Bank has been supporting a range of pressing humanitarian and social concerns to reduce inequalities.

DEFENDING CHILDREN'S RIGHTS

BLF pursued in 2016 and 2017 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. According to Himaya, a total number of 1,742 cases of child abuse were reported in 2016.

HELPING DISADVANTAGED CHILDREN GET ACCESS TO HEALTH TREATMENT

To help combat inequalities in receiving health treatment, BLF supported in 2016 and 2017 the annual fundraising dinner of CAP-HO, an organization that helps sick and disadvantaged children receive the best possible medical treatment. It also supported Tammana, Childrens' Cancer Center and Chance associations.

EMPOWERING PEOPLE WITH LOW INCOME THROUGH EDUCATION

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 2016 and 2017, BLF supported the Association's annual fundraising gala dinner, which helped finance the students' capacity building trainings.

MAKING A SOCIAL IMPACT THROUGH SUSTAINABLE EDUCATION

To help provide sustainable educational and social services targeted towards women, youth, children, elderly and disabled individuals, BLF joined hands with Ahlouna to help improve, through empowerment, the quality of life of disadvantaged people in the region of Saïda.

SUPPORTING THE RIGHTS OF PEOPLE WITH DISABILITIES

BLF does not only integrate people with disabilities within its workplace, but it also supports various associations active in this field:

- Al Younbouh
- Association des jeunes filles handicapées
- Foi et Lumière
- Open Minds
- Anta Akhi
- Association chrétienne pour les aveugles
- Include
- Sesobel.

FIGHTING DRUG ADDICTION

Drug use being on the rise among youth, BLF helped treat and prevent drug addiction by maintaining its historical support to the annual fundraising gala dinner of SKOUN, an association which annually educates over 3,700 young people, connects with 450 parents, teachers and caregivers and trains 109 professionals.

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

REHABILITATING A DENTAL CLINIC AT CARITAS MEDICAL CENTER IN REYFOUN

BLF financed the rehabilitation of the Dental Clinic at Caritas Medical Center in Reyfoun to help them cover the dental chair, furnishing, dental products... expenses, and offer quality dental care at affordable prices to vulnerable people.



Dental clinic at Caritas Medical Center in Reyfoun rehabilitated by BLF.

EMPLOYEE CORPORATE VOLUNTEERING

One way to contribute to the community is by engaging employees through volunteering activities and donations. BLF volunteers strengthened the financial literacy of 301 students in partnership with Injaz.



BLF employees volunteering with Injaz.

23 BLF employees delivered **120** volunteering hours during working hours to **301** students in 6 public schools (14 classes) to strengthen their financial knowledge and spark their entrepreneurial spirit.

In 2017, a total of 57 employees participated in the Donner Sang Compter (DSC) Blood Drive. The collected blood units went to the American University Medical Center (AUBMC), Saint Jude Children's Cancer Center (CCCL) and the Lebanese Canadian Hospital (HLC).



Give blood, give life in BLF!



Employees donating food.



BLF has been supporting the Lebanese Food Bank since 2015. During December 2016, the Employees' Club organized a food donation campaign within the Bank and collected 150 parcels.

BLF Talents put a smile on children and elders' faces, while visiting NGOs, including Centre René Wehbe pour le Vieillard Malade, Saint-Georges Hospital with Cap-Ho, and the Lebanese Down Syndrome Association (LDSA) to spread joy with Christmas carols and entertainment.



Employees spreading the Christmas spirit.



SUPPORTING ECONOMIC DEVELOPMENT TO HELP COMMUNITIES PROSPER

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

EMBELLISHING TRIPOLI MINA'S STREETS WITH HELP LEBANON

Banque Libano-Française contributed with the Help Lebanon Association in the rehabilitation of 60 building facades in Al Chiraa Square in Tripoli Mina. The three-year project, which was finalized in 2016, aimed at revitalizing the area while fostering the welfare of its residents, contributing to the development of more than 100 local businesses and raising community awareness about heritage preservation. In 2017, the Bank launched a two-year project, contributing to the rehabilitation of a neighborhood located on the seaside in Saida.

To date, Help Lebanon rehabilitated more than 10,000 residential facades in more than 200 areas in Lebanon. Banque Libano-Française has rehabilitated more than 500 residential buildings in several areas since it teamed up with Help Lebanon in 2005.



Al Chiraa Square (Tripoli) before and after.



Saida Seaside before and after.

“Help Lebanon projects have gained momentum thanks to fruitful partnerships between the Association, the residents of the regions where we are operating, the municipalities, and the sponsors. I want to thank BLF, a true ‘Partner for Your Ambitions’, for its valuable contribution to the project of Tripoli Mina and its long-standing support to our mission”.

Liliane Tyan (President of Help Lebanon Association)

CONTRIBUTING TO FRIENDLY NEIGHBORHOODS

BLF has been supporting since 2012 Achrafieh 2020, an environmental initiative that aims at turning Achrafieh district in a livable and friendly neighborhood through annual car free days that offer cultural and artistic activities.

In 2016, BLF participated in a car free day at Monot Street where BLF gave the youth a chance to write the values they cherish most on its “Wall of Luck”. In 2017, during the car free day in Mar Mikhaël, the Bank exhibited the “Faces of Mar Mikhaël” on BLF’s new headquarters fence, where Academie Libanaise des Beaux-Arts (ALBA) University students exposed their black and white photographs of Mar Mikhaël residents, traders, artists, artisans, students, clubbers...



BLF participates since 2012 in Achrafieh 2020 events.



BLF inaugurated the fence of the construction site of its new headquarters in Mar Mikhaël during Achrafieh 2020. The fence featured portraits of Mar Mikhaël residents taken by ALBA students.



BLF showcased portraits of Mar Mikhaël residents taken by ALBA students.

SPURRING ECONOMIC GROWTH THROUGH ENDEAVOR LEBANON

BLF extended its help to Endeavor Lebanon, 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.

NURTURING THE NEXT GENERATION AND PROMOTING LEBANON THROUGH LIFE

BLF also extended its support to the Lebanese International Finance Executive (LIFE). BLF's General Manager Raya Raphaël Nahas was chairing the promote pillar of LIFE in 2016 and 2017, a platform dedicated to channel the influence of Lebanese Finance Executives worldwide in order to establish stronger bonds, nurture the next generation and promote Lebanon.

BLF EXTENDS ITS SUPPORT TO THE GLOBAL LEBANESE ENTREPRENEURS AND INVESTORS SUMMIT

In 2017, BLF sponsored for the 4th consecutive year the Global Business Summit hosted by Endeavor and LIFE. During the past two years, this event brought together more than 700 local business people, entrepreneurs and members of the Lebanese diaspora networks to explore mutually enriching business partnership ideas and investment opportunities.

**“To the Lebanese entrepreneurs... Don't compete but break out!
Find a new space to work in by adding the real value that customers are looking for.
See what others don't. We can help you make it possible.
You are already in the right ecosystem, at the right time.”**

Raya Raphaël Nahas (General Manager)

MUNICIPALITIES SUPPORTED BY BLF

BLF also contributed to the activities of the following municipalities during the reporting period:

- Ajaltoun
- Aramoun
- Araya
- Baabdat
- Beirut
- Bhamdoun
- Bkassine
- Bourj Hammoud
- Chebaniyeh
- Dbayeh
- Ghazir
- Hammana
- Hazmieh
- Jal El Dib
- Jbeil
- Jdeideh Bauchrieh
- Jdita Chtaura
- Jezzine
- Jounieh
- Kfarjarra
- Kousba
- Lebaa
- Maknuniyeh
- Mansourieh
- Mazraat Yachouh
- Miniara
- Miziara
- Mreijat
- Rabieh
- Reyfoun
- Zahlé Maalaka
- Zouk Michael
- Zouk Mosbeh

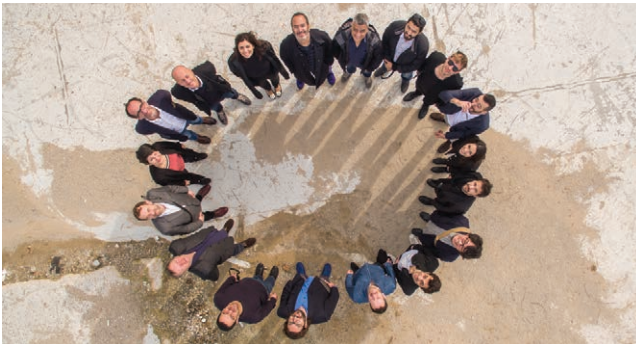
BLF SUSTAINABLE NEW HEADQUARTERS

Banque Libano-Française launched in 2016 an international architecture competition to build its headquarters in a strategic plot located at the Northern main entrance of Beirut, facing the sea and the Port from one side and the dynamic and creative Mar Mikhaël area from the other. It first chose 35 well-known local and international architects and emerging talents prior to short-listing 8 contestants: Danish-American BIG, Spanish Barozzi Veiga, British Farshid Moussavi, Japanese Kengo Kuma, Italian Piuarch, Norwegian-American Snøhetta, as well as Lebanese Nabil Gholam and Youssef Tohme.

Throughout the competition, the architects' visits to Beirut also featured gatherings between the architects and the Lebanese academic and artistic communities, as well as real estate professionals within the framework of conferences, exhibitions and receptions organized by BLF.

“We were looking for an outstanding architect capable of understanding, internalizing and interpreting the Bank’s values, traditions and ambitions, and of suggesting a visionary catalyst in harmony with the contrasted urban and social context of Beirut”.

Luca Molinari (Italian Architect, Curator and Consultant for the BLF Headquarters International Architecture Competition)



Architects' first visit to Beirut.



“Beirut Urban Lab” conference with the eight competing studios at Surssock Museum.





“The Future of Architecture” conference by the three finalists of the competition at AUB Issam Fares Hall.

The studios presented their works in front of a jury composed of Walid Raphaël (Chairman General Manager at BLF), Raya Raphaël Nahas (General Manager at BLF), Luca Molinari (Architect, professor and consultant), Hashim Sarkis (Dean of the Faculty of Architecture at MIT), Jean-Christophe Fromantin (Member of the French parliament and Mayor of Neuilly-sur-Seine) and Li Brian Zhang (Editor-in-chief of the leading magazine World Architecture).

“The Bank and the Jury had the chance, but also the difficult task, to choose among three beautiful projects conceived by prestigious, passionate and committed architects who were fascinated by Beirut and its contradictions... Snøhetta’s philosophy about collaborative spaces and new work methods, have seduced and convinced us. We have decided that the team shares our values, our attention to detail as well as our respect of the environment, the community and the historical legacy of Beirut....”

Raya Raphaël Nahas (General Manager)



BLF new headquarters is meant to be a powerful urban landmark.

**“We are delighted to enter into this creative partnership with BLF.
In a time of profound change and transformation, BLF is an ideal partner for Snøhetta
with our shared ideals of sustainability, community, and dialogue...”**

Kjetil T. Thorsen (Snøhetta Founding Partner)

At the end of a rigorous and innovative selection process, BLF announced the selection of Snøhetta studio in 2016. In addition to the multidisciplinary international consultancy Buro Happold and the lighting consultant Bartenbach, Snøhetta and BLF signed in 2017 a cooperation agreement with the Lebanese studio of Nabil Gholam Architects (NGA).



Nabil Gholam, Kjetil Traedal Thorsen, Raya Raphaël Nahas and Robert Greenwood at the signature of the cooperation agreement.

Continuing the work on Snøhetta's competition-winning design proposal for the new headquarters, the team is now taking the conceptual design to the next level. Archeological excavations have been carried out and geotechnical surveys were executed. Through its many social spaces and connection to the surrounding city, the design of the new BLF headquarters aims to emphasize BLF's strong, authentic and open personality, both within the building's walls and externally.



BLF fence dedicated for art and culture.



A new working environment with collaborative spaces.

“BLF new headquarters is meant to be a powerful urban landmark that will improve its surroundings and make the difference in the contemporary city condition. It will have a coherent ecological approach and be green-labeled. It will also be an accessible building, open to the public and will dialogue with Mar Mikhaël and Beirut through welcoming public spaces and several connections with its neighborhoods”.

Raya Raphaël Nahas (General Manager)



Climate change



ENVIRONMENT

We're witnessing substantial impacts of climate change on the communities and economies around the world. As a bank supporting economic growth, BLF recognizes it has a responsibility to conduct its business in a sustainable manner to reduce environmental impact. BLF has chosen to spearhead the drive towards more responsible banking and to tackle the environmental challenges by providing green products and services, working closely with its stakeholders through sustainable partnerships, adopting environmentally-friendly practices at the workplace as well as spreading internal and external awareness.

Total value of all green loans provided by BLF amounted to USD 47.5 million in 2016 and 2017.



ECOFRIENDLY PRODUCTS AND SERVICES

BLF has adopted a multi-year and multi-platform strategy with the aim of establishing environmental sustainability as a core component of the Bank's leadership and commitment to sustainable banking and shared values. This strategy is based on four pillars:

- Participating in shaping policy on a national and regional level
- Mastering the green and sustainability know-how
- Raising awareness and developing sustainable solutions, products and services
- Creating a "green" image consistent with the Bank's CSR strategy.

As a socially responsible bank, BLF engages with all its stakeholders in order to spearhead the development of sustainable solutions. Within this strategy, BLF has undertaken many industry-leading initiatives, including being the first bank in Lebanon to declare all of its premises smoke-free, starting a paper recycling project, reducing plastic waste, conducting recycling and energy conservation awareness campaigns, developing Sustainable Energy Finance programs, loans and services, including putting at the disposal of its stakeholders an energy and carbon emissions calculator, and extending pollution reduction loans to various economic sectors.

BLF's environmental strategy is a long-term commitment on which all its staff is mobilized.

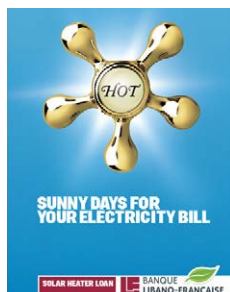
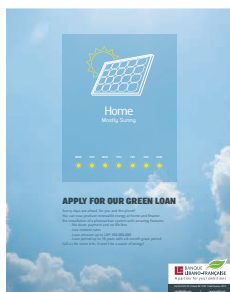
Sustainable Energy Finance products and services offered for individuals and professionals in 2016 and 2017

- Green loans for photovoltaic systems
- Solar water heater loans
- National Energy Efficiency and Renewable Energy Action (NEEREA) loans for renewable and efficiency energy projects
- Lebanese Environmental Action loans (LEA) for environmental projects
- Lebanese Environmental Pollution Abatement Project (LEPAP) loans for projects reducing industrial pollution
- Kafalat Energy loan guarantees for investments in Energy Efficiency and Renewable Energy.

In 2016 and 2017, BLF maintained its position as a market leader in environmentally-friendly loans through its marketing strategies and aggressive investments in green projects covering diverse clients' segments such as residential, commercial, industrial and non-profit organizations.

ENCOURAGING THE USE OF SOLAR WATER HEATERS AND PHOTOVOLTAIC SYSTEMS

BLF encouraged retail clients to save money while preserving the environment, by offering solar water heater loans at 0% interest, and photovoltaic systems loans. BLF has the highest number of solar water heater loans given in the Bekaa, Mount Lebanon, North and South.



With its photovoltaic and solar water heater loans, BLF encouraged households to:

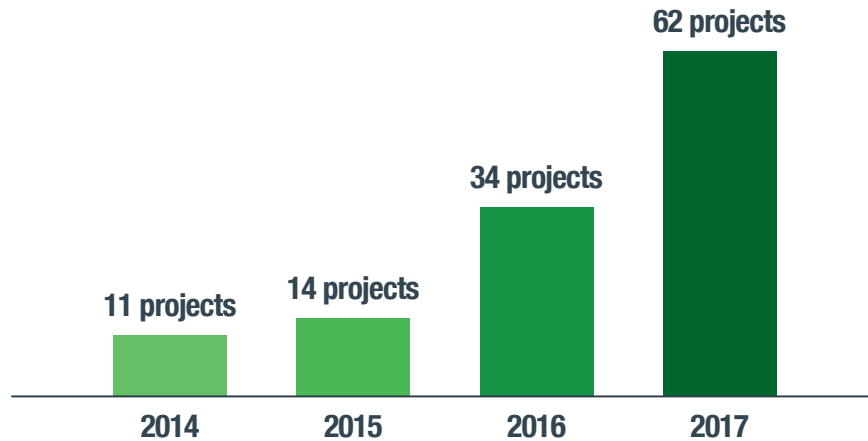
- Increase energy efficiency
- Reduce carbon gas emissions
- Decrease energy consumption
- Lower electricity bills
- Reduce business risks.

BLF was the first bank to launch solar water heater loans.

As at end of 2017, BLF had granted a total of 4,416 solar heater loans representing 27% of the Lebanese market since the launch of the program.

FUNDING GREEN PROJECTS

There has been a highly noticeable growth in the number of green projects financed by BLF throughout the past four years.



BLF's green projects evolution from 2014 till 2017.

Capacity building sector studies

11 detailed sector studies tailor-made with IFC for the Lebanese context, and covering technical solutions and financial feasibility for Plastic, Paper, Printing, Dairy, F&B, Pharmaceutical, Restaurants, Retail Outlets, Residences, Bakeries and Hospitals sectors, were published.

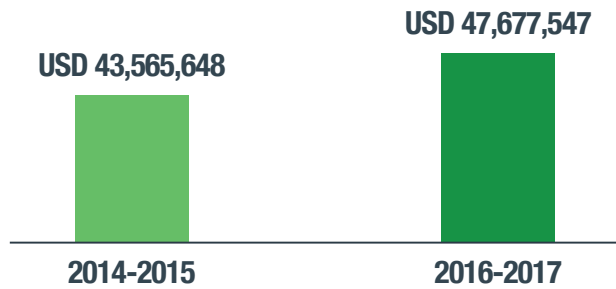
Trained Sales Team

SMEs and Corporate Relationship Managers as well as Branch Managers and Customer Service Officers were well-trained and possess today advanced commercial expertise and technical competencies.

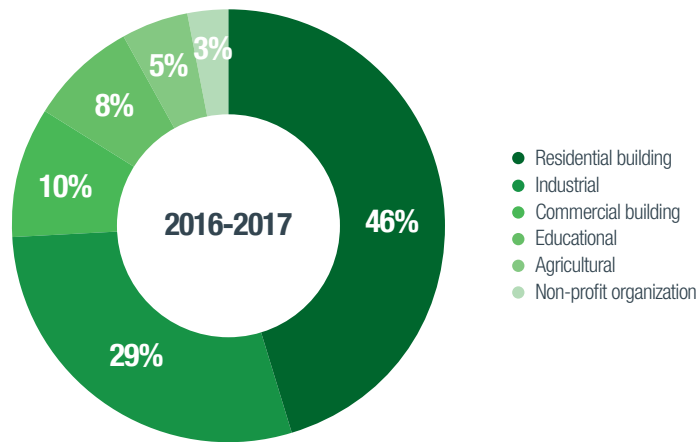
Sustainable Energy Calculator developed by IFC

Sound assessments were conducted for new or existing projects, using the Sustainable Energy Calculator developed by IFC to be compatible with the Lebanese market. This simulation tool calculates the economies of energy and resource consumption and costs, as well as yearly CO₂ emission reductions of a given Capital Expenditure investment (CAPEX). It also provides the payback period of the considered investment based on the financial conditions of the Bank's loan.

Key success factors that contributed to the growth of green projects.



BLF's sustainable energy and environmental financing from 2014 till 2017.



The breakdown of green loans (Corporate and SME), in accordance with the sectorial distribution of the Lebanese Center for Energy Conservation, for 2016-2017.

Sustainable Energy Finance loans to various projects exceeded USD 97 million in 2016 and 2017. The total value of the projects financed under BLF's Sustainable Finance strategy surpassed USD 210 million in two years.

And the total value of financed projects under BLF's Sustainable Finance Strategy since 2010 exceeds USD 615 million.

Since 2010, more than USD 275 million were granted by BLF to highly diversified projects as Sustainable Energy and Environmental Finance loans.



Diversified range of green loans since 2010.

All green projects financed by BLF contributed to the reduction of CO₂ emissions by over 50,000 tons between 2010 and 2017 as per the Lebanese Center for Energy Conservation (LCEC).

BKERZAY: CASE STUDY ON THE LARGEST ECO-TOURISM VILLAGE IN LEBANON FINANCED BY BLF

In 2016, BLF financed Ecobkerzay, owner of Bkerzay, a new eco-tourism village near Baakline in the Shouf area with a unique experience developed on a 200,000 m² land plot, comprising hiking trails, a pottery workshop and a pottery school, an artist's residence, a Turkish hammam and sauna, a swimming pool integrated in nature, a Lebanese restaurant and two cafes providing natural cuisine. Bkerzay produces its own olive oil, soap, honey and thyme.

Being BREEAM certified in the category of Very Good, this sustainable development initiative aims at creating an enabling environment for rural populations to work and demonstrate their capabilities, increase their income by reviving local craft activities, meet the increasing demand for locally made products and organic farming and improve their immediate livelihoods.

Description of the main environmental features implemented in the project

- Minimizing the environmental impact of the construction by completely preserving surroundings vegetation, natural habitats and wildlife
- Constructing terraces to retain the water and prevent the soil erosion
- Landscaping and biodiversity action plan (using native plants that need less irrigation, saving water and replacing chemical fertilizers/pesticides with organic compost/means)
- Reducing the water consumption through the user of water efficient components and water recycling systems (output water meter, rain water collection system, eco-friendly appliances)
- Using treated waste water and rain harvested water for irrigation and implementing a water distribution system (two tanks)
- Painting rooms with light colors to enhance the natural light
- Using a LED lighting system
- Installing a photovoltaic solar system covering 70% of the energy needs
- Heating the rooms with wood stoves
- Reducing, reusing and recycling construction waste
- Ensuring safe access (fire resistant materials and fire detectors, alarm systems), sound insulation and minimizing the impact of natural hazards on the buildings
- Operating with a zero waste program, dividing recyclable waste and composting organic waste.

This sustainable development initiative created around 100 direct fulltime jobs and hundreds of indirect jobs in regional rural companies.

Description of the main social impacts

- Overall land is 200,000 m² with high ecological value, construction concentrated over area to a plateau of 30,000 m² (only 5% of the domain) to minimize its environmental impact
- 18 dwellings (six houses of two floors each, six maisonettes built in the traditional full stone vaulted construction, six residencies for the manager, artists and potters)
- 32 rooms/suites keys
- More than 10 common areas (three shops, car parking, pool, W.C, reception, pottery showroom, dedicated tracks for hiking and mountain cycling)
- New work opportunities for the local population (projects promoting the Lebanese know-how and resources such as craft activities, locally made products, organic farming, pottery...)
- Adoption of the Lebanese vernacular architecture incorporating the latest environmental technologies
- Revival of the crafts and talents, stone masonry, artisanal products and terroir products.

LAS SALINAS' ENFEH RESORT

BLF financed the implementation of a photovoltaic system at Las Salinas-Enfeh, a grand sea resort in North Lebanon, through the NEEREA financing mechanism in accordance with the subsidized loans of the Central Bank.

Driven to generate and use clean energy whilst reducing greenhouse gas emissions from utility grid and diesel generators electric energy consumption, Las Salinas decided to implement photovoltaic technology on the rooftop of one of its complexes, on the carport and on the sport court to meet its objectives.

The main challenge of this project was to esthetically design and to integrate the photovoltaic system within the existing structure at the resort. In January 2017, it was fully operational.

**BLF finances Las Salinas' photovoltaic system,
which saves an average of 269 CO₂ emissions per year.**

ENERGY AMBASSADOR AWARD 2017 AT THE BEIRUT ENERGY FORUM

BLF won the Energy Ambassador Award of the year 2017 - Lebanese Financial Institution - during the Beirut Energy Forum in recognition of its efforts for promoting the Central Banks' incentives to enhance Sustainable Finance in Lebanon.



Maurice Iskandar (Assistant General Manager, Head of International Division) receiving the prize of "Energy Ambassador of the year 2017 - Lebanese Financial Institution" at the International Beirut Energy Forum 2017.

"As a leading socially responsible Bank in Lebanon, and as part of its long-term Sustainable Energy Finance strategy, BLF has initiated many innovative projects. The 'Energy Ambassador' prize, which caps efforts spanning more than seven years, is but one milestone in our long march towards sustainability and shared values".

Maurice Iskandar (Assistant General Manager, Head of International Division)

GREEN PARTNERSHIPS

In an effort to protect the environment and raise green awareness in Lebanon, BLF worked closely with several partners. These networks brought together different solutions and action plans to face the various environmental challenges.

PARTNERSHIP WITH THE ISSAM FARES INSTITUTE FOR PUBLIC POLICY AND INTERNATIONAL AFFAIRS (IFI) AT THE AMERICAN UNIVERSITY OF BEIRUT (AUB)

BLF partnered with the Issam Fares Institute for Public Policy and international Affairs (IFI) at the American University of Beirut (AUB) to raise awareness on climate change by launching an annual environmental competition for graduate students which falls under Sustainable Development Goal SDG 13 “Climate Action”. The initiative aims to fill environmental policy gaps in the MENA region and answer socially-driven questions by linking multiple disciplines. In September 2017, the first of a series of annual climate-themed competitions was entitled the “Climate Change and Land in the MENA Region”. It encouraged university students to research on climate change adaptation in Lebanon and the MENA region aiming to develop environmental policies, techniques to constraint land degradation and desertification, and to spread knowledge on a local and national level. It gave the youth a chance to make change not only in their universities but in Lebanon, the region, and the world.

The winning research proposals don't only aim to advance science but they have a substantial integral policy development aspect that socially benefits Arab communities. The students with the top three proposals were selected by a jury in December 2017 and provided with monetary prizes of USD 2,000 (first place), USD 1,500 (second place), and USD 1,000 (third place). Winners are expected to submit the final draft of their research papers in December 2018, and might also be provided with a fully-expended travel to the United Nations Framework Convention on Climate Change in Poland to present their work.

“This competition gave us a chance to support the youth, form future leaders, and help students make a change that not only impacts their university, but also their country and the world”.

Raya Raphaël Nahas (General Manager)



BLF launching with AUB IFI the environmental competition “Climate Change and Land in the MENA Region”.



Tarek Mitri (Director of AUB's Issam Fares Institute for Public Policy and International Affairs) and Raya Raphaël Nahas (General Manager) with the winners of the 2017 competition.

The winners of the competition:

- 1st place - Mahdi Saleh: His proposal suggests an irrigation management system that secures efficient use of water, measures soil water content and ensures food safety
- 2nd place - Chafic Abdallah: His proposal focuses on the Near East area where climate change affects agriculture production
- 3rd place - Yara Açağ: Her proposal aims at taking action against forest fires.

PARTNERSHIP WITH THE UNITED NATIONS DEVELOPMENT PROGRAMME

Made from eco-friendly material, the Earth Card was launched in partnership with the United Nations Development Programme (UNDP) in 2011. It contributed to funding environmental projects in Lebanon. This initiative raised awareness on five Sustainable Development Goals (SDGs) set by the United Nations.



SDG 6: Ensuring availability and sustainable management of water and sanitation for all.

SDG 7: Ensuring access to affordable, reliable, sustainable and modern energy for all.

SDG 13: Taking action to combat climate change and its impacts.

SDG 14: Conserving and sustainably using the oceans, seas and marine resources for sustainable development.

SDG 15: Protecting and restoring sustainable use of terrestrial ecosystems.

The last edition of the annual Earth Card competition which was planned for 5 years in partnership with UNDP and Mastercard, was held in 2016 and offered the winners USD 40,000, bringing the total amount granted to green projects to USD 200,000 over the five years. The theme for the 2016 Earth Card competition focused on “Helping the local community to face the Lebanese garbage crisis offering sustainable and instructive solutions”.

The 2016 winning projects:

- “Recycling of organic waste through vermicomposting in Arab Salim”, by Baladna and Nidaa el Ard, plans to reduce the costs of waste management and improve the quality of life for local inhabitants by using natural solutions such as composting and natural fertilization
- “ABC3Drecycling”, by Collège Elysée Hazmieh, offers to transform plastic waste into plastic filaments for 3D printers to be used in daily school activities
- “SORTED Outsmart Your Garbage” mobile application, by Little Push, aims to increase general awareness about sorting garbage via an interactive game.

CORPORATE MEMBER OF THE ARAB FORUM FOR ENVIRONMENT AND DEVELOPMENT (AFED)

BLF became a corporate member of the Arab Forum for Environment and Development (AFED), a not-for-profit regional organization aiming to promote prudent environmental policies and programs across the Arab region.

GREEN BUILDING CERTIFICATION

BLF is actively involved in supporting international standards to improve building design and construction practices in Lebanon, and it encourages its clients to apply the high performance criteria defined by the Certified Energy Service Companies (ESCOs) such as Sustainable Sites, Water Efficiency, Energy and Atmosphere, Materials and Resources, Indoor Environmental Quality, Innovation and Process. Since 2011, BLF has provided financing to more than 15 large-scale projects, out of which nine were certified by the Leadership in Energy and Environmental Design (LEED) and the Building Research Establishment Environmental Assessment Methodology (BREEAM).

ADOPTING ENVIRONMENTALLY-FRIENDLY PRACTICES AT THE WORKPLACE

While much emphasis is placed on green products and green partnerships, the Bank always seeks to improve the sustainability of its business through its internal operations.

GREEN AUDIT

Back in 2012, the International Finance Corporation (IFC) undertook a Green Building Audit (GBA) at four sites of the Bank's branches: Fassouh, Hazmieh, Mansourieh and Galaxy, to assess BLF environmental performance with respect to waste and water. A team of independent international and local consultants, together with IFC and BLF, conducted the preliminary assessment. Following an in-depth analysis of each one of those premises, it submitted a detailed technical report, recommendations and an action plan, which helped managing and reducing the direct environmental impacts of the premises and enhanced their overall quality through integrating sustainability considerations, noting that all recommendations can be replicated in all BLF premises.

The four sites audits included:

- Facilities energy balance and their benchmarking: Electrical energy summary and carbon footprint, load inventory analysis, a benchmark of the 4 branches and environmental performance indicators
- Indoor Environmental Quality Assessment (IEQ): Indoor air quality, health, safety and comfort issues such as thermal comfort, air quality, odor quality, light quality, potable water hygiene, ergonomics acoustics and electromagnetic frequency levels
- Energy Efficiency Measures (EEM): Low cost/no cost efficiency measures, lighting efficiency measures, lighting control, adiabatic cooling, VRF retrofit, BMS upgrade and remote branch management.

This action demonstrates that BLF is working actively towards the realization of a sustainable environment by recognizing its operational environmental impacts.



Condenser units in Fassouh Headquarters.



Implemented Evaporative Cooling.

IFC Energy Audit recommendations implemented at BLF

Area	IFC Recommendations	Implementation	Benefits
Lighting Retrofit	Led Lighting	<ul style="list-style-type: none"> • Installing parking light timers • Turning off all staircase lighting when it is safe to do so • Retrofitting lighting fixtures with CFL 23W • Using par fixtures for Fassouh Headquarters' entrance and several branches • Energy-efficient fluorescent light bulbs in all branches 	<ul style="list-style-type: none"> • Consuming less electricity than conventional lightings • Providing excellent color rendering • Reducing maintenance cost, heat energy released and cooling costs
	Motion Sensors / Detectors	<ul style="list-style-type: none"> • Installing in all new and renovated branches 	<ul style="list-style-type: none"> • Saving 20% of energy
Lighting Control	Daylight Control	<ul style="list-style-type: none"> • Outdoor lighting of all branches in the form of signboards • Plants' lighting in several branches • Installing decorative fixtures in Fassouh Headquarters 	<ul style="list-style-type: none"> • Saving 10% energy • Flexibility of programming the shut down time or level of luminosity • Controlling all external fixtures of the facilities
	Adiabatic Evaporative Cooling (Precision AC)	<ul style="list-style-type: none"> • Upgrading the system in Fassouh Headquarters to create the Cold-Aisle containment 	<ul style="list-style-type: none"> • Saving 25% of energy • Increasing up to 7% in cooling capacity • Reducing more than 5.5% in electrical load • Annual saving of 24,922 kWh • Annual cost saving of USD 2,741
Low Cost/No Cost	Good housekeeping on HVAC, lighting, UPS. Metering and Targeting	<ul style="list-style-type: none"> • Implemented in Fassouh Headquarters • Lighting distribution according to the office's requirement standards in Lux and in Lumen 	<ul style="list-style-type: none"> • Reducing electricity consumption • Increasing UPS efficiency
Building Management System (BMS)	Upgrade/ Energy Information/ Remote Branch Management	<ul style="list-style-type: none"> • Implemented in Fassouh Headquarters 	<ul style="list-style-type: none"> • Controlling and managing HVAC and lighting in several floors • Saving electricity and energy

Implemented sustainability measures based on the IFC green building audit

Area	Description
Paper	<ul style="list-style-type: none"> • Recycling paper waste in all branches and offices • Providing facilities to enable staff to reduce paper use • Quantifying annual paper supplies, disposal and recycling volumes at all premises and converting to an equivalent number of trees, electricity, water landfill space and oil barrels
Non-Paper Waste	<ul style="list-style-type: none"> • Quantifying annual non-paper waste arising • Reducing non-paper waste arising: Reducing use of plastic (replacing plastic items cups, cutleries, plates with reusable ones in all canteens) • Expanding recycling activities to include segregation of non-paper wastes for collection and recycling by specialist recycling contractors: Electronic waste, metal cans recycling and empty ink cartridges
Water	<ul style="list-style-type: none"> • Quantifying annual drinking water supplies at all premises from all sources • Encouraging staff to take actions to reduce water waste through internal campaigns • Installing water saving devices: Fitting tap flow restrictors on wash hand basins and dual flush WC cisterns in all Headquarters and branches • Installing time switches in Fassouh headquarters and Hazmieh Branch restricting irrigation systems' operation to overnight
Health, Safety and Well-being	<ul style="list-style-type: none"> • Achieving more comfortable and safer places to work: Ergonomic furniture, health and safety campaigns • Introducing sustainable procurement policies and products (solar powered calculator, centralized multipurpose machines, non-toxic low emission paint: VOC free paint, elemental chlorine free paper from sustainable wood forests following an environment management system and quality management system, etc)
Transport	<ul style="list-style-type: none"> • Introducing measures to reduce travel emissions: Advanced CISCO video-conferencing techniques, encouraging carpooling among employees

Other green measures implemented by BLF:

- Facility management system
- Elimination of water heaters in 2005
- Automatic ventilation, which turns on when CO₂ emissions are high in parking basements.

All new branches follow energy standard guidelines:

- Building envelope (fenestration, walls and slabs)
- Variable Refrigerant Volume (VRV) air-conditioning systems
- LED lighting (space control, exterior lighting control, tandem wiring/exit signs)
- Premier efficiency motors
- New generation green elevators
- Star labeled appliances and electronics
- Energy efficient UPS.

REDUCING, REUSING AND RECYCLING PAPER

Aiming to stay environmentally conscious, the Bank has seen huge success in reducing, reusing and recycling paper since 2011 reaching a total of 461.517 tons of recycled paper. All recyclable paper is being collected from the Bank's premises and donated to L'Ecoute Association contributing to auto-finance its projects to serve impaired people. Internal green awareness campaigns "#BLFmakesgreenahabit" and a green guide, available on Intranet, aim at reminding employees about the three R's and provide concrete tips about reducing, reusing and recycling paper. It also highlights the paper recycling and shredding policy to securely dispose of documents.



The Bank's green recycle bins.

SETTING A PAPERLESS OFFICE

Due to its online Oracle Human Resources Self Service System, BLF was able to eliminate the need for traditionally based paper forms.

RECYCLING ELECTRONIC WASTE




BLF also recycled through L'Ecoute Association over 2,714 e-waste items from 2011 till 2017 including monitors, printers, PCs, projectors, routers, phones, laptops, fax machines and other electronic devices.

RECYCLING METAL CANS

BLF started a new initiative in donating 455 cans collected in its three employees' canteens to L'Ecoute Association from October 2017 to December 2017.








Metal cans recycling launching in 2017.

	 Number of electronic waste items	 Paper volume in tons	 Weight of metal cans in Kg
From 2011 till 2013	704	247.140	-
2014	711	53.932	-
2015	419	62.804	-
2016	423	48.863	-
2017	457	48.778	455
Totals since 2011	2,714	461.517	455

Totals of recycled wastes.

Thanks to the environmental awareness spread among employees, BLF reduced its paper consumption from **USD 60,369** paid on papers in 2016 to **USD 57,436** in 2017 with a **USD 4,723** cut in paper cost.

	 Trees	 Water (L)	 Electricity (kWh)	 Landfill space (m ³)	 Oil barrels
From 2011 till 2013	4,201.59	6,548,716	988,560	567.43	494.246
2014	916.84	1,429,090	215,728	123.67	107.864
2015	1,067.67	1,664,180	251,216	144.01	125.608
2016	830.67	1,294,772	195,452	112.04	97.726
2017	829.23	1,292,519	195,112	111.85	97.556
Totals since 2011	7,846	12,229,277	1,846,068	1,059	923

The paper recycling initiative helped preserve trees, water, electricity, landfill space and oil barrels.

REDUCING PLASTIC CONSUMPTION

Since 2015, the Bank eliminated plastic usage (cutlery, dishes...) in its canteens, replacing them with paper cups, and reusable cutlery, dishes and trays.

COMMITTING TO GREEN IT

The Information Technology Division also makes every effort to reduce the Bank's environmental impact and operating costs.

The green IT initiative included the below practices during the reporting period:

- Ensuring a more energy efficient Fassouh Data Center through the implementation of Cold-Aisle containment which resulted in roughly 25% energy saving
- Improving the installation under the raised floor to optimize the cooling airflow and optimizing the placement of the perforated tiles in the Data Center which resulted in an additional 5% energy saving
- Implementing a platform (DCIM) for energy and environmental monitoring of the Data Center which resulted in improving the efficiency of the cooling system by increasing the cooling temperature from 18°C to 20.5°C, and a 1% additional energy savings
- Migrating more than 750 workstations in BLF branches to thin clients VDI desktops which resulted in over 75% PC energy savings
- Conserving energy through campaigns encouraging employees to turn off their PC before leaving their office
- Decommissioning mainframe like servers (two IBM P590, one IBM P595) and their replacement with smaller and more energy efficient IBM servers
- 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 the opportunity permits doing so

RAISING ENVIRONMENTAL AWARENESS WITHIN THE SPHERE OF INFLUENCE

BUILDING THE GREEN CAPACITIES OF EMPLOYEES AND CLIENTS

One of the four pillars of BLF's SEF long-term strategy is raising awareness and positioning the Bank to be a leader in SEF in Lebanon, offering an advanced technical, commercial and environmental expertise. With the assistance of IFC and other environmental and technical specialists, BLF provided basic and advanced training to all commercial staff, including a more specialized training to Relationship Managers covering SMEs and large Corporations. In 2016-2017, BLF continued to provide training sessions to Corporate Relationship Managers on updates related to green products' processes, technicalities, agreement news, bids...

PROMOTING GREEN BEHAVIOR AMONGST EMPLOYEES

#CONNECTWITHNATURE

In 2017, the Bank launched a green internal competition on the occasion of the World Environment Day. The employees were encouraged to post pictures of some environmentally-friendly initiatives done for a chance to win USD 500. The winners of this competition decided to donate their prize to plant trees in Kfardeblian with the "Jouzour Loubnan" Association.



BLF engaged its employees on the occasion of the World Environment Day.



The winners of the green competition planting trees on the occasion of the World Environment Day.

#HAPPYBEARHDAY

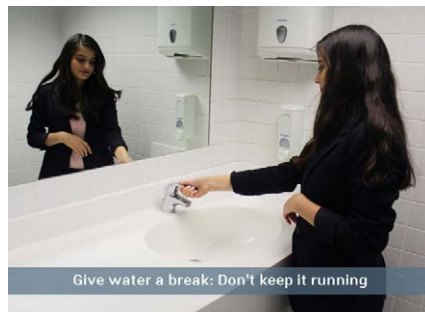
A greeting card, with an environmental message was sent all year long to employees on their birthdays to sensitize them on the importance of the environment.



#BLFMAKESGREENAHABIT

As part of BLF's internal communication campaigns, different themes were tackled to explain the major effect of simple environmental acts and encourage green behavior internally. Employees took action and posted their daily initiatives:

- Using both sided papers or several slides on one page when printing
- Choosing mugs and reusable items instead of plastic cups
- Running water
- Reducing the use of tissues.
- Carpooling with colleagues
- Sorting and recycling waste
- Turning off electricity in ACs, PCs...



BLF encourages employees to opt for environmentally-friendly behaviours through internal awareness campaigns.

RAISING AWARENESS IN THE COMMUNITY

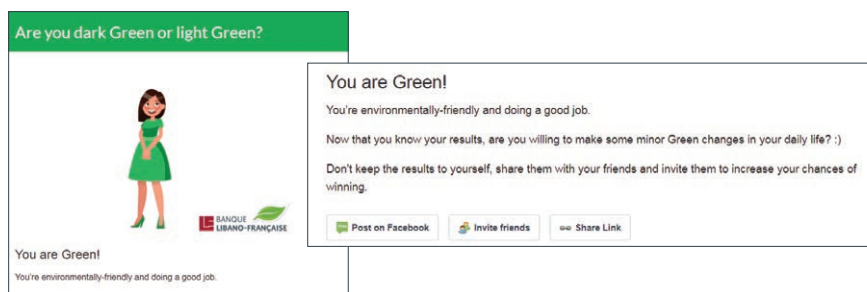
“ARE YOU DARK GREEN OR LIGHT GREEN?”

In line with BLF's Corporate Social Responsibility and commitment to help preserve the environment, BLF launched a green personality test entitled “Are you dark green or light green?” on its social media platforms to raise awareness among clients, stakeholders about eco-friendly behavior and daily green habits.

The competition aimed at educating participants on reducing water consumption, electricity usage and waste management. 420 people took the test and got the chance to find out how environmentally-friendly they were.



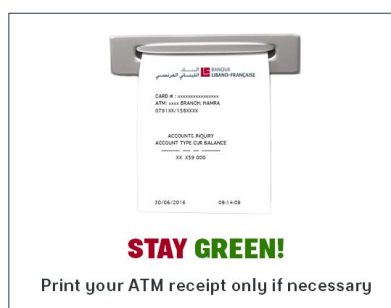
The winner of the green personality test “Are you dark green or light green?”.



A sample of the quiz “Are you dark green or light green?”.

“GO GREEN KEEP IT ON THE SCREEN” CAMPAIGN

BLF added to its ATMs an additional statement to make clients think twice before requesting printed receipts: “Please consider the environment before printing”.



USING PRINT-FRIENDLY PDF STATEMENTS

In 2017, BLF promoted green behavior among its clients with its e-banking statement. It gave its clients the opportunity to reduce paper waste by viewing/saving their statements on PDF files in addition to Excel through the e-banking service.

The format of the PDF statements is designed in a print-friendly format while maintaining an optimal customer experience.

RAYA RAPHAËL NAHAS (GENERAL MANAGER) TAKING PART IN THE GLOBAL COMPACT NETWORK LEBANON'S MULTI-STAKEHOLDER FORUM 2017

BLF, being a member of the Steering Committee of the United Nations Global Compact Network Lebanon (GCNL), celebrated two years of network achievements with GCNL during the Multi-Stakeholder Sustainable Development Goals Forum held at the American University of Beirut (AUB) in October 2017.

Raya Raphaël Nahas (General Manager) took part in the opening panel entitled "Climate Action, A priority for Lebanon". She stressed on the Bank's commitment to the Sustainable Development Goals (SDGs) and to SDG 13 which tackles climate action. She shared some insights about the Bank's CSR strategy and highlighted the success of its partnership with the International Finance Corporation (IFC) contributing to environmental sustainability.

"BLF was the first bank in the MENA region to sign, in partnership with IFC, a Sustainable Energy Finance Program, aiming to raise awareness and protect the environment, reduce costs and spread growth in Lebanon".

Raya Raphaël Nahas (General Manager)



PROMOTING ENVIRONMENTAL SUSTAINABILITY AT THE INTERNATIONAL BEIRUT ENERGY FORUM

BLF has been sponsoring the International Beirut Energy Forum (IBEF) since 2011.

In September 2016, it organized during IBEF a panel focusing on “Innovation for Sustainability”, led by Assistant General Manager Maurice Iskandar. The speakers Nicole Gemayel (Bi Clean, Municipality of Bikfaya-Mhaydsse), Rabih Osta (Phoenix, member of Indevco Group) and Karim Haddad (Sicomo) shared with the public essential and sustainable solutions based on their field of work and expertise, like sorting waste, photovoltaic solutions and water treatment. As speakers shared their experience, the Lebanese garbage crisis appeared as a main element that triggered their action.



HOSTING A PANEL ON EFFECTIVE TOOLS TO FIGHT CLIMATE CHANGE AT IBEF

BLF hosted at IBEF in 2017, a panel focusing on SDG 13 Climate Change entitled “Green Buildings to Green Neighborhoods: Effective Tools to Fight Climate Change”. Moderated by BLF, the panelists Nadim Farajalla (Program Director of the Climate Change and Environment at AUB Issam Fares Institute for Public Policy and International Affairs), Aram Yertzian (Assistant Professor at the Department of Architecture and Design Faculty of Engineering and Architecture at AUB), as well as Rani Al Achkar (Program Engineer at the Lebanese Center for Energy Conservation) shared their projects and views to help fight climate change and increase green neighborhoods and buildings in Lebanon.



INAUGURATING THE ROMAN CULTURAL TRAIL WITH JABAL MOUSSA ASSOCIATION

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 celebrated the inauguration of the vestiges of the Roman Cultural Trail in October 2016 at the Jabal Moussa Reserve. This initiative contributes to the revival of the Roman history in the reserve.

“This partnership falls within the scope of the Corporate Social Responsibility of our Bank and its relentless determination to work for the sustainable development of our much loved Lebanon”.

Raya Raphaël Nahas (General Manager)



GREENING LEBANON WITH JOUZOUR LOUBNAN

BLF who has been backing up Jouzour Loubnan since 2008 in its mission to reforest Lebanon, renewed its commitment in 2016 and 2017.

NEW SUSTAINABLE GENERAL HEADQUARTERS

Oslo and New York base architect Snøhetta has won a competition to design the headquarters of Banque Libano-Française in Beirut. The new BLF general headquarters responds to the environment both in regards to consumed energy and to the embodied energy of the structure.

“BLF new headquarters will have a coherent ecological approach and be green-labeled”.

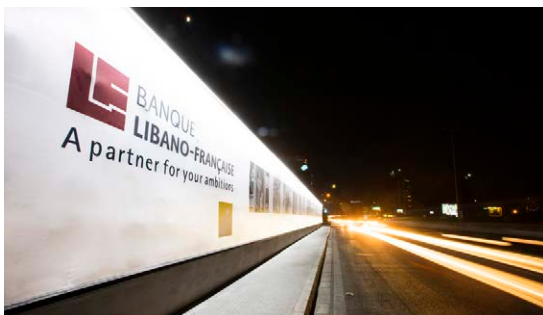
Raya Raphaël Nahas (General Manager)



A rendering of Snøhetta's design for the new BLF's headquarters in Beirut.



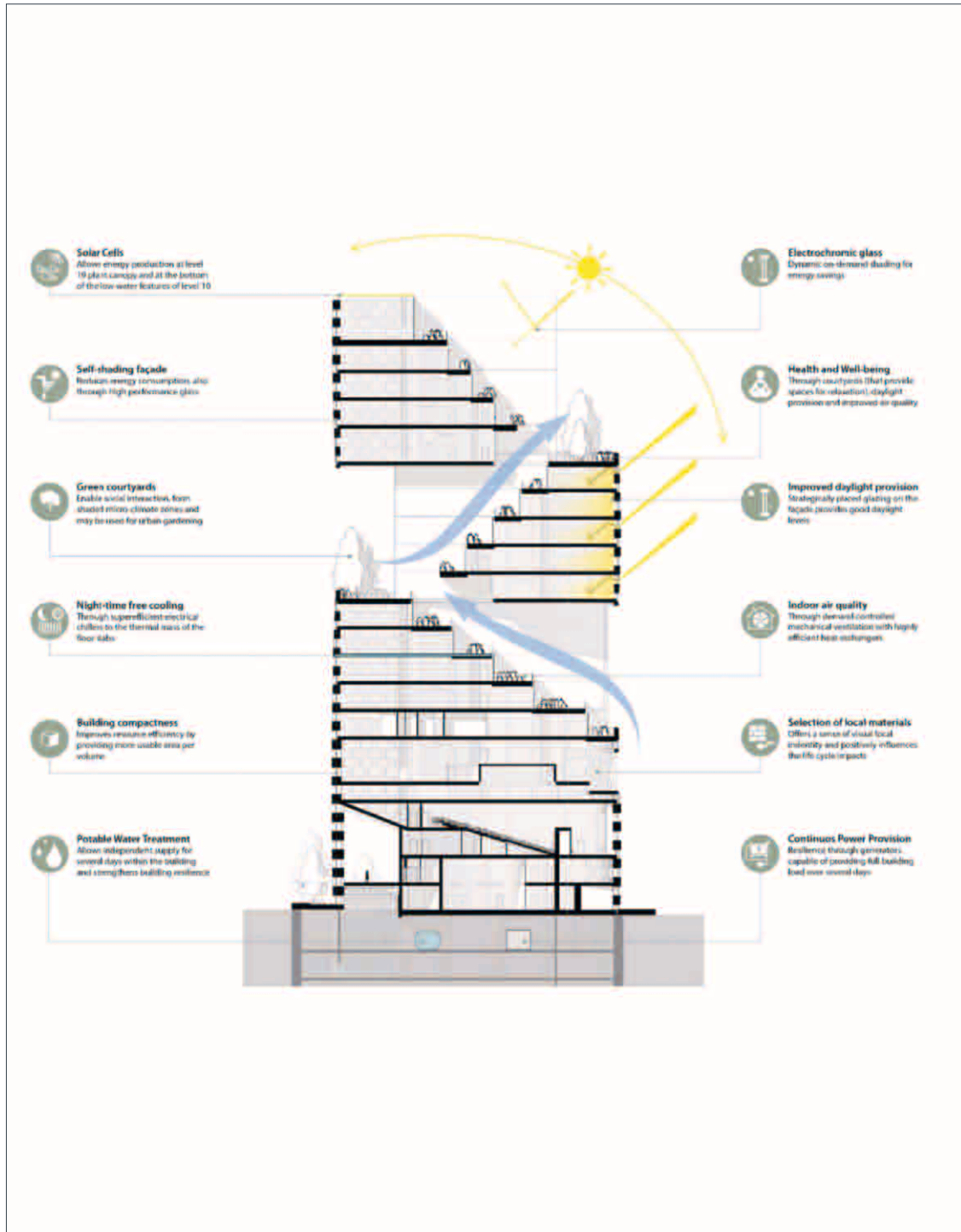
The building will feature plain cover terraces carved into the roofs and walls.



A photovoltaic system is currently lighting up the fence of the future headquarters.



SUSTAINABILITY OF BLF FUTURE HEADQUARTERS



www.blfheadquarters.com highlights the sustainability aspect of BLF's new headquarters in Beirut.

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GRI Disclosures	Sustainable Development Goals (SDGs)	Global Compact Principles (P)	Sub-clauses in Core Subjects and Issues	CSR Report Page Number

UNIVERSAL STANDARDS

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GRI Standards	United Nations		ISO 26000	
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TOPIC SPECIFIC STANDARDS

GRI 200: Economic Standards

Economic Performance

201-1	Direct economic value generated and distributed	SDG 2 SDG 4 SDG 5 SDG 7 SDG 8 SDG 9 SDG 13		6.8.1-6.8.2 Community involvement and development 6.8.3 Community involvement 6.8.7 Wealth and income creation 6.8.9 Social investment	4, 11, 18-19, 42, 48-49, 62-63, 97-98, 113, 123, 126
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Market Presence

202-1	Ratios of standard entry level wage by gender compared to local minimum wage	SDG 1 SDG 5 SDG 8		6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights at work 6.4.3 Employment and employment relationships 6.4.4 Conditions of work and social protection 6.8.1-6.8.2 Community involvement and development	34
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Indirect Economic

203-1	Infrastructure investments and services supported	SDG 5 SDG 9		6.3.9 Economic, social and cultural rights 6.8.1-6.8.2 Community involvement and development 6.8.4 Education and culture 6.8.5 Employment creation and skills development 6.8.6 Technology development and access 6.8.7 Wealth and income creation 6.8.9 Social investment	4, 11, 18-19, 49, 63, 66, 81, 85-92, 94, 97-98, 103-104, 106, 108, 110-113, 115-119, 121, 124-125
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Procurement Practices

204-1	Proportion of spending on local suppliers	SDG 1 SDG 8		6.4.3 Employment and employment relationships 6.6.6 Promoting social responsibility in the value chain 6.8 Community involvement and development 6.8.5 Employment creation and skills development 6.8.7 Wealth and income creation	11
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Anti-Corruption

205-2	Communication and training about anti-corruption policies and procedures	SDG 16	P 10	6.6.1-6.6.2 Fair operating practices 6.6.3 Anti-corruption 6.6.6 Promoting social responsibility in the value chain	7-9, 18, 20, 73-75
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GRI 300: Environmental Standards

Energy

302-1	Energy consumption within the organization	SDG 7 SDG 8 SDG 12 SDG 13	P 7 P 8 P 9	6.5.4 Sustainable resource use	129-131, 134, 141-145
302-4	Reduction of energy consumption	SDG 7 SDG 8 SDG 12 SDG 13	P 7 P 8 P 9	6.5.4 Sustainable resource use 6.6.6 Climate change mitigation and adaptation	129-131, 135

GRI Standards	United Nations		ISO 26000	
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Enfluentes and Waste

306-4	Waste by type and disposal method	SDG 6 SDG 12 SDG 13	P 7 P 8 P 9	6.5 The environment 6.5.3 Prevention of pollution	132-133
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GRI 400: Social Standards

Employment

401-1	New employee hires and employee turnover	SDG 5 SDG 8 SDG 10	P 6	6.4.3 Employment and employment relationships	33, 35-37
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SDG 3 SDG 5 SDG 8	P 4 P 6	6.4.4 Conditions of work and social protection 6.8.7 Wealth and income creation	48-50
401-3	Parental leave	SDG 5 SDG 8	P 6	6.4.4 Conditions of work and social protection	53-54

Occupational Health and Safety

403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	SDG 3 SDG 8	P 1	6.4.6 Health and safety at work 6.8.8 Health	50-52
403-4	Health and safety topics covered in formal agreements with trade unions	SDG 3 SDG 8	P 1	6.4.6 Health and safety at work	27, 44, 48, 50-54

Training and Education

404-1	Average hours of training per year per employee	SDG 4 SDG 5 SDG 8 SDG 10	P 1 P 6	6.4.7 Human development and training in the workplace	41-43
404-2	Programs for upgrading employee skills and transition assistance programs	SDG 4 SDG 8	P 1 P 6	6.4.7 Human development and training in the workplace 6.8.5 Employment creation and skills development	41-43, 46-47, 54
404-3	Percentage of employees receiving regular performance and career development reviews	SDG 5 SDG 8 SDG 10	P 1 P 6	6.4.7 Human development and training in the workplace	46

Diversity and Equal Opportunity

405-1	Diversity of governance bodies and employees	SDG 5 SDG 8 SDG 10	P 6	6.2.3 Decision-making processes and structures 6.3 Human rights 6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights at work 6.4 Labor practices 6.4.3 Employment and employment relationships	30-38
405-2	Ratio of basic salary and remuneration of women to men	SDG 5 SDG 8 SDG 10	P 6	6.3 Human rights 6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights at work 6.4 Labor practices 6.4.3 Employment and employment relationships 6.4.4 Conditions of work and social protection	34

GRI Standards	United Nations		ISO 26000	
GRI Disclosures	Sustainable Development Goals (SDGs)	Global Compact Principles (P)	Sub-clauses in Core Subjects and Issues	CSR Report Page Number

Non-Discrimination

406-1	Incidents of discrimination and corrective actions taken	SDG 5 SDG 8 SDG 10 SDG 16	P 6	6.3 Human rights 6.3.6 Resolving grievances 6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights at work 6.4 Labor practices 6.4.3 Employment and employment relationships	44, 55
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Human Rights Assessment

412-2	Employee training on human rights policies or procedures	SDG 10 SDG 16	P 1 P 2 P 4 P 5 P 6	6.3 Human rights 6.3.3 Due diligence 6.3.5 Avoidance of complicity 6.6 Fair operating practices 6.6.6 Promoting social responsibility in the value chain	40, 44-45, 55, 74-75
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Local Communities

413-1	Operations with local community engagement, impact assessments, and development programs	SDG 1 SDG 2 SDG 3 SDG 4 SDG 5 SDG 10 SDG 13 SDG 16 SDG 17		6.3.9 Economic, social and cultural rights 6.5 The environment 6.8 Community involvement and development	94, 97-121, 122-145
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Marketing and Labeling

417-1	Requirements for product and service information and labeling	SDG 16		6.7 Consumer issues 6.7.3 Fair marketing, factual and unbiased information and fair contractual practices 6.7.4 Protecting consumers' health and safety 6.7.5 Sustainable consumption 6.7.6 Consumer service, support, and complaint and dispute resolution 6.7.9 Education and awareness	77-78, 80
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Specific Standards Disclosures for the Sector

FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	SDG 4 SDG 5 SDG 8 SDG 9 SDG 10 SDG 13			64-66, 81-85, 87-92, 94
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	SDG 8 SDG 9 SDG 10 SDG 13	P 7 P 8		122-124
FS13	Access points in low-populated or economically disadvantaged areas by type	SDG 8 SDG 10 SDG 16			111, 115
FS14	Initiatives to improve access to financial services for disadvantaged people	SDG 8 SDG 9 SDG 10			68-72
FS16	Initiatives to enhance financial literacy by type of beneficiary	SDG 4 SDG 8 SDG 10			81-83, 94, 113

BLF'S REPORTING PRACTICE

Date of the most recent previous Report: CSR Report: Our journey towards sustainable banking 2014/2015.

Reporting cycle: Biennial.

Reporting period: This publication is BLF's third bi-annual CSR Report. It covers the years 2016-2017 unless otherwise stated.

Reporting boundary: This Report covers the activities of Banque Libano-Française in Lebanon, and does not cover the activities of all entities included in the organization's consolidated financial statements, unless otherwise stated.

Claims of reporting in accordance with the GRI Standard: This publication aims at updating BLF stakeholders on the Bank's major achievements in this field. It has been prepared in accordance with the Global Reporting Initiative (GRI) Standards Core Option. It meets the requirements of the United Nations Global Compact Communication on Progress (COP) reporting, and shows progress towards the advancement of the Sustainable Development Goals. It also takes into account ISO 26000 core subjects.

Data in this Report has been collected by BLF CSR Unit from several business and support divisions at the Bank. BLF did not seek external assurance for this Report.

This Report contains a GRI Index table. Since this is the first Report based on GRI Standard, some data have been omitted as the necessary information could not be obtained.

The Bank's previous CSR Reports, Annual Reports, Corporate Governance Guide and website can be used in conjunction with the CSR Report for additional information: www.eblf.com.

For questions regarding the Report: Thank you for reading the BLF CSR Report. We would greatly appreciate if you share your comments or opinion with the Corporate Social Responsibility Unit at the Communications, CSR and Customer Experience Division.

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