

C O R P O R A T E
S O C I A L
R E S P O N S I B I L I T Y
R E P O R T

2015

BUILDING A
SUSTAINABLE TOMORROW



FRANSABANK



We care for the environment

The environmentally friendly paper used in this report is from sustainable sources and adheres to strict international guidelines for the preservation of the world's forests and ecosystems.

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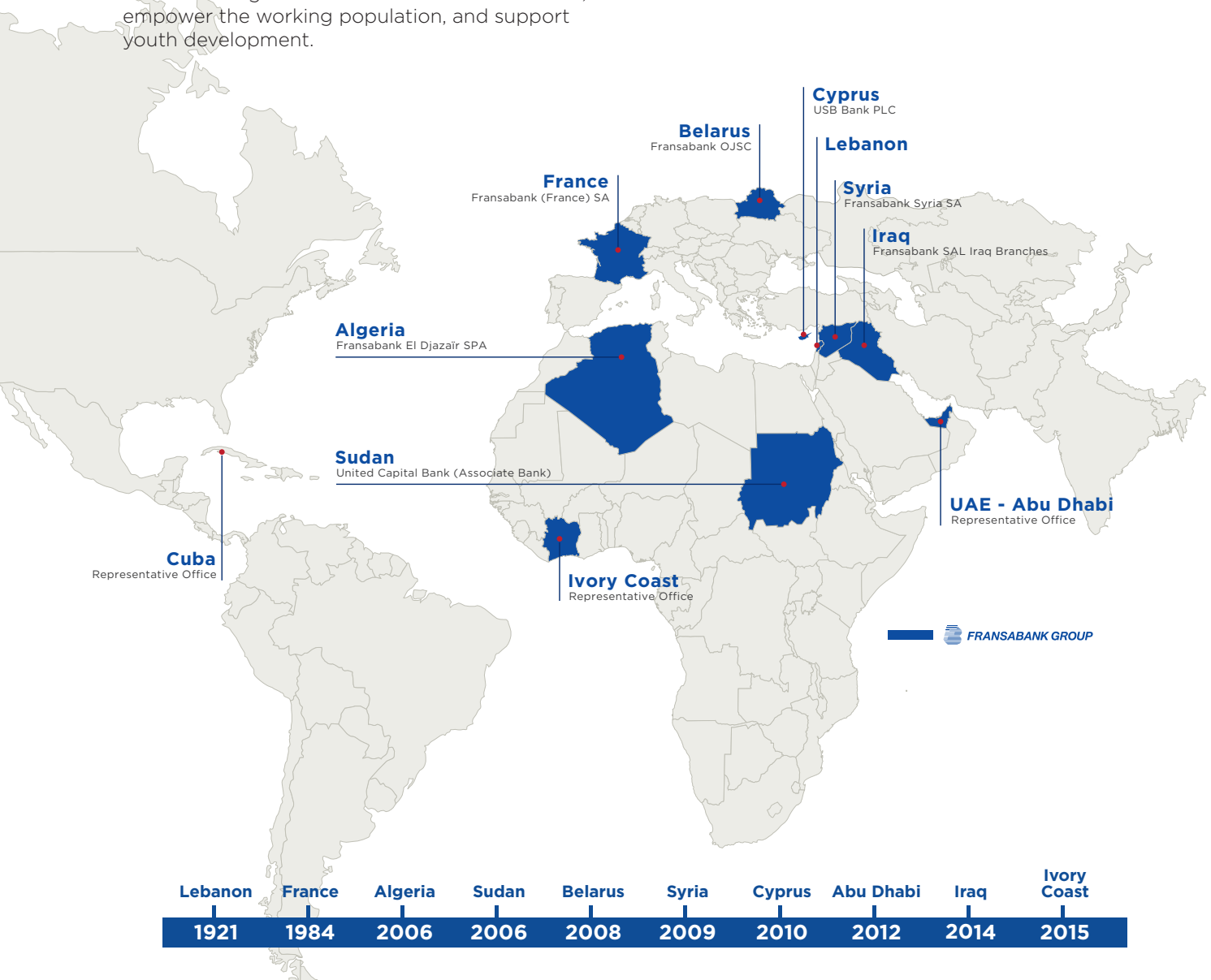
Introduction to Fransabank

Being the third largest banking group in Lebanon, Fransabank Group offers tailored retail, commercial, corporate, investment and international banking products that meet the evolving needs of the societies it serves, through its 165 branches spread across the world. The Group is present in 11 countries: Lebanon, France, Algeria, Belarus, Syria, Iraq, Sudan, Cyprus, United Arab Emirates (Abu Dhabi), Cuba (Havana) and Ivory Coast (Abidjan).

Fransabank's determination to support economic progress in countries where we exist is extensive and diverse. We finance productive sectors of the economy including agriculture, health, education, production, manufacturing and knowledge-based economy; and support start-ups and micro-finance while giving a special attention to Small and Medium Enterprises (SMEs). But our commitment to the societies we serve goes beyond our business line, providing the essential mechanisms, instruments, and technologies that nurture financial inclusion, empower the working population, and support youth development.

Therefore, we gather the necessary information regarding our marketplaces and communities' needs and through our experience, we come up with the best and most efficient way to advance economic progress.

Our total assets reached USD 20 billion as end of December 2015. Customers' deposits amounted to USD 16.3 billion as end of December 2015, while net loans and advances to customers totaled USD 6.3 billion as end of December 2015.



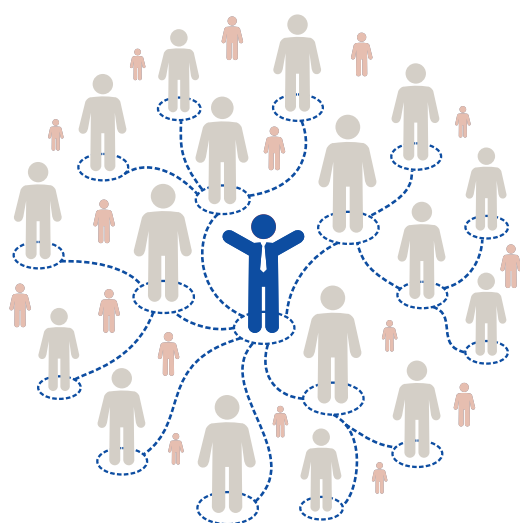
As of December 31, 2015

Fransabank SAL had

288,314 customers

and

1,681 employees



Our vision is to be a leading financial institution within the local and regional markets, providing top-notch financial services to our customers through innovation, cutting-edge benefits and value added banking services and financial solutions.

Our mission is centered around the here below pillars:

- Consolidate and expand our presence in selective regional and international markets
- Adopt and implement the highest international banking and finance norms and standards, corporate governance, and diligent compliance practices
- Exceed our customers' expectations, and fulfill their needs and demands
- Strive for distinguished quality service for our existing and potential customers
- Promote within the Group professional development, quality performance, decision-making process and teamwork
- Generate increasing value for our shareholders in a dynamic manner and on solid sustainable grounds
- Align responsible business practices and social investments to create long-term value and sustainability for the Group and its communities.

Fransabank Products & Services

RETAIL BANKING	CORPORATE BANKING	INVESTMENT BANKING	PRIVATE BANKING / ASSET MANAGEMENT
<ul style="list-style-type: none"> • Small & Medium Size Business Financing • Payment Cards • Accounts • Loans • Saving & Insurance Products • Micro Credits • E-Services • Special Services 	<ul style="list-style-type: none"> • Working Capital Financing • Medium & Long Term Loans • Structured Finance • Syndicated Loans • Trade Finance • Overdrafts • Leasing Services "Lebanese Leasing Company SAL" • Real Estate "Société Générale Foncière SAL" 	<p>Financial Advisory</p> <ul style="list-style-type: none"> • Mergers & Acquisitions • Equity Capital Markets • Private Investments • Corporate Equity / Debt Advisory • Re-Organization • Balance Sheet Re-Structuring <p>Equity & Debt Financing</p> <ul style="list-style-type: none"> • Corporate & Project Financing • Syndicated Financing • Feasibility Studies • Legal & Financial Due Diligence • Debt / Equity Structuring • Equity Placements • Debt Settlement Arrangement 	<ul style="list-style-type: none"> • Advisory • Wealth Management • Capital Market / Brokerage • Structured Products • Research

Message from the **Chairmen**

“Our responsible contribution to the country’s economy emanates from our deep trust in our Bank’s capabilities and strong commitment to make Lebanon a better country for its citizens.”



Adnan Kassar - Chairman & Adel Kassar - Deputy Chairman

As believers in the vital role Fransabank plays in creating growth and prosperity for Lebanon, we provide capital for investments, help customers achieve their ambitions, and support innovation in the financial sector. Our responsible contribution to the country's economy emanates from our deep trust in our Bank's capabilities and strong commitment to make Lebanon a better country for its citizens.

We have always been driven by a determination to create value for all our stakeholders: our customers, whose ambitions we serve; our shareholders, whose backing is our base; our workforce, whose expertise and commitment are our major asset; and our communities, which we are part of.

As a prominent financial institution, we have a big responsibility to run a healthy and productive Bank. We support economic growth through our core business activities addressed to companies, small and medium size businesses and individuals. We also contribute to financial stability by delivering strong financial results.

Fransabank's mission does not stop at its financial role; but expands to invest in the communities in which it is present; believing that today's investments are key for tomorrow's youth. We undertake activities that comply with strong corporate governance policies and adhere to the highest ethical standards, while supporting clients to identify and reduce environmental and social risks and capitalize on the transition to a more sustainable economy. We ensure the foundation of a sustainable environment through Fransabank Sustainable Energy Finance Loans; while supporting rural development projects, socio-economic development, education for all and financial inclusion and empowerment. As much as these issues seem sensitive and complicated, we are committed to addressing and mitigating all the challenges that we face.

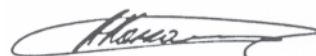
As chairmen of the Board of Directors of Fransabank, it is important to us that we continue to demonstrate our commitment to the ten principles of the UN Global Compact, as well as the UN Sustainable Development Goals (SDGs) which provide a framework for our responsible efforts. We are looking forward to taking our corporate responsibility work further to create long-term value for all our stakeholders.

This report gives an idea on how we are transforming the way we do business in our core and beyond and how corporate social responsibility has become a holistic approach at Fransabank.

Sincerely,



Adel Kassar
Deputy Chairman



Adnan Kassar
Chairman

Our Support to the United Nations Global Compact, the Business for Peace, and the UN Sustainable Development Goals (SDGs)



Fransabank Supports the United Nations Global Compact

In 2013, Fransabank joined the United Nations Global Compact (UNGC), the world's largest and most widely embraced voluntary corporate responsibility initiative. The Global Compact works toward the vision of a sustainable and inclusive global economy which delivers lasting benefits to people, communities, and markets. As a UN Global Compact signatory, we embrace, support and enact a set of core values in the areas of human rights, labour, the environment and anti-corruption. As a result, Fransabank incorporates in its business strategy and ethical culture the UN Global Compact values and ten principles. Our voluntary participation in this worldwide initiative, binds us to a common set of principles of responsibility, and reinforces our commitment to sustainability and corporate responsibility.



Business for Peace



Fransabank Supports the Business for Peace Initiative

As a believer in peace and its correlation with prosperity, Fransabank signed, in 2014, the Business for Peace initiative, a platform launched by the UNGC to expand and deepen private sector actions in support of peace - in the workplace, marketplace and local communities, especially needed in conflict-affected and high-risk areas. Aligned with the UNGC ten principles, the Business for Peace platform assists companies in implementing responsible business practices and catalyzes action to advance peace.

Fransabank Supports the UN Sustainable Development Goals

2015 witnessed the unveiling of the UN Sustainable Development Goals (SDGs). With a series of 17 global Sustainable Development Goals, it sets a transforming agenda for 2030 breaking through opportunities to transform economies and chart a new course for people and the planet - a future that's more inclusive, just and sustainable.

Goal 1: End poverty in all its form everywhere

Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Goal 3: Ensure healthy lives and promote well-being for all at all ages

Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Goal 5: Achieve gender equality and empower all women and girls

Goal 6: Ensure availability and sustainable management of water and sanitation for all

Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Goal 10: Reduce inequality within and among countries

Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable

Goal 12: Ensure sustainable consumption and production patterns

Goal 13: Take urgent action to combat climate change and its impacts

Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

Source: UN DESA

Believing that all our efforts fall within the SDGs agenda, we will be highlighting at the beginning of each chapter of this report the SDGs goals that Fransabank initiatives fall under.



Our Principles for Stakeholders Engagement & Communication

Our success as a business depends largely on our ability to build trust and maintain good relations with our stakeholders. We strive to conduct dialogue based on partnerships of mutual value and to share knowledge and expertise with our stakeholders in a candid and open manner. Engaging with customers, employees, shareholders, policymakers, nonprofit organizations, gives us the opportunity to share information about our strategy and practices and to deepen our relationships.

Our stakeholders' policy is intended to ensure that our stakeholders always know what to expect from us and what we expect from them. By listening to our stakeholders, we gain insight into their perspectives and the issues that matter to them, which helps us develop products, services and policies that are responsive to their needs. Three principles guide the dialogue:




Integrity and responsibility: All stakeholders must be able to trust the information we provide. We base our communications on facts and aim to communicate clearly. We conduct our business in a responsible way, with attention to the effect we have on society.





Timeliness: The information we provide to stakeholders is both timely and adequate so that they have an informed basis for their views and decisions. We aim to answer all requests as soon as practically possible.

Accessibility: We welcome dialogue with all stakeholders, and we respond actively to constructive proposals for improvement and cooperation.

In recent years, we have taken a number of steps to implement a more systematic and robust approach to engage our key stakeholders as described here below.

Stakeholders Groups and Engagement

Stakeholders	CSR framework	Method of engagement
Regulatory Authorities 	<ul style="list-style-type: none"> • Maintain a continuous constructive dialogue and partnership with regulators at all levels • Respond appropriately to new regulatory developments including new banking regulations as well as new rules governing transparency, combatting Money Laundering and Terrorist Financing and the implementation of FATCA policies and procedures 	<ul style="list-style-type: none"> • Consultation meetings • Inspection and verification assignments carried out by the regulators • Increased compliance focus • Ongoing discussions
Shareholders 	<ul style="list-style-type: none"> • Supply transparent information • Shareholders exercise their full responsibility 	<ul style="list-style-type: none"> • Shareholders' meetings • Annual report • Quarterly results • CSR reports
Customers 	<ul style="list-style-type: none"> • Secure honest, fair and transparent business relationships • Development of CSR best practices • Secure relevant feedback from customers 	<ul style="list-style-type: none"> • Open communication through branch advisors, call center advisors, emails, Internet banking, etc. • Quality Service Unit • Customers' satisfaction surveys • Periodic marketing research studies • Researches and insights on the emerging financial issues and economic indicators analysis

Stakeholders	CSR framework	Method of engagement
Suppliers 	<ul style="list-style-type: none"> • Promote the development of CSR best practices, and deal with human rights entrusted suppliers • Environmental performance and general sustainability engagement 	<ul style="list-style-type: none"> • Transparent tenders for all projects including energy savings specifications
Employees 	<ul style="list-style-type: none"> • Promote the personal and professional development of employees • Diversity and inclusion goals 	<ul style="list-style-type: none"> • Periodic in-depth interviews to assess employees level of engagement in the internal CSR initiatives • Brain storm on new CSR initiatives • Career enhancement through internal and external training sessions • Yearly appraisal process for evaluation • Performance and development dialogue
Non-Governmental Organizations (NGOs) 	<ul style="list-style-type: none"> • Cultivate strategic relations with NGOs for long-term strategic partnerships • Support charitable projects through financial contributions • Employees' integration within specific NGOs' CSR activities or donation programs 	<ul style="list-style-type: none"> • Solicit viewpoints from communities and NGOs advocating a variety of issues • Implement feedback that are feasible within the Bank's CSR strategy
Local Communities 	<ul style="list-style-type: none"> • Work with partner organizations to make a targeted contribution to economic and social development in the regions in which we operate. 	<ul style="list-style-type: none"> • Communicating about the performance, projects, products and services in an open, transparent and timely manner.

Our Materiality Assessment

In 2015, we embarked on the first materiality assessment exercise to reevaluate the non-financial drivers that have an impact on Fransabank's role in the society, economy, and environment.

To Fransabank, materiality assessment is to be used as a strategic business tool with implications beyond corporate responsibility. To ensure a sound business strategy, we believe that significant social and environmental topics and the management of sustainability issues should be embedded in wider business processes. Therefore, assessing material aspects help in prioritizing the Bank's resources for the sustainability issues that matter most to our business and stakeholders. This exercise will highlight areas where we need to manage and monitor issues that are important but not currently addressed; while, we will identify the areas of interest to the most important stakeholders.

We used the guidance of the Global Reporting Initiative (GRI) G4 standard to evaluate non-financial topics relevant to Fransabank, and referred to KPMG insights on "The essentials of materiality assessment".

The Bank's materiality exercise falls within six phases:

PHASE 1: Define purpose and scope

We defined what materiality means for Fransabank with clear objectives and target, followed by an extensive desk research which resulted with a long list of potential material topics, this first step helped in:

- Identifying the most important topics to be covered in this report and future ones.
- Engaging with internal or external stakeholders.
- Identifying future trends that could impact the Bank.
- Identifying areas for target setting to improve business and sustainability performance.

PHASE 2: Identify potential material topics

We generated a long-list of potential material topics, by:

- Reviewing sources to craft the long-list of potential material topics, including: internal data, external peer review, sector-specific regulations and standards and research on wider social and environmental trends and challenges.
- Exploring which external stakeholders should we interact with to get the most valuable feedback. We also took into account the impact stakeholders have on the Bank, as well as the impact we have on them, and focus on those stakeholders where the impact is greatest.

PHASE 3: Categorize

We refined the long-list of potential material topics by clustering them into categories and by making sure that everyone involved in the process understood the specific risk or opportunity for each material topic.

PHASE 4: Gather information about the impact and importance of topics

We explored each material topic in detail to understand its relevance to the Bank and stakeholders, by:

- Gathering information about the relevance of each material topic to have the information we need and to prioritize topics in the next phase. Steps included:
 - Consideration of the relevant stakeholders for each topic and the assessment of the importance of each topic to them.
 - Assessing the strategic importance of each topic to the Bank; consider how critical each topic is for our business in terms of: executing strategy; current and future risks; and market opportunities and product innovations.
- Assessing the actual and potential economic, social, and environmental impacts of each of the topics to better understand the impacts.

PHASE 5: Prioritize

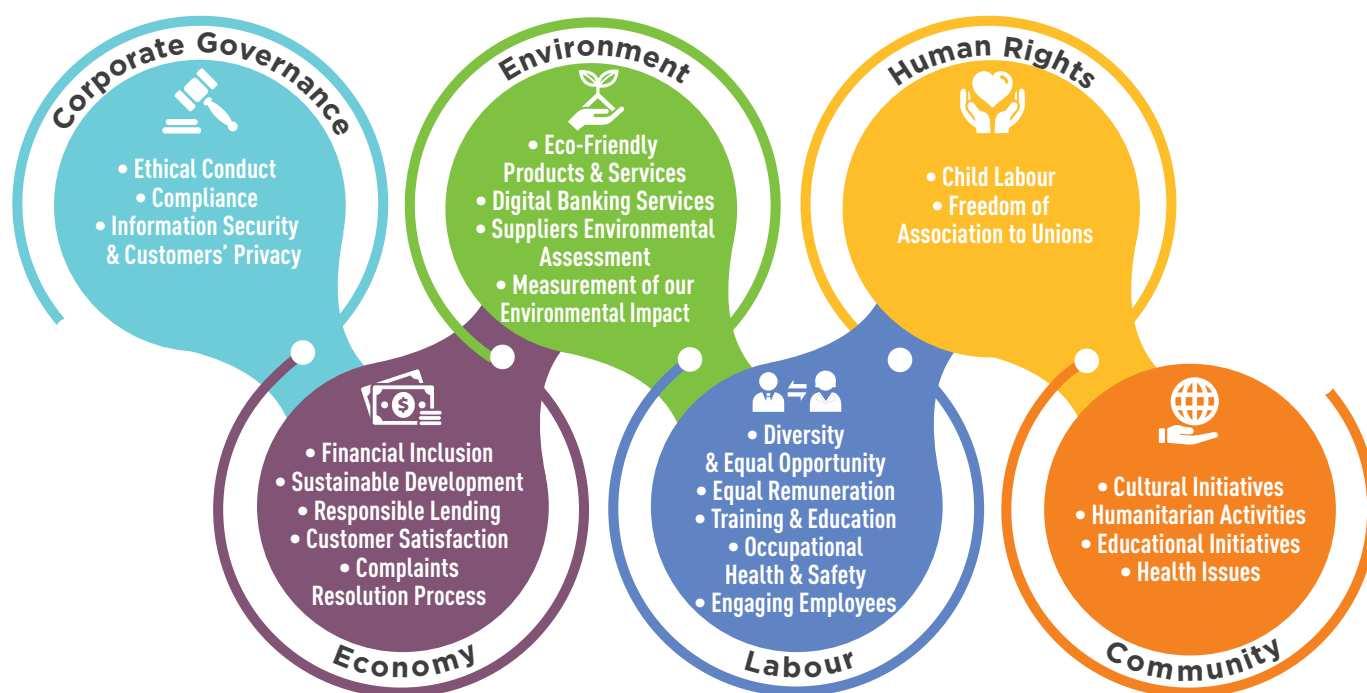
We prioritized material topics based on the strategic importance to the Bank, importance to stakeholders and the social, economic and environmental impact of each topic in the value chain, and set a threshold or cut-off point for defining which topics were to be considered material.

PHASE 6: Engage management

We tested the results of our materiality assessment with key internal audiences to validate the outcome, by:

- Ensuring the materiality assessment is approved by senior business management.
- Reviewing also was necessary to ensure the process and outcome are credible both internally and externally and that management will accept the results and will consider the implications.

This research fed into an internal prioritization workshop which identified 23 topics that are material to Fransabank and its stakeholders, grouped into six categories:



Materiality Assessment Action Plan

In 2015, we moved to an in-depth process through internal stakeholders' engagement, whereby consultancy meetings were held with selected employees. It consisted of open sessions where attendees were free to debate and brain storm on relevant issues whether on the short- or long-term.

In parallel, an anonymous survey was filled by the attendees at the end of each session. The outcome was reviewed later on and accordingly, the most relevant issues were prioritized based on the Bank's strategy and the impact of each topic on our value chain and proposed in Fransabank Corporate Social Responsibility Business Strategy for the years 2016, 2017 and 2018.

About this report

This report is designed to provide our stakeholders with information about our Bank's corporate responsibility programs and progress in 2015.

Fransabank reports annually on its corporate responsibility performance. This report covers the period January 1, 2015 to December 31, 2015, including a comparative review of selected Key Performance Indicators for the same period of the year 2014. All reporting and performance data is limited to information on Fransabank SAL- the parent company of Fransabank Group, unless stated otherwise.

This report focuses on the priority areas identified with reference to our stakeholders' engagement and the

materiality assessment sessions conducted internally with selected employees at the Bank. This report serves as our Communication on Progress for the UN Global Compact and is part of our annual corporate reporting, along with Fransabank's Annual Report. In addition, we report annually on the progress we have made in implementing the 10 principles of the UN Global Compact.

For complete financial and organizational information, please also see our 2015 Annual Report. It is available on our website www.fransabank.com. An executive summary on the main corporate responsibility projects achieved during the year 2015 is also published in the Annual Report 2015.

Fransabank's Corporate Social Responsibility Strategy

At Fransabank, we believe that Corporate Social Responsibility is about making a contribution to sustainable development to society through creating long-term value for our shareholders, customers, employees and other stakeholders.

This means putting our corporate principles into practice and considering not only the economic, but also the social and environmental impacts in all our decisions. As a responsible national organization, Fransabank targets all people at all levels, not only to sell them its services, but also to cater to their social needs.

We have founded our social responsibility strategy and activities on three main principles:

- **To promote effective public-private partnerships;**
- **To promote economic development;**
- **To enhance civil society's aspirations.**

Our social responsibility strategy is shaped by the increasing need to ensure effective stakeholder engagement, to fulfill the socioeconomic needs of the communities in which we conduct our business and the wider social, economic and environmental requirements whenever we exist or operate. This translates into a diverse range of social and corporate activities that advocates Fransabank's image as a credible, solid, innovative and sustainable contributor to the overall economy.



To date, Fransabank has successfully demonstrated a leading role in supporting various sectors and promoting the best standards in Corporate Social Responsibility (CSR). This has already earned the Bank an exemplary place at the heart of the country's corporate landscape. Our CSR activities continue to drive our momentum and to inspire us to keep going and achieve so much more in the years to come.

We have streamlined Fransabank Corporate Social Responsibility Report 2015, focusing on issues that we believe are relevant to the financial sector in general and that fall within our Bank's culture in particular, relying on our stakeholders' engagement and our first internal materiality assessment.

Here are the five pillars we believe in:

- We strongly believe that sound governance steers any successful business. That is why our Bank is dedicated to maintaining governance structures, policies and processes that best serve the changing needs of employees, clients and communities, focusing on transparency, accountability, responsibility, and fairness.
- We support financial inclusion and economic development as key players to ensure peace and prosperity. Therefore, we are keen on providing responsible financial opportunities, access, knowledge and support for the entire customer base and the community we serve, including micro-entrepreneurs, Small and Medium size Enterprises (SMEs), corporates and individuals. Regarding micro loans, we made a total investment of USD 26.5 million in 13,467 micro-entrepreneurs from 1997 till the end of 2015. As for our SME financing, Fransabank registered USD 640.22 million in total performing SME loans as end of year 2015.
- We focus on attracting and retaining a talented and diverse human capital, developing their potential, rewarding their successes, while emphasizing on the importance of a culture of inclusion. In 2015, we implemented extensive training programs that would help strengthen all

our employees' skills, with a total of 1,113 employees completing 100,792 hours of their training programs. Besides, Fransabank employees are connected with their communities through CSR projects that allow them to engage in social works and promote the spirit of giving back.

- We believe that there is a great potential for energy efficiency to address a range of sustainability challenges affecting the environment. With our "Go Green" strategy, we have built the capacity to become the Sustainable Energy Finance Banker in Lebanon. Our financing allocations for Sustainable Energy Finance projects reached approximately USD 120 million distributed on 150 projects in 2015. Major agreements have been signed with international organizations to finance energy related technologies and make profitable investments in sustainable development, targeting both businesses and individuals.
- We also join hands with our communities through our strong commitment to causes that fits our Bank's mission of promoting financial and social inclusion, educational advancement and community development leading to a better connection with society. In this context, our Chairman, Mr. Adnan Kassar proceeded in his giving endeavors and donated USD 10 million as an endowment fund to the Lebanese American University (LAU) amongst other communities initiatives.

All the above are meticulously discussed in distinct chapters throughout this report.





OPERATING RESPONSIBLY

Operating Responsibly



Strongly comply by

Anti-Money Laundering (**AML**)
Laws & Regulations

Combatting Financing of Terrorism
(**CFT**)

Foreign Account Tax
Compliance Act (**FATCA**)



The Code of Conduct

provides the footprints for the highest forms
of **professionalism, ethical behavior, and integrity**



338 employees

completed 25 compliance training sessions

Corporate Social Responsibility focuses on Corporate Governance as a tool for incorporating social, environmental and ethical practices into the business decision making process, thus benefiting all related stakeholders in a balanced way. Fransabank is dedicated to maintaining governance structures, policies and processes that best serve the changing needs of our employees, clients and communities and that promote a culture of integrity, diversity and ethical conduct across the Bank.

“ Our values and beliefs guide our behavior. They help us to conduct business with the utmost integrity, to create long-term value for our shareholders and to nurture the best talent. ”

Mr. Adnan Kassar – Chairman, Fransabank

Corporate Governance Framework

Fransabank Corporate Governance framework revolves essentially around the Corporate Governance Code as adopted by the Board of Directors in line with the regulatory requirements and international best practices. It also includes a set of governance related policies and charters and a Code of Conduct and Ethics.

Fransabank Corporate Governance framework promotes the commitment of the Bank to the highest level of transparency, integrity, fairness and accountability and helps disseminate a strong governance culture within the Bank.

The Bank's governance structure, which aims to provide an efficient framework for the assignment of responsibility and accountability, includes the General Assembly of Shareholders, the Board of Directors, the Chairman, the Deputy Chairman, the various committees, control functions, the

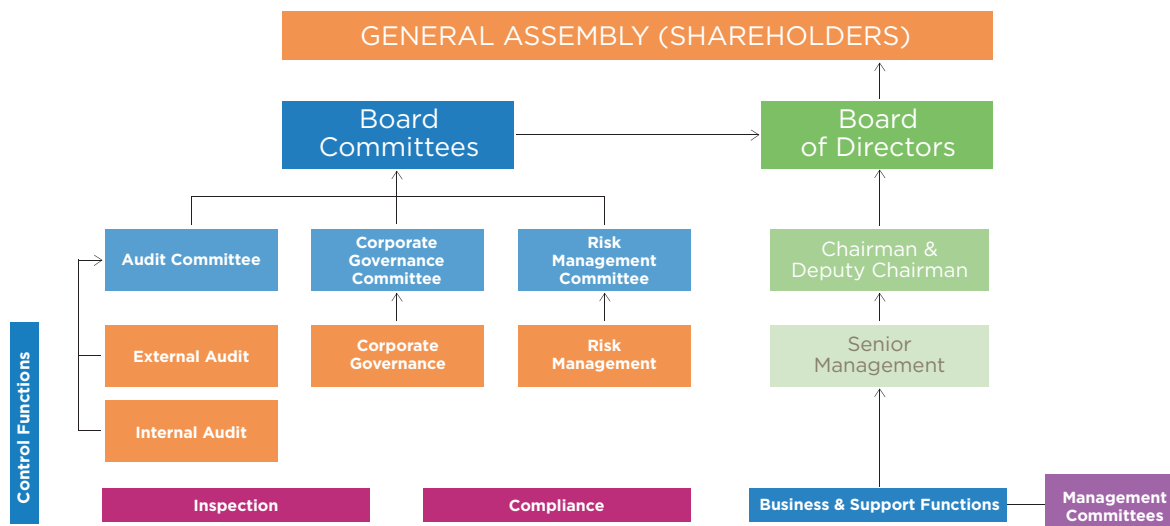
external auditors, senior management and the business and support functions.

The Board of Directors, consisting in its majority of non-executive members, is supported in carrying out its oversight duties by the Corporate Governance Committee, the Risk Management Committee, the Audit Committee and the Remuneration Committee.

Senior management executes its responsibilities through specialized Management Committees, whereby it ensures a proper segregation of duties and separation of functions, promoting an effective internal control framework.

Fransabank's strategy remains to standardize the governance practices across its entities and to strengthen its governance and control culture.

Corporate Governance Structure



Business Ethics

We believe, at Fransabank, that trust and confidentiality are the cornerstones for an incessant growth of the Lebanese banking sector as we struggle to keep a topnotch reputation particularly in the critical regional environment we operate in. Therefore, providing the best responsible outcomes for our customers within a culture of ethical conduct and decision making is a main concern for our Bank.

Preventing Money Laundering and Corruption

Fransabank is committed to conducting business in accordance with the highest ethical standards and in full compliance with all applicable anti-money laundering and corruption laws and regulations. Actually, Fransabank has in place written policies, procedures and internal controls reasonably designed to comply with anti-money laundering laws and regulations.

Anti-Corruption, Anti-Money Laundering, Countering Financing of Terrorism, and Foreign Account Tax Compliance Act (FATCA)

Fransabank's Anti-Money Laundering Policy includes procedures for customer due diligence, reporting, record keeping, internal controls, risk management and communications that are intended to prevent illegal activities. Such illegal activities have been expanded by the new Law No. 44 which was promulgated in November 2015, to cover crimes like human trafficking, tax evasion, extortion, bribes, etc. It is not just the duty of the anti-money laundering department to monitor these activities, but also part of every manager's duty as each is required to take organizational measures to ensure the compliance requirement is respected within his area of responsibility. Adequate training is thus provided, to enhance the compliance culture across the Bank.

Furthermore, specific policies on dealing with corruption and bribery are applied, as well as a complete Sanctions Program aiming at preventing money laundering and terrorism financing, in line with International standards and requirements. As such, all employees are constantly called to strictly comply with Anti-Money Laundering (AML), Combatting Financing of Terrorism (CFT) and Foreign Account Tax Compliance Act (FATCA) procedures in force as for:

- Conducting a periodic review of the AML/CFT, sanctions and FATCA policies and procedures to ensure compliance with the updated related requirements.
- Making sure that appropriate Know Your Customer (KYC) and FATCA due diligence procedures are applied at the onset of the relationship with the customer and renewed at every material change in related data.

- Undertaking a close monitoring on accounts' movements and daily executed transactions to ensure their consistency with the customers' net-worth situation and their economic activity reflected in the KYC form.
- Performing a daily screening of the customers' names against local watch and sanctions lists published by the Special Investigation Commission as well as those published by international bodies including UN, OFAC, EU, HM Treasury, and Interpol.
- Applying strict control measures on wire transfers prior to processing them to make sure that the payment is not directly or indirectly in relation with sanctioned countries, individuals, entities and goods.
- Conducting an Enhanced Due Diligence (EDD) on high risk customers, such as:
 - Politically Exposed Persons (PEP),
 - Off-Shore companies,
 - Non-Profits Organizations,
 - Precious stone dealers,
 - Used car dealers,
 - Exchange companies,
 - High cash income professions,
 - Nationals of sanctioned countries,
 - Income directly or indirectly related to sanctioned countries.

Compliance Training

Compliance training is essential for the Bank to help employees understand the financial sector and governmental laws and regulations that are relevant to their tasks and duties at the workplace. For that reason, the compliance department has training modules designed to target specific areas of interest such as fraud prevention, anti-money laundering and terrorist financing, professional secrecy, conflicts of interest and ethics, as well as customer protection and satisfaction.

To keep up with regular changes and help our employees stay informed about the latest regulations and international requirements, frequent trainings are to be completed by the Bank's workforce. In 2015, 338 employees (from Fransabank SAL, Fransa Invest Bank SAL – the investment arm of Fransabank and the Lebanese Leasing Company SAL – the leasing arm of Fransabank) completed 25 compliance training sessions.

The training modules covered topics ranging from:

- ✓ AML awareness sessions
- ✓ FATCA awareness sessions
- ✓ Regulatory requirements for compliance implementation within banks and financial institutions
- ✓ Bankruptcy law reform
- ✓ Financial crimes detection
- ✓ Fighting digital fraud and piracy in the banking and commercial sectors in Lebanon
- ✓ Amongst others.

Compliance training sessions were mandatory to Fransabank branches' employees (customer service representatives, tellers, deputy branch managers and branch managers), as well as to employees from selected departments / divisions at the Bank as for the:

- Internal Audit Department
- Retail Banking Division
- Risk Management Division
- Loan Recovery Department
- Security and Business Continuity Department
- Corporate Banking Division
- Quality Service Unit
- International Banking Division
- Inspection Department
- Compliance Department.

Keeping Fransabank employees well updated about changes in laws and regulations related to business is therefore crucial for an increase in transparency, uniformity and standardization across the Bank, whether in work methods or in the quality of the services offered.

Valuing the Bank's Code of Conduct

Fransabank Code of Conduct provides the necessary guidelines for the Bank's employees to abide by the highest forms of professionalism, ethical behavior, and integrity with respect to its vision and mission. It is always updated and upgraded to ensure the best practices of the Bank's employees. It also includes rules and policy statements that help employees in their daily decision-making regarding such issues as conflicts of interest, inside and confidential information, gifts, anti-corruption and bribery.

The Bank's Code of Conduct defines the behavior that is expected from all members of the Bank and includes the following:

The main objectives of Fransabank code of conduct are:

- ❑ To establish a common understanding of the standards of behavior expected of all employees,
- ❑ To provide a clear framework within which employees are expected to conduct themselves,
- ❑ To maintain a work environment in which honesty, integrity and respect for fellow employees, and customers/clients constantly reflect in personal behavior and standards of conduct, and
- ❑ To remind employees of what is expected from them as for their appearance and work ethics.

- Respect and protection of confidential information,
- Behavior based on mutual respect,
- Equal opportunity in employment and development,
- Prevention of conflict of interest,
- Legal compliance,
- Behavior with respect to bribes,
- Gifts and favors,
- Occupational safety and health,
- Environment,
- Corporate Social Responsibility, and
- Fulfillment of obligations.

Protecting the Bank's and its Customers' Information

Fransabank is always keen to upgrade its security infrastructure with the ever evolving technology in order to ensure always the highest protection to its own data and more importantly to the customers' information with regard to confidentiality, availability and integrity.

In addition to the multitude of security layers already implemented as appliances or software, e.g. the data leakage protection, the end point security, firewalls, IDS, IPS... Fransabank is currently implementing a SIEM (Security Incident and Event Management) solution in order to have around-the-clock monitoring on the incidents occurring and activities conducted on all the components of the technological infrastructure. This solution provides the Bank with a high level of security with regard to external threats and internal risks. Moreover, Fransabank is now finalizing an agreement with an international company that provides online information on customers' compromised credit cards and/or internet accounts hacked; attacks conducted outside the environment of Fransabank directly to the customers' environment. This will allow the Bank to provide extra services to its customers by notifying them as soon as the attack is done to change their internet banking credentials or stop their credit cards.

On the business continuity plan, the construction of a new Business Continuity and Disaster site is about to start. This site will provide Fransabank operations, and consequently the customers' servicing a very high availability, in case of any disaster occurring despite its magnitude, by a seamless shift of the totality of the operation from the Headquarters to the contingency site. No degradation of any service is accounted for. The same level of operation will be provided to the customer base.

On the human resources aspect, Fransabank is continuously focused on the development of its human capital, which is composed of a large team of technology specialists, functional and business analysts and experts, senior developers and administrators. Moreover, all initiatives and projects are running in the direction of compliance to the ISO 20000 Standard.

A man in a white shirt is seen from the side, talking on a mobile phone. He is standing in an office environment. In the foreground, a laptop is open on a desk. The background shows a window with blinds and a ceiling light fixture. The overall lighting is warm and soft.

02.



SUPPORTING OUR ECONOMY

Supporting our **Economy**

As end of 2015, an outstanding amount of

USD 640.22 million

was invested in
SME financing



As part of our **micro-financing** strategy,
more than

USD 26.5 million

was invested in over

13,467 entrepreneurs

from 1997 until end of 2015



As per the Central Bank of Lebanon

Circular 331

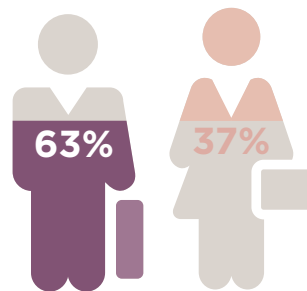
Fransabank has taken a participation
in three venture funds:

- 1. Impact Fund**
- 2. Leap Ventures**
- 3. Berytech Fund II**

USD 5.38 million

had been distributed for micro-credits financing
in 2015 (an increase of 116% from 2014)

Beneficiaries of micro-credits:



Jobs created from micro-credits:

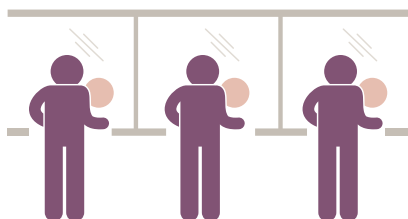


2,278 Jobs created
1,789 Jobs sustained

We carried out a

Mystery Shopping exercise with
367 visits

to all Fransabank branches
and selected competitive banks branches,
in order to assess and benchmark
our customer service standards





Financial stability is a prerequisite for the proper functioning of society because unstable economies create an unpredictable environment for businesses and individuals alike. For Fransabank, maintaining a robust, sustainable business is paramount in supporting both financial stability and economic growth in Lebanon and thus sustaining trust in the financial system as a whole. By keeping its capital base strong, its lending policies sound, and its risk management effective, the Bank helps preserve financial stability. At the same time, the Bank contributes to economic growth by providing the capital and other financial instruments needed to start a new company, expand an existing business, or buy a new home. This all builds upon an ongoing dialogue with relevant stakeholders in the service of common interests – a dialogue based on sharing knowledge and expertise openly and honestly.

Lending Responsibly

To advance economic progress, Fransabank has an important role to play in providing people with affordable and responsible lending that helps small, medium and large businesses progress while remaining financially resilient.

Fransabank contributes to the development of Lebanon's economic real growth, the improvement of its infrastructure, the promotion of key services and technological innovations and the financing of prime businesses and projects both nationally and internationally, including and not restrictively:

- Supporting the improvement of the educational, pharmaceutical, health, electrical, and infrastructure sectors.
- Developing and financing key real estate projects by supporting contractors and developers with good track record.
- Strengthening the trade and the commerce sector with China as a key potential market via providing attractive products and financial services to prominent and new businesses in various sectors such as contracting, trade financing, agriculture, production, FMCG, etc...

As a responsible lender across the life-cycle of a loan, the Bank strives to create stable, long-term sustainable success for its clients – who include many intergenerational owner-investors – by applying responsible lending criteria that reduce vulnerability to economic downturn and

by leveraging its expertise to create, preserve and grow its clients' portfolios.

- For business customers, the Bank not only assesses the customer's needs and repayment capability but also considers the purpose for which the funds will be used and assesses possible Environmental and Social risks associated with it. Additional information on Fransabank Environmental and Social risks are discussed in the environment section of this report. This assessment is intended to prevent credit facilities from being used in violation of internationally recognized standards for human rights, labor rights, environment and anti-corruption.

In 2015, we took several steps to improve our ability to identify and manage environmental and social risks by including in the credit approval process the Environmental and Social Management System (ESMS) in the basis of our Responsibility Policy; we incorporated explicit ESMS factors in the Bank's general credit policy. We also initiated a process to identify and develop credit policies for specific industries whose activities entail elevated Environmental and Social risks.

- For private individuals, we grant loans and other facilities on the basis of a professional credit assessment. It is in both the Bank's and the customer's interest that credit facilities are granted only when the customer understands the associated obligations and risks. We, therefore, make an assessment of the customer's needs and financial situation to make sure we are able to meet his needs.

Supporting our Economy

Furthermore, we work with customers in financial difficulties to avoid cancellation. Only the unpaid installments are due before an account is cancelled and enters the legal process, not the total loan amount. Our objective is to maintain the relationship, bring customers back to a current status and support them through temporary payment problems using deferrals, interest-only periods, debt restructuring, etc...

We engage with several international institutions providing us with medium and long-term funding in support of corporates and small and medium size enterprises lending activities, as the International Finance Corporation (IFC), the European Investment Bank (EIB), Agence Française de Développement (AFD), Proparco - Société de Promotion et de Participation pour la Coopération Economique, Deutsche Investitions - Und Entwicklungsgesellschaft mbH (DEG) and the Arab Trade Financing Program (ATFP).



Financial Inclusion

“Bringing banking services to people who don’t have access to financial services are central to both our core business activities and our citizenship.”

Mr. Adel Kassab - Deputy Chairman, Fransabank

“End poverty in all its forms everywhere” is the Goal 1 of the UN Sustainable Development Goals (SDGs) adopted by the UN General Assembly in September 2015. Microfinance, which is widely recognized as one of the powerful tools to combat poverty, has all the potential to play one of the critical roles in achieving the ambitious targets set by the world community to transform the World by 2030.

To Fransabank, financial inclusion is about equity, and it’s also about stimulating growth and economic development. Whether it’s a small shopkeeper with an idea, a cooperative, community group, or a large business, we have to find ways to give them access to capital.

Our social investment programs, which range from microfinance and impact investing via community development to building enterprise initiatives and support for the disadvantaged have made a difference in the lives of customers in Lebanon and resulted in a good driver for job creation for women as well as for men.

In this scope, Fransabank supports the Vitas micro-credit program because of its critical role in providing capital to small businesses that have

growth potential but may not qualify for conventional loans. Microfinance is a proven and effective tool to empower marginalized populations through the provision of small loans and other financial services. In our micro-credit strategy, we have given preference to women owned businesses than any other lender.

With our microfinance funds, we have extended an estimated 13,467 loans to micro entrepreneurs since 1997, delivering social and economic value to the beneficiaries and their communities.

Fransabank micro-credit objectives are to:

- ✓ Drive innovation and new approaches
- ✓ Support financial inclusion
- ✓ Invigorate economic growth in communities with high unemployment.

When helping small businesses establish or expand, Fransabank conducts a deep study on the project feasibility and capacity to grow. It bases its research on Key Performance Indicators for selecting loan beneficiaries which include but are not limited to age, type of business or enterprise, compliance with local and international AML/CFT laws and certain socio-environmental guidelines, business operational history, repayment capacity, reputation, guarantors or guarantees.

In 2015, the total number of micro-credit beneficiaries reached 3,338 clients compared with 1,776 clients in 2014. The figures almost doubled pointing out the great potentials the society has to offer to the Lebanese economy. Simultaneously, the outstanding amount of micro-credits reached more than USD 5.4 million at end of December 2015 compared with more than USD 2.5 million at end of December 2014; a year-on-year increase of 116%.

Measuring Fransabank's value
of disbursed micro-loans
since 1997 till end of year 2015
it has contributed with a total amount of

**more than
USD 26.5 million**



A documentary detailing Fransabank's microcredits' achievements in cooperation with Vitas was launched including live testimonies from clients whose business was further developed through our microcredits program.





Micro-credits highpoints of 2015

• Percentage of gender distribution

- **37% Females** as compared to 35% in 2014
- **63% Males** as compared to 65% in 2014

• Age distribution per bracket

- **45.6% of the beneficiaries aged between 18 to 35 years** with a total of USD 2,292,012 given out
- **36.6% of the beneficiaries aged between 35 to 50 years** with a total of USD 2,098,109 given out
- **17.8% of the beneficiaries aged above 50 years** with a total of USD 987,004 given out

• Jobs created from the outcome of the micro-credits

- Number of jobs created: 2,278
- Number of jobs sustained: 1,789

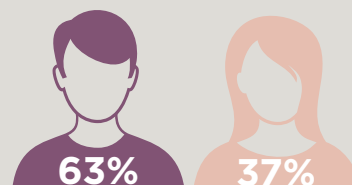
• Percentage of micro-credits beneficiaries per sector

- Commerce **41.04%**
- Services **23.25%**
- Production **15.58%**
- Contracting & buildings **13.30%**
- Agriculture **3.92%**
- Transportation **2.85%**
- Home improvement **0.06%**

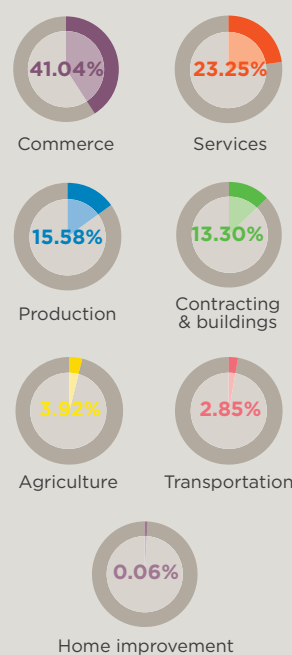
• Non-performing loan ratio

- PAR > 90 days: 1.17%
- PAR >180 days: 0.44%

2015 Beneficiaries Male Vs. Female



Micro-credits beneficiaries' sectors distribution in 2015



Amounts distributed in 2015 as per age brackets in USD



Vitas is a pioneering microcredit institution in Lebanon with regional and international outreach. Its mission is to provide financial support to families with limited income with the purpose of assisting them to become self-sustainable. While it aims to advance individual and business growth; it is essential for them to reach their customers in the areas in which they live promoting rural development and decentralization.

Equity Investments In Start-Ups

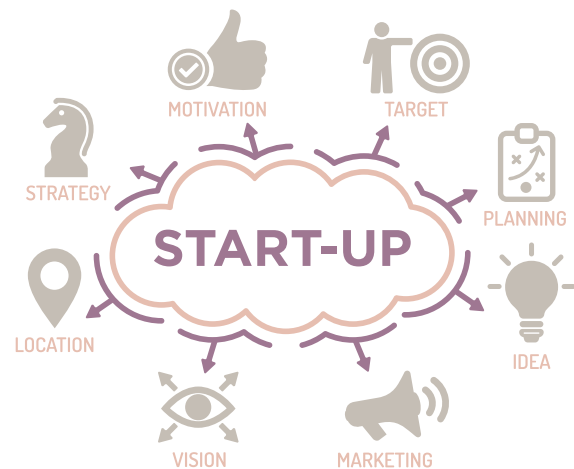
Through the Central Bank of Lebanon's Intermediate Circular 331, Lebanese banks are encouraged to invest in innovative ready-to-scale start-ups in the Lebanese Knowledge Economy. Thus, local banks are entrusted with allocating equity funding to its most efficient use by investing in:

- creative young entrepreneurs with innovative ideas,
- ready-to-scale start-ups,
- accelerators,
- incubators,
- venture capital funds with solid management team.

In addition to funding, entrepreneurs are offered guidance, strategic mentorship, entrepreneurship-focused business training, access to networks of partners and mentors.

In view of that, Fransabank is among the leading banks to embrace the Central Bank of Lebanon Circular 331 into the Bank's strategic business activities and has taken a participation in three funds: The Impact Fund by the Middle East Venture Partners (MEVP) Holding SAL, The Leap Ventures and Berytech Fund II.

- **The Impact Fund** was established in 2014 with a total size of USD 70 million. It invests in early and growth stage innovative Lebanese companies with a clear path to profitability. The Impact Fund mainly focuses on consumer technology products and services, consumer retail products and services and enterprise software. Fransabank and Fransa Invest Bank (the investment arm of Fransabank) committed USD 5,000,000 and USD 500,000, respectively.
- **The Leap Ventures** invests in growth stage, well established companies that are ready to scale. The fund predominantly invests in consumer, fin-tech, health care and clean tech. Fransabank and Fransa Invest Bank committed USD 6,000,000 and USD 1,000,000, respectively, out of a total fund size of USD 71,000,000.
- **Berytech Fund II** invests in early and formative stage start-ups with proven innovation levels and technology disruptions in many sectors covering the Information and Communication Technologies (ICT) sector as well as other knowledge based and creative industries, such as energy, creative and fashion design. Fransabank committed USD 3,000,000 out of a total fund size of USD 51,500,000.



Within Fransabank's strategy towards sustaining entrepreneurialism, the Bank's commitment has taken shape through various guises in previous years:

- In 2007, Fransabank pledged USD 1 million to non-governmental organization (NGO) Bader for its Building Block Equity Fund. It was Bader's first major initiative to bridge the gap in funding to start-ups and entrepreneurs. Through donations such as Fransabank's, the Fund was used to invest in Lebanese Small and Medium size Enterprises (SMEs) that demonstrated potential for innovation, in order to help them forge sustainable growth. During the investment period, Building Block Equity Fund by Bader invested in seven companies. Currently, the Fund is in the exit phase and was able to execute an exit at a multiple of exceeding five times.
- Fransabank, as well, is a partner and shareholder in Berytech that aims at fostering economic growth through providing incubation, support and hosting opportunities to the largest possible number of project holders as well as growing enterprises operating in the fields of technology, multimedia and health. The Berytech Fund I empowered start-ups through pioneering initiatives, e.g. Berytech Digital Park Beirut which aimed to create a tech-hub for the digital industry in Lebanon and the region. This fund is fully deployed and is now in the divestment phase.

The successful implementation of the Central Bank's initiative will develop Lebanese innovation and entrepreneurship, detect successful business opportunities, build local talent and ultimately develop and diversify the Lebanese economy and we see through our contribution to society as setting into action a bubbling micro-economy branded by harsher competitiveness while offering easier and faster access to funding and enabling Lebanon to become a technological platform in the region.

Funding Small and Medium Size Enterprises (SMEs)

Small and medium size businesses are fundamental to a flourishing Lebanese economy as a source of job creation and financial inclusion; yet many of these business owners lack access to the rightful means to catalyze and sustain growth. Therefore, Fransabank is proud to be a leader in providing Small and Medium size Enterprises (SMEs), across Lebanon, with the capital, resources and business know-how that they need to develop and thrive.

Fransabank has spent years supporting a diverse portfolio of small and medium enterprises products and services to bring more people into the banking mainstream, building its knowledge, experience and insights with each new project and providing flexible financing. At the same time, the Bank has continually expanded its partnerships with local municipalities, communities, NGOs and others, to create, broaden and scale solutions that work.

In 2015, Fransabank served SMEs business customers through a team of experts and dedicated small business bankers in communities across Lebanon. Our portfolio of SME beneficiaries includes:

- ☒ Industry
- ☒ Tourism
- ☒ Agriculture & Apiculture
- ☒ Health
- ☒ Traders
- ☒ Liberal professions
- ☒ Services
- ☒ Educational
- ☒ High technology
- ☒ Handicrafts
- ☒ Construction

But that is not all we do to help SMEs. In addition to our business banking services, we lead and support these businesses in their journey to success. Our main objective being to provide consultancy services to existing and potential customers, and follow-up with them on the course of their businesses. We, at Fransabank, have conducted and supervised, in 2015, several SME's workshops and seminars in many districts across Lebanon.



Total performing **SME loans**
as at end of 2015 reached

USD 640.22 million
against USD 595.39 million as at end of 2014

The seminars were performed by dedicated teams of senior specialists, who either reached our clients in their regions or received them at our premises. We made sure to tackle all services and products that have been proposed or developed recently at the Bank and engaged in personalized discussions to better understand the individual needs of our customers. These seminars help also in developing the clients' financial knowledge and skills to optimize their use from our products and services.

The workshops were a success and received an excellent feedback from all attendees. As such, Fransabank will continue to replicate these programs to increase its customers' knowledge of the industry, build up better relations with them, and in turn motivate them to have a more pleasant banking experience.

Knowledge Economy, Entrepreneurship, and Financial Inclusion Conferences

Fransabank was actively present at international, regional, and local economic happenings promoting sustainable economic growth and financial inclusion, education and youth development, entrepreneurship, financing opportunities and strategic cooperation. Per se, we list:

- Fransabank participated for the second year in-a-row in the Central Bank of Lebanon Accelerate Conference – Lebanon's annual international start-up conference aiming at creating liquidity that will serve Lebanese start-ups. It is a yearly platform that helps Lebanese banks have propriety

Fransabank Actively Supports and Believes in:



equity participations, directly or indirectly, in start-ups, accelerators, incubators and venture capital funds in the Knowledge Economy. In the same framework, Fransabank participated in the AmCham (American Lebanese Chamber of Commerce) Conference “Start-Ups Lebanon” that was held in New York with the objective of introducing American audience and investors to knowledge - driven Lebanese enterprises and Innovation Driven Enterprises (IDEs). The Bank was part of these two events believing that financial partnership is still young but ambitious and promising knowledge economy assists our concerned entrepreneurs to transform their businesses into well governed institutions and eventually enable them to export their products and services, and henceforth, to list them on the Beirut Stock Exchange.

- The Annual Arab Banking Conference for 2015 in which Fransabank played a vital role. The forum represented a vivid platform for exchanging expertise in key issues such as the importance of cooperation between public and private sectors in promoting and raising awareness on financial inclusion, as well as establishing a new era of financial education and awareness for young people. During the conference, Fransabank co-organized, as a side event, the Sino-Arab Banking Dialogue: “Building Long-Term Relations” held in the form of a roundtable discussion tackling mainly the means of serving the Silk Road Strategy,

the requirements and challenges for successful Chinese – Arab Cooperation, and avenue for partnership between Chinese and Arab banks to support bilateral trade, investment and projects. The event included as well the launch of the “Arab Women Empowerment Fund for Banking Innovation”.

- Within the same context, Fransabank’s representatives enthusiastically participated in the Annual International Arab Banking Summit for 2015 that was held in Budapest-Hungary. The summit tackled financial inclusion strategies and access, usage and quality of financial services for individual and enterprises, SMEs financing, among others.
- Equally, Fransabank took part in two events targeting its international presence: the Iraqi Banking Forum which addressed the economic and financial status in Iraq in light of the current security and political situation, and the legal and regulatory environment for e-banking operations and the prospects for their development; and the China Arab Business Conference that called for the building of the Silk Road’s economic belt, drawing on the strategic importance of Lebanon which connects the silk land and maritime roads that start from China and link, through Lebanon, with Europe. The bond would open new horizons, further strategic economic cooperation and generate benefits for all parties.

Supporting Customers

Our success depends on the satisfaction and loyalty of our customers. This is why our culture is centered on customers' needs. Putting customers first means constantly analyzing who our customers are, what they require, how well we currently meet their need, and how we can add value to them in the future. Many customers rely on us when investing their savings or buying a new home or car. It is fundamental to our relationship with customers that they can depend on our integrity and that the advice they receive is individualized in their best interest.

In line with this commitment, we have continued, in 2015, to adapt and improve on the way in which we do our business and monitor customer satisfaction closely and frequently.

Mystery Shopping at Fransabank Branches and Selected Competitive Banks Branches

In 2015, we used mystery shoppers to make 367 visits to all Fransabank branches as well as selected competitive banks branches. The aim was to assess Fransabank branches customer service standards and achieve a comprehensive benchmarking on Fransabank versus the competition. The shoppers' main objective was to assess our defined quality service standards and to ensure that we build customer relationships by continually delivering a high-quality customer experience. This includes adhering to regulatory requirements, providing error-free product and service documentation and customized product recommendations, as well as offering a friendly and professional welcome and closing.

The mystery shopper research was monitored closely and frequently, with continuous customer-focused and selling skills training to branches employees. The research revealed that Fransabank is ranked among top bankers in terms of customer service practices, but of course there is still some area of improvement in certain branches.

Targeted products and services were launched accompanied by periodic promotions that led to many initiatives across the Bank:

- "The LEAD Account"; a new account launched in 2015 to help the youth achieve financial inclusion and education, and gain financial independence. This account was associated with customized



features and benefits of interest to the youth in addition to many free products and services. In parallel, special promotions on Fransabank housing loans, car loans, and cards were marketed to strengthen the customers' loyalty through appealing rewards and conditions. This, in addition to our partnership with Lebanese orders and syndicates for special packages coupled with advantageous conditions.

- A number of strategic initiatives were launched internally to simplify processes and make them more efficient and to empower our frontline officers at branches and departments.

Handling Complaints

Improving customer satisfaction also depends on listening to complaints. So, it is important that customers feel able to approach us. Therefore, we established a complaints resolution process whereby they are dealt with by a special Customer Service Unit covering a specific scope of responsibility, as per the Central Bank of Lebanon Circular 134 on "The Principles of Banking and Financial Operations with Customers". All complaints are followed up, and as part of a continuous improvement in processes, complaints are held in association with the business line managers, where necessary, in quick, timely, clear and transparent information. When we recognize mistakes, we work to solve cases quickly without excess bureaucracy.



Fransabank's policy on complaints handling follows the principles below:

- ☑ Customers are treated fairly at all times;
- ☑ Complaints raised by customers are dealt with courtesy and on time;
- ☑ Customers are fully informed of avenues to escalate their complaints/grievances within the Bank and their rights to alternative remedy, if they are not fully satisfied with the response of the Bank to their complaints;
- ☑ The Bank will treat all complaints efficiently and fairly as they can damage its reputation and business if handled otherwise;
- ☑ The Bank would look at every complaint as an opportunity to relook at its processes critically and put in place permanent fixes to process shortcomings.

The customer has the full right to register his complaint if he is not satisfied with the services provided by the Bank. He can give his complaint in writing, orally or over telephone. If the customer's complaint is not resolved within 24 hours or if he is not satisfied with the solution provided by the branch, he can approach the Quality Service Unit with his complaint or other legal avenues available.

Accordingly, Fransabank provides all its branches with:

- Complaints and suggestions box for dropping written feedbacks;
- Preprinted complaints forms;
- Leaflets with the specified name, address and contact number of the Quality Service Unit Head;
- Code of Bank's commitments to customers' rights and duties.

Customers and the public can make complaints through all of Fransabank's dedicated channels. This includes branches, telephone, website, social media and complaints and feedback box placed at all branches.

Yet, for the Bank to act as a better citizen, its functions do not stop at the satisfaction of its customers. As it is a duty to offer the best products and services, it is also a must to explain in a clear and direct manner to customers their rights and duties. Therefore, a "Know Your Rights & Duties" initiative was implemented across Fransabank branches in accordance with the Central Bank of Lebanon's Circular 134. A list of rights and duties was shared with customers on the Bank's website. This step forward assures a good and lasting relationship based on transparency.

Keeping Customers Secure

At Fransabank, we invest significant resources to keep the personal data we maintain about our customers and their financial transactions confidential and secure. We train employees in the proper handling of personal information and contractually require the companies that provide services on our behalf to keep the personal information they receive confidential.

In order for digital banking solutions to give customers a good experience, they must be secure. Our systems and eBanking platforms are located in secure encrypted environments, while we scan for vulnerabilities.

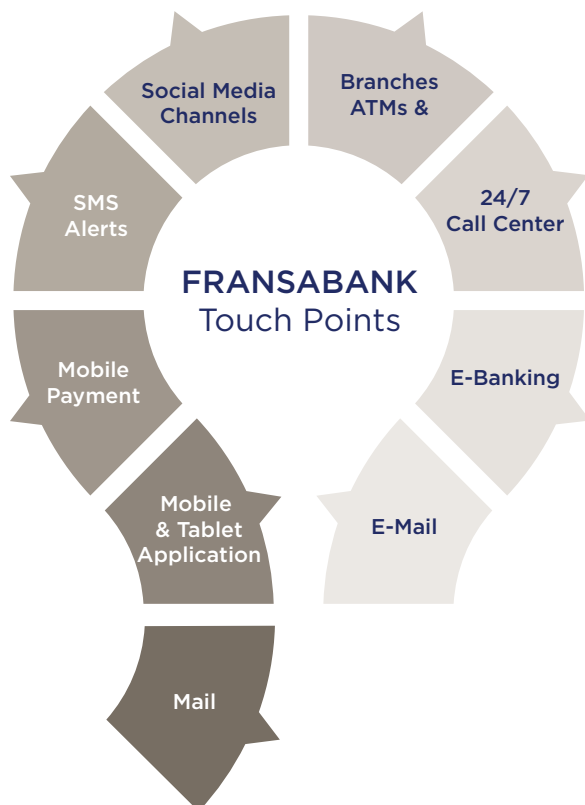
Meeting Customer Needs with New Technologies

Digital media is changing people's behavior. Fransabank banking products are increasingly accessed online, and a great number of our retail clients are already "going digital" in their interactions with the Bank. Rapid advances in technology and changes in communication and networking patterns impact our business significantly, providing an opportunity to demonstrate innovation and attract young customers.

Supporting our Economy

Fransabank provides a rich multichannel banking set of products and services to customers with the appropriate levels of support to let customers select their channel at any place/time of day and to complete a satisfactory interaction. The Bank has implemented several technological initiatives offering an enhanced experience to customers in a friendly and highly secure way, in addition to multiple banking experiences through online banking, mobile banking, ATMs, call center, and the mobile payment gateway. With the widest branch network in Lebanon counting 124 branches spread all over the country, and 104 ATMs, Fransabank provides to its customers a large variety of delivery channels not to forget its entrenched pool of human resource talents. Moreover, all the Bank's branches' employees have access to a Customer Relationship Management (CRM) solution which is fully integrated with their day-to-day work environment.

We are also engaging customers through social media. Real-time updates allow us to keep our customers informed of significant events or changes to our services. We had a significant increase in engagement. Twitter followers have grown by almost 104% (more than doubled) and Instagram followers increased by almost 224% (more than tripled).



Making Housing Loans Work for our Customers

Fransabank takes great pride in helping its customers achieve and sustain homeownership. By supporting quality affordable housing, the Bank contributes to neighborhood stabilization and community prosperity.

We analyze clients' financial situation before granting loans or approving lines of credit to ensure that the duration of the loan is appropriate to the financing purpose and the client's financial circumstances. Our employees must be sure that clients understand the characteristics, functions and risks inherent to a product. They are trained to consistently communicate and interact with customers, setting clear expectations, and explaining fees and costs that are part of the origination process. We focus on achieving and maintaining excellence in key customer experience drivers, such as closing on time and avoiding multiple requests for documents.

In addition, we have strengthened our approach to helping homeowners who are struggling to make their loan payments through a focus on early intervention. We provide extensive training to enable our employees to better support customers who are having difficulties making loan payments and have enhanced our communications skills to provide better counseling and more clarity about the available options.

To this end, the Bank launched in 2015, a housing loan campaign promoting the reimbursement of 100% of registration fees to approved new applicants. 45 Fransabank clients benefited from this promotional campaign.



In 2015, we originated
more than 7,311 housing loans,
representing more than

USD 631.1 million
in loans for home purchase,
refinance and home improvement



Rewarding our Customers

Our reward channels are well-studied as we continuously try to come up with what would please our clients the most. In this context, Fransabank launched, for the second year in a row the UEFA Champions League spending campaign with MasterCard. Since football has proved to be a favorite sports game for the Lebanese people of all ages, our cardholders were given the chance to watch live one of the most prestigious and watched sporting event in Europe. In 2015, we reinforced our commitment by rewarding not just our loyal MasterCard credit cardholders but also the holders of MasterCard debit cardholders. Fourteen lucky winners attended matches of the group stages, quarter finals, semi-finals and finals of the UEFA Champions League 2015.

The outcome of this campaign resulted in the issuance of 6,000 new MasterCard cards and 8,630 Fransabank cardholders entered the draw to participate in this campaign.

This promotion was coupled with another spending campaign, whereby 55 cardholders had the chance to win Apple watches.

Responsible Marketing

We strive to market our products and services in a transparent, consistent and responsible manner to maintain trust. Fransabank marketing materials are reviewed to ensure that products are clear, fair and comply with applicable laws as per the Central Bank of Lebanon Circular 134, regulations and Fransabank's policies. Information and marketing materials must be easily understood and encompassing all relevant information, in a simple and straightforward manner.

Responsible Procurement

As a financial institution, our procurement spending is mostly on maintenance services and office supplies. Even so, we believe that responsible procurement creates value for both, us and our suppliers, while still supporting sustainable development. Therefore, we choose to purchase exclusively from responsible suppliers.

03.

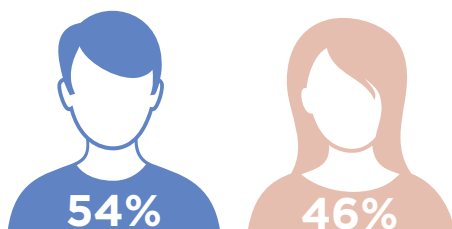




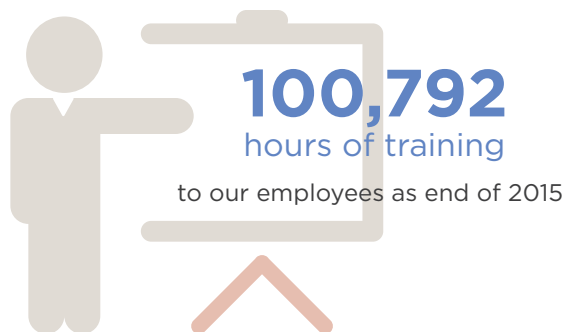
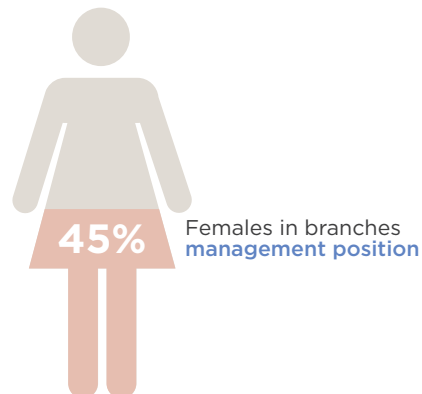
INVESTING IN OUR HUMAN CAPITAL

Investing in our Human Capital

Population Distribution
for the past 3 years

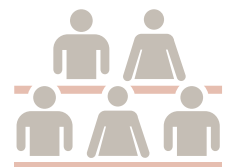


In 2015



215

intern students were welcomed
as part of Fransabank
Summer Internship Program



Average training hours per employee



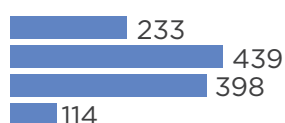
425

employees enrolled in Children Cancer Center
of Lebanon - Partner in Life Program,
contributing to a total amount of
USD 265,527 from November 2005 till end of 2015.

570

employees enrolled at Fransabank Amicale Club,
an increase of 58% from end of 2014.

Number of employees
identified at the Bank's
Development Programs
in 2015



employees followed a **Talent Management Program**
employees followed a **Polyvalence Enhancement Program**
employees followed a **Potentials Development Program**
employees followed a **Succession Planning Program**

The heart of Fransabank business is the devotion and endowment of its people. We focus on attracting and retaining a talented and diverse employee base, developing their potential and rewarding their successes. We strive to create a culture of inclusion and well-being and an environment that allows every individual to thrive at work and contribute to his community. Our employees' commitment and engagement is essential to successfully implement the culture to which we aspire.

With 1,681 employees as end of 2015, coming from the different Lebanese regions, Fransabank reiterates every year its commitment to develop knowledge and expertise in its staff, offering training programs founded on skills enhancement, teamwork, agility and competences development.

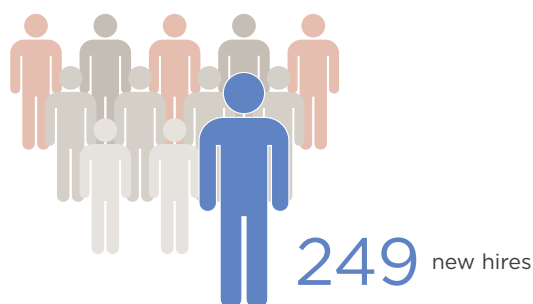
Diversity & Inclusion







Diversity is a prerequisite for maintaining an appealing workplace and a healthy, innovative working environment. Fransabank supports equal opportunities for all staff without regard to gender, religion, culture or any personal belief, in addition to fair treatment in employment and development.

Fransabank's commitment to diversity is reflected in our strategic human resources agenda which is based on five main values:

- ✓ Outstanding client service,
- ✓ Operational excellence,
- ✓ A pledge to integrity,
- ✓ Equality and accountability, and
- ✓ An appealing culture of fellowship.

We have already come a long way in developing a diversified and inclusive workforce. In 2015, our workforce gender segmentation was unchanged as compared to the previous year with an almost equal share among men and women employment, 54% being males and 46% females. Women employees held 46% of Fransabank workforce and 45% of branch management positions (being either branch managers or deputy branch managers). While, we welcomed 249 new comers at Fransabank in 2015; 43.4% of them were women. On average, our workforce age was estimated at 38.2 years.



Composition of Fransabank SAL Employees	2013	2014	2015
Population	1,509	1,533	1,681
Gender distribution	  54% 46%	  54% 46%	  54% 46%
Nber of hires (including Al-Ahli International Bank merger)	84	90	249
Percentage of university degree holders	69%	70%	78%
Average age of Fransabank employees	34.5	36.4	38.2

Investing in our Human Capital

Building a diverse and talented workforce provides us with a framework of good conduct; but retaining those valuable individuals entails a continual assessment, motivation and adaptation.

Training has been high on the agenda across the Bank as we seek to steadily improve both individual and team performances to provide customers the best possible service experience. Therefore, we implement extensive training programs that would

help strengthen all our employees' skills, train them at each stage of their career path, which translate into a better performance.

Fransabank Human Resource team has been spotting and cultivating talented employees across the Bank for several years now. Yet, this remains a collective effort as managers at all levels in the Bank play a critical role in the development, promotion and retention of talents.

Whenever potential employees are identified, they go through well-studied programs of competency development as such:

1. Improving employees' ability in multi-tasking and handling of several functions via our Polyvalence Enhancement program.
2. Coaching employees with high-level qualifications to take up advanced positions by way of our Potentials Development program.
3. Advancing the career path of high-performance employees while sustaining them with appropriate trainings through our Talents Management program.
4. Preparing employees to be promoted and assume key business positions as they become available thru our Succession Planning program.

Internal Development Programs 2015

(# of identified employees)



Fransabank provides its employees with a broad range of development opportunities that build critical skills and advance their careers. In 2015, employees completed training on topics ranging from financial products and regulatory controls to culture and conduct and broad-spectrum people management. We also provide a significant amount of training at the entry-levels to build the expertise needed for success at an introductory stage, whereby we have dedicated orientation programs targeted for new recruits' integration in the Bank's culture and vision.

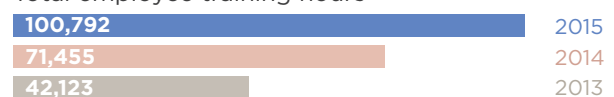
We also focus on enabling employees to build skills through internal mobility, and we place a priority on filling open roles from within.

AS END OF 2015

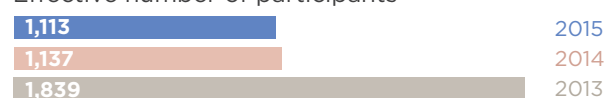


Training Distribution

Total employee training hours



Effective number of participants



Average training hours per employee



RiskAnalyst Training Workshop

In 2015, Fransabank employees were not the only bankers to complete training at the Bank. We also hosted, in collaboration with Moody's, a three-day RiskAnalyst Training workshop designed to benefit Moody's Lebanese client banks as we believe that helping the entire sector contribute to a strong and efficient Lebanese economy.

Attendees came from different top Lebanese banks, along with Fransabank Group's subsidiaries and affiliates.



Processing Remunerations

Fransabank remuneration policy allows attracting and retaining high-performing and motivated employees in a competitive market.

Fransabank employees' performance is based on the nature and scale of their abilities, required competencies and financial objectives. This annual evaluation of employees' performance provides the means for determining and directly linking merit and bonus to both individual and team achievements and productivity.

Fransabank is governed by the Collective Labor Agreement. All employees are enrolled in the National Social Security Fund, and are endowed for additional benefits as such transportation allowance, representation allowance, family allowances, preferential loans, tuition fees for employees' children, cost of living adjustment, medical coverage, and wedding gift, amongst others.

Head Hunting Among The Youth

Communities across Lebanon are struggling to revive our economy, yet thousands of Lebanese people still are unable to find jobs that offer the financial autonomy. At the same time, many employers are looking to fill vacancies, especially for technical and skilled positions. As such, in 2015, 215 interns joined Fransabank's summer internship program which is tailored to senior and junior selected university students majoring in banking and finance, economics and other business majors. It is an oriented learning opportunity designed to enable undergraduate students gain a practical experience in the banking field whether at Fransabank branches or departments.

Part of these new members, joined our team thanks to Fransabank vigorous presence at university job fairs, mainly at the Lebanese American University (LAU), American University of Beirut (AUB), Université Saint-Joseph de Beyrouth (USJ), and École Supérieure des Affaires (ESA) job fairs. As we participate in job fairs to maximize our recruiting/sourcing efforts, and develop our strong brand awareness; it is also a clear-cut way of spreading the word about Fransabank.

Investing in our Human Capital

Integrating Employees

Fundraising for Charities

Through fostering a culture of voluntary engagement in Corporate Social Responsibility, Fransabank employees have the opportunity to participate in NGOs as a monthly donation with approved amount to be agreed upon with the employee. 425 Fransabank employees were enrolled in the "Partner in Life Employee Giving Program" with the Children Cancer Center of Lebanon (CCCL) as of end 2015. This individual and voluntary commitment comes out from the employee own sense of responsibility and his/her wish to help make a difference on the social level.



The Children's Cancer Center of Lebanon (CCCL) is a regional center pioneer in pediatric cancer treatment with a mission of hope and a healthy future for children. They treat kids with no cost at all on parents. Through their affiliation with St. Jude Children's Research Hospital in Memphis, Tennessee; and the rigorous research of doctors and scientists at the American University of Beirut Medical Center (AUBMC), they achieved an average cure rate of 80% for their kids.

Gathering Beyond Work

Taking breaks from the stress of work and daily routine not only helps feel more at ease, contented and peaceful, it also improves productivity, physical and mental well-being.

In this context, Fransabank Amicale Club is all about taking a break from work and making the time to relax socialize and generate friendship bonds among colleagues that would surpass the working environment. It is responsible for social and recreational facilities for the Bank's employees. Managed by a Committee, which includes nine members covering all the Lebanese regions in conformity with our branch network, the Club oversees a range of events including mid-year trips, social events such as concerts, dinners, and hiking days, among others.

The Bank's management allocates every year a budget for this club to be spent for employee-related activities.



Fransabank Amicale members reached

570
members

as end of December 2015

An increase of 58% from end of year 2014

Engaging in Unions

Fransabank supports employees' rights to freedom of association and collective bargaining, as documented in the International Labour Organization's core conventions. At Fransabank, we maintain a constructive dialog with our employees' trade unions, actively participate in the Collective Work Agreement negotiations and formulation, and interact in partnership and within a spirit of trust.

04.





LOOKING AFTER OUR ENVIRONMENT

Looking after our Environment



Leaders in Sustainable Energy Financing (SEF) in Lebanon

150

Sustainable Energy Projects



were financed for a total amount of over

USD 120 million
at end of 2015

Impact of Sustainable Energy Financing Loans:

Launching an **Environmental & Social Management System** (ESMS) taking into consideration environmental and social impacts

Counseling customers that are **working to employ sustainable solutions** using energy efficient technologies

Instilling a **culture of green sustainability** in our employees' habits



**sustainable
DEVELOPMENT**



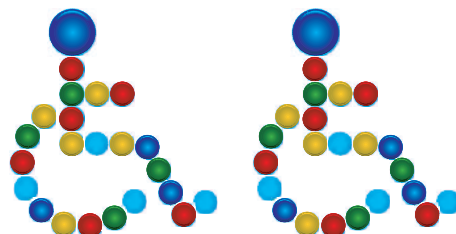
107.31 Tons
of recyclable papers

at the Bank at end of 2015
saving approximately

2,575 trees

IN 2015

1.5 Tons
of recyclable plastics



were collected by Fransabank employees,
resulting in the donation of

two wheelchairs



At Fransabank, we believe there is great potential for energy efficiency, renewable energy and other technologies to help address a range of sustainability challenges affecting our environment. With our “Go Green” strategy, we have built capacity to become the leader Lebanese Bank in Sustainable Energy Finance (SEF). We strongly believe that, through our commitment, we have a real opportunity to affect the climate agenda by the investment we make and the credits we grant.

Investing Responsibly

Innovation & Value Added

Because of the political deadlock and the sluggish economic situation, most Lebanese businessmen are not responsive to energy or environmental projects. Moreover, they prefer working on short to medium term projects with relatively fast return on investments. Even with several private and public initiatives, Fransabank believes that the potential has not been fully addressed nor globally captured.

Fransabank’s Workhorse

In this context, and knowing that the banking sector in Lebanon has been the cornerstone of the Lebanese economy, Fransabank decided to realize a cultural shift in mentalities starting with its own headquarters and employees, positioning itself as the Green Bank in Lebanon and influencing its customers to act on climate change, stressing on the business benefits, the decrease in energy costs as well as the environmental “branding”. We strongly believe that, through a strong commitment, Fransabank has a real opportunity to affect the climate agenda through the investments it makes and the eco-business credits it grants.

Fransabank’s Value-Added Lies in its Methodology

We try to change the traditional business by imbedding a new culture within the Bank. Therefore, we have been developing the Bank’s know-how in this field through extensive training sessions, sharing and exchanging best practices with the Ministry of Energy and Water/Lebanese Center for Energy Conservation as well as

international development banks. In view of that, Fransabank benefited from the International Finance Corporation (IFC) Advisory Services through the training they provided to Fransabank’s teams, their help in assessing the existent client portfolio and the identification of potential eligible projects. The Bank was also granted a USD 40 million financing from IFC and Canada Climate Change Fund (Fransabank and its leasing arm, The Lebanese Leasing Company), boasting itself to be the only Bank in Lebanon to finance SEF projects in many industrial sectors, scaling up and replicating each industries’ model to its peers.

We have been able to prove to customers the importance of energy efficiency measures or renewable energy projects in terms of increase of production/capacity and/or reduction of the energy bill. In addition, the Bank offers some of its customers energy audits to help them identify areas of concern and thus to analyze the best way to develop their business. We implemented, as well, an Environmental and Social Management System (ESMS) in the credit approval process to assess the environmental and social impacts of each project.

150 Sustainable Energy Projects were financed for a total amount of over USD 120 million at end of 2015.



Looking after our Environment

As such, we list few examples:

Greening of Petrol Stations

Fransabank financed the “greening” of several petrol stations, helping them decrease their greenhouse gas emissions. The objective was to replicate green rooftops, photovoltaic rooftops, waste water management and energy monitoring projects in all petrol stations in Lebanon. As much as these oil companies are polluting, we have tried to instill a certain methodology that is less harmful for the environment. In view of that, the Bank partnered, in 2015, with the Lebanese oil private sector, in particular the IPT Gas Stations; signing a Memorandum of Understanding (MoU) for the implementation of IPT Energy and Environmental Management Strategy (EEMS). The importance of this initiative came at a critical time. While Lebanon was facing a tremendous social crisis and hard times finding a viable solution to an incessant garbage crisis; promoting renewable energy technologies was such a smart decision that should be adopted by all Lebanese businesses. The Bank’s pipeline of greening projects comprises more than 200 “greener” petrol stations by 2020.

Energy Audit and Advising Factories

With the International Finance Corporation team’s support, we also advised one of the major steel factories in Lebanon offering them an energy audit

to identify the energy efficiency measures to be implemented as well as a renewable energy project to capture the solar energy decreasing thus the electricity bill. This solar photovoltaic (PV) project aims to be the largest private sector solar project in Lebanon and we plan to partner with the Lebanese Association of Industrialists to replicate this scheme on all similar factories including cement, aluminum, paper, sanitary etc...

Sustainable Agriculture

Likewise, Fransabank developed a pilot project in Agriculture / Agro-Business Agriculture and financed the installation of solar PVs as well as energy efficiency measures including waste management and water waste management. The Bank is currently working with several associations and organizations to support the agricultural business. Through this pilot project, a number of other agro-businesses have become interested in developing the eco-friendly technologies and put in place the energy efficiency measures.

These fruitful cooperation which should motivate the private sector to enter the decentralized production of renewable energy technologies, work for the sake of achieving economic growth in Lebanon and its development over the coming years.



Aptly, a documentary detailing Fransabank’s strategy and engagement towards a greener Lebanon was launched and included the above listed customers’ success stories. The three projects were successfully implemented through the Bank’s team knowledge and expertise, and of course the substantial financial reward the responsible lending offered to their businesses.



Eco-Friendly Loans for Individuals – Partnership with Municipalities

For retail and individuals, Fransabank has worked on several projects including eco-home loans, eco-friendly loans, solar water heater loans, as well as environmental loans. Having partnered with two main municipalities in Lebanon in the previous years, to finance all types of energy projects in their regions, the Bank paralleled the above projects, with a signature with the Union of Municipalities of Qalaat Al Istiklal – West Bekaa, Lebanon in 2015. The Bank collaborated and launched eco-friendly loans for the citizens in this area aiming at the reduction of household expenses, and energy consumption, and at the same time preserving the environment. The loan was granted in order to support citizens of the area to enhance the beauty of their houses while reaching a model of environmentally friendly living lifestyle. This initiative supports sustainable energy and residential projects for citizens of all Lebanese regions.

Sustainability & Replicability

We have been conducting pilot tests with several industries which will be replicated to all industries among which petrol stations, printing press, restaurants, bakeries, fast foods, factories, hospitals and medical centers, schools and universities, hotels, malls, buildings and construction, SEF Components in buildings (roofs, double walls, double glazing, LED lighting, etc.).

Therefore, scalability is total. Every sector in Lebanon is touched. And we believe that a snow-ball effect is envisaged once partnerships with associations, organizations and industries are finalized.

To achieve all these objectives, we believe that a long way has been travelled and a lot of obstacles were overcome. The essential thing is that today awareness is arising and businesses are starting to consider Sustainable Energy Finance projects for their own cost and production benefits but also for environmental-friendly branding, to gain a competitive advantage in the market.

Collaborations & Synergies

Collaborations and partnerships were created with:

- The Ministry of Energy and Water / Lebanese Center for Energy Conservation
- The Central Bank of Lebanon
- International finance institutions or development banks among which the World Bank and International Finance Corporation (IFC), The European Investment Bank, EU Delegation,

Agence Française de Développement and Proparco, European Bank for Reconstruction and Development, etc.

Key Success Factors of SEF Initiative

- Management commitment and close follow-up throughout all the phases of the projects.
- The strong belief that our institution can play a major role in advocating SEF in Lebanon that will impact the behavior of the society.
- The dedication of a team responsible of setting up an action plan, monitoring the project and reporting to management.
- Partnering with major international financial institutions.
- Receiving assistance from the IFC for the development of the Banks' Environmental and Social Management System (ESMS) that addresses not only the financial and credit analysis for files under review but also the Environmental and Social impacts.
- Benefiting from the IFC Advisory Services through the training they provided to Fransabank's teams, their help in assessing the existent client portfolio and the identification of potential eligible projects.
- Embracing the incentive programs of the Central Bank of Lebanon, in coordination with the Ministry of Energy and Water, the Ministry of Environment and the Lebanese Center for Energy Conservation.
- Following extensive training sessions, sharing and exchanging best practices with the Ministry of Energy and Water/ Lebanese Center for Energy Conservation as well as international development banks.

Last but not least, we believe that focusing on industries is the key point that helped us apprehend Sustainable Energy Finance, thus having the biggest possible impact, and scaling up and replicating each industry's model to its peers.

Ultimately, Fransabank's Sustainable Energy Finance (SEF) program addresses a number of pressing development areas as reflected by the UN Sustainable Development Goals (SDG), ranging from providing sustainable energy for all, promoting sustainable agriculture and sustainable management of water and combating climate change and its impacts. With such effects, Sustainable Energy Financing provides a framework to promote ethics, responsibility and civic engagement.

Looking after our Environment

Environmental & Social Management System (ESMS)

In line with Fransabank's "Go Green" strategy and Corporate Social Responsibility, an Environmental and Social Management System (ESMS) was established, allowing the Bank to use its relationship with businesses to encourage them to control and reduce the environmental impact of their activities, embrace renewable energy and responsible and sound environmental management practices, promoting as such environmental and social sustainability.

- The Environmental and Social Management System (ESMS) consists of conducting due diligence of a project to evaluate its environmental and social risks, and its compliance with international environmental best practices and applicable local laws, based on an onsite visit and on an assessment of the environmental and social management practices in place (waste management, efficiency of resources, labour and working conditions, pollution prevention, community health safety, conservation of biodiversity in proximity of the project premises, etc...).
- This due diligence will allow the Bank to assign a risk category to each project at hand, whereby a high risk category will entail corrective measures to be closely followed up by the Bank.
- This system will, thus, urge businesses not only to identify the practices hindering environmental and social sustainability, but also to take actions towards reforming these practices, until an improvement of environmental stewardship is felt across the country.

In this context, ongoing training is provided to staff members directly dealing with credit files to increase their awareness and expertise on the subject. The Bank has also appointed an ESMS officer responsible to manage proper implementation of the system, and provide assistance to front office personnel.

Fransabank has integrated in its commercial prospection and follow-up with existing clients, an approach to enquire on their energy use and their environmental and social impacts. We have been able to prove to our customers the importance of energy efficiency measures or renewable energy projects in terms of increase of production,

capacity and/or reduction of energy bills. This has helped Fransabank, in coordination with the client, to identify the need to initiate, replace, implement or upgrade new methods to decrease greenhouse gas emissions and increase social welfare within an accepted budget. Furthermore, we offer some of our customers energy audits to help them identify areas of concern and thus to analyze the best way to develop their business.



Fransabank's active financing activity for sustainable energy projects cover all sectors of the economy, including:

- agriculture/ solar pumping
- water treatment
- waste management
- electricity
- industry/ replacement of equipment
- renewable energy projects
(solar photovoltaic, wind farms and biomass)
- green buildings
- Amongst others.

Fransabank Participation in COP21

“Regarding the situation in Lebanon, there is a lack of clear and well-defined laws that regulate environmental aspects. And here lies the important role of the private sector to take urgent actions.”

Mr. Nadim Kassar - General Manager, Fransabank

Fransabank, represented by its General Manager Mr. Nadim Kassar, participated in the side event: “Partout dans le monde, financiers et entrepreneurs agissent pour le climat” or “All around the world, financiers and contractors act for the climate” that took place during COP21, the annual Conference of Parties, in December 2015, in Le Bourget near Paris, France.

In this context, Mr. Kassar discussed Fransabank’s “Go Green” strategy and shared the Bank’s experience in launching, managing, and financing energy projects. In addition, he presented a focus on climate change perspectives in Lebanon and on Fransabank’s commitment towards the environment through its CSR achievements and targets.

Fransabank was also a key player in the Beirut Energy Forum 2015, and held a panel under the title “Role of Banks in Financing Energy Projects in Lebanon” to discuss and tackle global and local sustainability issues. The Forum was significant in itself being held in particular circumstances when the world is facing serious environmental challenges, many top oil and non-oil-producing countries are looking for renewable energy, and pointing out to Lebanon’s rich resources that could be used of renewable energies, such as solar energy and others.



BEIRUT ENERGY FORUM
The International Beirut Energy Forum
for Renewable Energy and Energy Efficiency

The Beirut Energy Forum is dedicated to sustainable energy issues and projects. Adopted by the World Energy Council (WEC) as the MENA regional event, the Forum is a place to share insights, challenges, and solutions to the MENA’s energy sector, with special focus on potential regional projects.



The United Nations Climate Change Conferences are yearly conferences that serve as the formal meeting of the UN-FCCC Parties (Conference of the Parties or COP21) to assess progress for more than 190 countries or unions in dealing with climate change, and beginning in the mid-1990s, to negotiate the Kyoto Protocol to establish legally binding obligations for developed countries to reduce their greenhouse gas emissions.

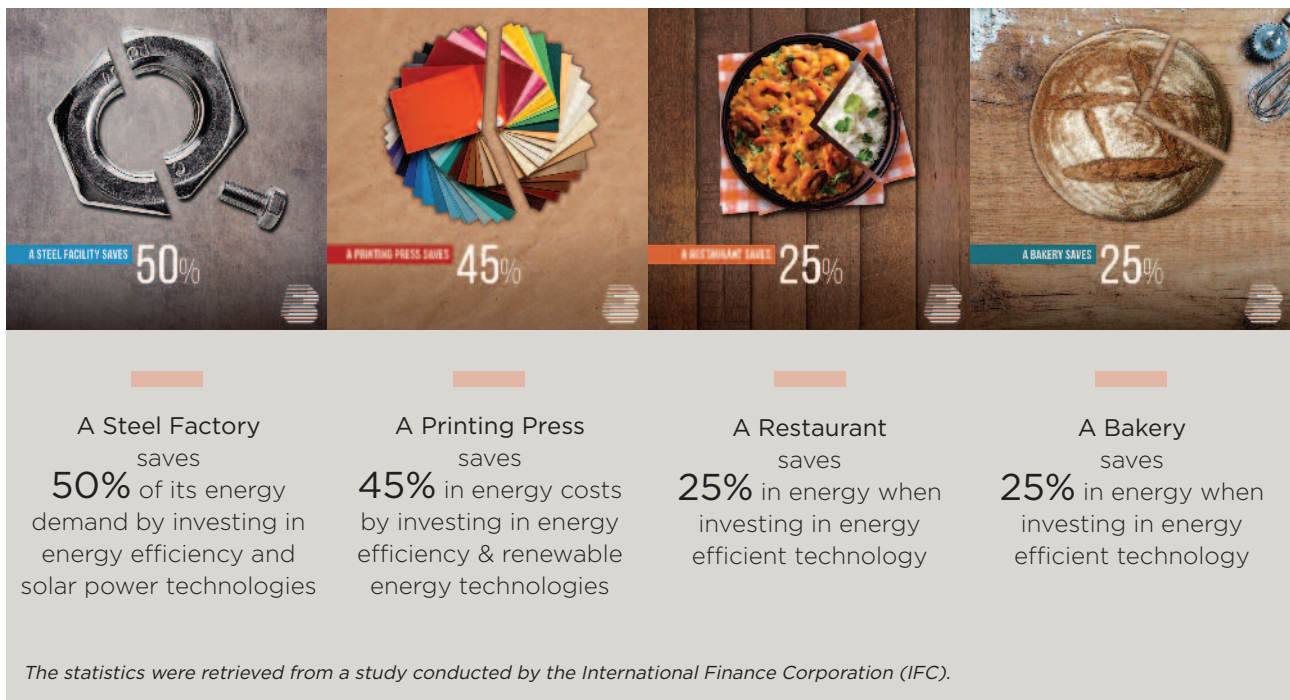


Looking after our Environment

Eco-Business Loan Campaign

Highlighting on how much can be saved while adopting efficient sustainable solutions to different sectors of the economy was the headline of Fransabank Eco-Business Loan campaigns.

Cost effective access to energy efficient technology and equipment helps companies generate a higher level of productivity on the long-term, as such:



Limiting and Reducing Ecological Footprints

The rationalization and control of paper consumption are one of the major environmental targets of Fransabank. Raising green awareness to the Bank's internal stakeholders was achieved as per here below:

Environmental Footprint Reduction

With the use of technology, we always strive to reduce our environmental footprint. That is why we created a work environment in which the use of paper is greatly reduced. Moreover, we are in the process of converting most of our documents into their digital form, because we believe that going paperless can save money, boost productivity, save space, and help the environment at the same time.

Our achievements:

- Implementation of a virtualization-first strategy to decrease our energy consumption to a bare minimum by consolidating multiple services onto the same hardware, thus saving on cost and reducing our carbon footprint. Furthermore, the

Bank's new cutting-edge data center uses a containment system to efficiently cool the data center. This is one of the most technologically advanced strategies in data center design and we are the first in the country to use it, to help improve capacity and energy efficiency by reducing by-pass airflow.

- Recycling initiative within the Bank's Headquarters and branches is being managed responsibly by our employees. We have made considerable progress in reducing paper waste, reaching the 107 tons and 310 Kg of recycled papers in 2015. This accomplishment is a significant indicator of the changes in our corporate culture which is leaning towards an environment friendly work-place.



With the 107.31 tons of papers recycled, we saved approximately:

- > 2,575 trees
- > 2,046,938 gallons of waste water (1 ton of paper conserves 7,000 gallons of water or an equivalent of drinking water consumed by 300 people for an entire month)
- > 110,851 Kg of solid waste
- > 1,194,789 KWh of energy (1 ton of paper saves 4,200 KW hours, enough to power an average-sized home for two years)
- > 276,967 Kg of greenhouse gas

Sources: www.csuohio.edu & www.conservatree.org

- Expanding the Bank's digital banking services that have a profound impact on the reduction of paper consumption. We reached 46,163 registered users of Fransabank internet banking and mobile banking by end of December 2015, an increase of almost 30% as compared to the previous year.

- Encouraging print reduction initiatives through promoting double-sided printing, shared printers and multi-functional peripherals across the Bank's departments / divisions and branches as well as the local entities to help reduce paper consumption, with a more widespread use of certified paper for the Bank's publications.



Through the implementation of the main actions listed above, Fransabank ensures a clear path towards sustainable development. All those actions will have little financial incentives for the Bank but will greatly impact on its striving for sustainability, and will send a message of awareness to all the Bank's employees and clients.

Looking after our Environment

A Comprehensive Green Building Audit on Fransabank Headquarters

The International Finance Corporation (IFC) conducted a comprehensive green audit on Fransabank Headquarters. A summary of the outcome and measures implemented is listed here below:

- Lighting load was the largest electrical energy consumption with more than 31% of the total cost; accordingly, the Bank has been gradually replacing conventional lighting with LED lighting: all elevator lobbies and departments hallways were changed to LED.
- Replacing the Bank's old air conditioning chiller system with the VRV air conditioning system resulted in reducing the Bank's energy consumption in the HVAC area by 30% to 40%.

- Implementing a Full Energy Management Program with clear targets.
- Increasing Demand Control: lighting, A/C, escalators, and ventilation.
- Retrofitting parking ventilation.
- Implementing renewable energy solutions (PV on roof and facade).



Engaging Employees

To achieve continual progress in sustainability, environmental concerns should not only be implanted into our operations but also in our corporate culture.

1.5 Tons of Recyclable Plastics Equal Two Wheelchairs

Following last year's success, and within the framework of Fransabank's Corporate Social Responsibility strategy and arcenciel's environmental program, the "Bouchons Roulants" project, we succeeded in collecting 1.5 tons of recyclable plastics at end of December 2015; surpassing the one ton collected at end of December 2014.

The plastics collected were sold to a recycling company in order to provide with that respective value, a wheelchair to a person with special needs; as, every one ton of recyclable plastic bottle caps collected and sold endows arcenciel with a wheelchair.

We have achieved our goal thanks to Fransabank employees' persistent efforts. Therefore, two wheelchairs were donated to selected direct family members of two Fransabank employees (one resulting from Fransabank employees' efforts and another one from the Bank's management as an equal contribution to the staff's endeavor).

Continuously, and for the year in progress, we succeeded in raising our internal stakeholders awareness to the sorting out of solid wastes and the protection of the environment, through the collection of plastic bottles' and plastic caps, while still providing the bestowment of a wheelchair for people with special needs.



arcenciel. *aec*

Since 1985, arcenciel has acted with and for all people with difficulties for the sustainable development of society. It is a non-profit, apolitical and non-denominational organization that works with anyone in need, and within the spirit of sustainable continuity.

Ahla Fawda

With our presence in Hamra - Main Street since the mid-nineties, Fransabank sponsored the second Ahla Fawda Hamra Festival, which aims at turning Beirut green by creating a beautiful environment starting with Hamra Street, the heartbeat of the capital. This year's theme was "Tout Tout a Beirut"; a popular slogan among Lebanese people, which means "Let's drive to Beirut".

The event main activity was the ongoing implementation of Ahla Fawda's Beirut Green Initiative for the improvement of Hamra area and the embellishment of Hamra Street by commissioning art work on buildings. All of this leading to the goal of improving the community we live and work in. It was in line with our continuous support to constructive efforts that can contribute to improve the infrastructure and urban planning of our country, starting by our headquarters' location, and reaching all Lebanon to make it more beautiful and eco-friendly.





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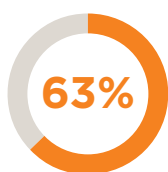


STANDING
BY OUR
COMMUNITIES

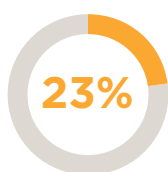
Standing by our **Communities**

We invested
in our communities about
USD 1.3 million

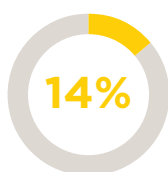
distributed among



Social
& Health



Art
& Culture



Education

Fransabank Group Chairman,
Mr. Adnan Kassar, donated

USD 10 million
as an Endowment Fund

to the Lebanese American University (LAU)



A total of
1,151
Educational Loans



were granted with an outstanding amount
reaching around

USD 14.94 million
as end 2015



JABAL

Young Lebanese artist exhibition
organised its 11th edition for the year 2015

4,000 visitors
attended

32 artists
participated



The **#WeDesign** competition, targeted Lebanese architecture students offering them an opportunity to work on and propose a “facelift” to the Bank’s Headquarters. Top 10 finalists exhibited their works, and **3 finalists** received cash prizes

up to USD 10,000



Today, and through all our Fransabank family, we extend our support to causes that fit our mission of promoting financial and social inclusion, educational advancement and community development. We believe that humanitarian approaches and investments should deliver scalable and measurable impacts. Therefore, we meticulously select the organizations that Fransabank supports, and go through due diligence to ensure that they meet appropriate philanthropic criteria.

We monitor the impact of our social responsibility investments annually and systematically collect feedback from our community partners. By meeting our requirements, NGOs with whom we collaborate receive our full support, to better connect with society and boost employee engagement. Our social initiatives provide assistance and support to children, youth, women, the elderly, the disabled, and families living in situations of poverty and social isolation.

We have demonstrated a strong commitment over the years to these goals resulting in a tighter connection with society. Our responsibilities tackle key social challenges, engage important stakeholders, and thus contribute to our communities' enhancement.

Advancing Education

Raising our Communities

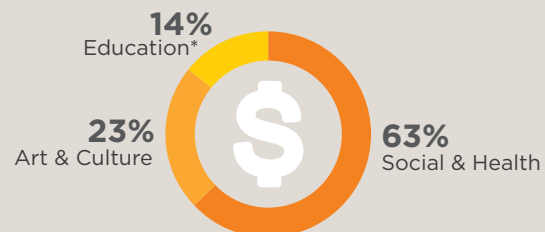
Being familiar with the importance of higher education in a very competitive market and conscious that a much-needed knowledgeable Lebanese youth is key to our country's economic thrive, Fransabank Group Chairman, Mr. Adnan Kassar, further grew his contributions going a step further by donating USD 10 million as donation to a leading educational institution in Lebanon, the Lebanese American University (LAU), one of the highest donations in the university's history.

This donation, into an endowment fund, is a dedicated and permanent source of funding that provides scholarships and financial aid to needy and deserving students and support to LAU's Business faculty's academic programs and development. As a long-term perpetual asset, the endowment will deliver financial support to the benefit of both the current generation and future generations of LAU students within Chairman's Kassar strong belief that education empower individuals and build stronger societies.

With a **total investment** of around
USD 1.3 million in 2015,
Fransabank showcased a sense of
unbounded citizenship for about

140 beneficiaries

subdivided as follows



*Excluding the USD 10 million donated by Fransabank Chairman, Mr. Adnan Kassar, to the Lebanese American University.



“ Education and specialization are essential for men and women to acquire knowledge that would lead them into life and make them constructive elements in society; this has been the main reason behind my keenness to offer scholarships to young bright students, at LAU and in other universities. ”

Mr. Adnan Kassar - Chairman, Fransabank

With a history of endowments to LAU dating back to 2001, Mr. Kassar contributed to various LAU scholarships, grants and educational conferences that provided students with educational opportunities and helped them make a positive impact on society.

This step as a means of advancing education in Lebanon in supporting a prominent and leading university, is especially pertinent at the current time of instability and economic difficulties faced by the country. It was also done as a support to families, with financial difficulties, whose main concern is a high quality education for their children, to equip them with the needed higher education for an effective contribution to their society.

Education - A Continuous Process of Learning

Lebanese people attach great importance to higher education and the wealth of Lebanon's services relies mainly on its well educated population, a key comparative advantage for the country. To this effect, we, at Fransabank, believe in making education accessible to all and in giving especially the families with financial constraints the possibility to fulfill their dreams and reach their goals. In this respect, Fransabank Educational Loan was launched in 2009, offering all qualified students the opportunity to pursue their education either in Lebanon or abroad at very competitive rates and flexible repayment periods.

1,151 educational loans were granted and the total outstanding amount is USD 14.94 million as end of December 2015.



The Lebanese American University (LAU) was first founded as a women's college in the early 20th century comprising just one building. Today, two major campuses in Lebanon - Beirut & Byblos - and 12 campus buildings are supplemented in order to support growing enrollment and new programs.

The university welcomed in fall 2015 a total of 8,348 students with an almost equal gender rate enrollment; female constituting 51% of the students' population and male 49%.

As for the Adnan Kassar School of Business, one of the nine academic units, and to which the endowment was delivered, it encompassed 29.8% of the students in the fall of 2015.
www.lau.edu.lb



#WeDesign Competition – A Youth Touch

Being the oldest Bank in Lebanon, Fransabank's actual Headquarters were designed and built in the 1970s by Alvar Aalto and Alfred Roth, leaders of modernism and famous architects of the 20th century.

After four decades, the Bank decided to launch an initiative that exemplifies its commitment to the next generation; reaching, this time, Lebanese architecture students at different universities in Lebanon. Through the #WeDesign competition, the Bank tried to offer them a thrilling opportunity to work on and propose a "facelift" to the building, one of the great legacies of the modern architectural movement in Lebanon. In this context, the initiative aimed at preserving the rich genre of architecture, while still investing in promising talents among the youth and challenge them to express and capture their views of the existing building façade and the surrounding plaza that represents Fransabank's positive image and dynamic corporate culture, while remaining loyal to the original architects' spirit.

The competition focused on artistic and technical merits; around 131 students' applications from major local universities as for the American University of Beirut (AUB), Lebanese American University (LAU), Académie Libanaise des Beaux-Arts (Alba), Université Saint Esprit Kaslik (USEK), Lebanese University and Beirut Arab University were received.

A jury panel consisting of architects and engineers reviewed the submitted projects and selected the top ten designs that were then requested to submit a 3D model of their proposals. Fransabank rewarded the creativity of the top three finalists who were chosen based on different criteria as for the new design's alignment with Fransabank's corporate image and well appreciated if encompassed green and environmental measures.

A ceremony was held in the Headquarters of the Bank during which the 10 finalists exhibited their work in 3D model and the top three finalists received cash prizes. First place received USD 10,000, second place was granted USD 2,000, and the third place USD 1,000. An additional, lucky winner whose project caught the attention of the Bank's Chairmen and senior management was also rewarded with a USD 1,000 cash prize.

By participating in the #WeDesign competition, university students gained more experience as architects in-the-making by learning more about the history of modern architecture in Lebanon, Alvar Aalto and Alfred Roth innovative style in architecture and how the building, one day, reshaped the image of Hamra Street and its architectural heritage. Also, it was a great chance to improve talents, boost creativity, give students a great opportunity to discover more of the world of design, and most of all endorse our support to the Lebanese youth.



The three winners of the competition

Standing by our Communities

Within the same framework, Fransabank celebrated the 140 years of the Université Saint-Joseph de Beyrouth and sponsored the conference of Faculty of Law and Political Sciences which was debating “The Law in Multicultural Societies”, as multiculturalism is becoming a widely spread reality in our contemporary societies. Likewise, the Lebanese American University had its fourth annual fundraising gala dinner honoring Fransabank Group Chairman, Mr. Adnan Kassar. The event paid special recognition to Kassar’s generous endowment fund of USD 10 million as his giving has allowed LAU to really build a house of wisdom – a city of hope for the youth.



As part of the Bank’s continuous patronage to youth education, we stand side by side with local universities and schools spreading our support to cover different regions. In 2015, we have been a major supporter of students’ social and sports activities of five universities and several schools as we list the American University of Beirut (AUB), Lebanese American University (LAU), Modern University for Business and Science (MUBS), Holy Spirit University of Kaslik (USEK), Notre Dame University – Louaize (NDU), as well as to Collège Notre Dame de Jamhour, Lebanon Evangelical School for Boys and Girls, Beirut Baptist School (BBS), General Secretary of Catholic Schools in Lebanon (SGEC), Collège Notre Dame de Nazareth, Rawdat Al-Fayhaa’ School Tripoli, Collège Notre Dame des Sœurs Antonines, Ecole Saint Roch Kleat, Antonine Sisters School, Saydet Al Najat School Sainte Famille Maronite Zalka, and Ecole Notre Dame Des Soeurs Maronites de la Sainte Famille, among others.



Partnership with the Public Sector

In addition to believing in the incessant need to learn, educate, and empower the youth, we, at Fransabank, also give great importance to regenerating and developing communities by working in partnership with the public sector. We have been partnering for six years in a row with L’Ecole Nationale d’Administration (ENA), the French Embassy in Beirut, and Basil Fuleihan Institute of Finance for a joint education program, to support Lebanon’s public sector key senior officials with key leadership and managerial skills.

The launching ceremony of this year saw the participation of 28 senior officials in the Lebanese public administration, representing 15 departments and institutions as well as military organizations.

In line with Fransabank’s Corporate Social Responsibility strategy, this initiative aimed at contributing to the establishment of the citizenship spirit, and fighting corruption and incompetency to build a healthier civil society.

Putting all our efforts for the sake of strengthening the public institutions performance to activate the Lebanese Government’s role, several meetings and workshops were held with a main goal of exchanging experiences, setting the basics of corporate governance, and improving overall performance. Profound topics that serve the monetary and administrative reforms which are essential to align and meet the public finance policies and objectives were tackled throughout the program.

With similar initiatives, Fransabank Group always aspires as part of its several CSR initiatives undertaken in many fields to “Form - Inform - Transform” the Public Sector in particular and the communities where it operates in general to support building more promising tomorrows.

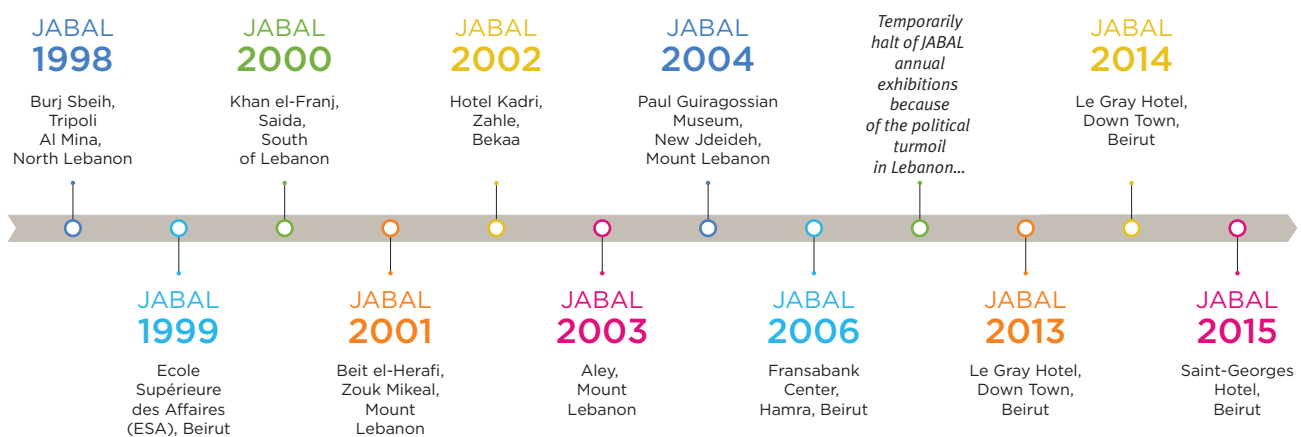
Art – An “Inspiration” to the Nation



At Fransabank, we believe that art and culture help build wealthier citizens. And so, we try, through our pioneering initiative JABAL - Jeunes Artistes des Beaux Arts du Liban, to provide a platform for talented young artists to exhibit their artworks via its annual exhibition and to make cultural experiences available to a wider audience.

“We work to foster an attitude that utilizes the power of Art to reform society.”

Mr. Adnan Kassar - Chairman, Fransabank



JABAL 2015

Fransabank's JABAL - Jeunes Artistes des Beaux-Arts du Liban - is the first-of-its kind art-advocacy initiative by a financial institution launched in 1998 in Lebanon; and has set the pace since its inception for the discovery of over 350 young talents from all the Lebanese regions, thus making art accessible to all.

JABAL has beautifully become a must-visit destination for amateurs, professionals, and artists. Each year brings an extraordinary exhibit of artistic talents in sculpture, painting, photography, and crafts by people who most likely would not otherwise have had such an opportunity, some of whom made it to international recognition.

JABAL exhibitions aim at:

- ✓ Reflecting the diversity and vitality of the emerging Lebanese contemporary art
- ✓ Promoting Lebanese young artists from different Lebanese regions
- ✓ Hosting and showcasing the talent of dozens of artists who never previously had the opportunity to display their works to the public
- ✓ Creating a cultural exchange platform between art professionals, artists and visitors
- ✓ Boosting the country's artistic heritage.

Standing by our **Communities**

Through JABAL exhibitions, Fransabank has a strategic mission to offer new horizons to emerging artists from all the Lebanese regions and pave their paths towards maximizing their potentials. We believe that this would enable them to overcome the challenges brought on by an age of political instability in Lebanon and the region. The revival of arts by itself is one of the Bank's most important missions which will give perpetually birth to a future generation of artists and launch a new renaissance. At Fransabank, we hereby work to foster an attitude that utilizes the power of art to reform society and solve this era's critical problems.

For the year 2015, JABAL's artistic committee selected art pieces from 32 promising artists, among more than 100 submitted portfolios. The selected artists presented their artworks under the theme «Visionary Artists, Where Myths and Dreams Are All About Lebanon» exhibiting 121 pieces of art rigorously selected to unveil their projects, some of which were especially made for this occasion, presenting a sensitive and eclectic overview of modern day art.

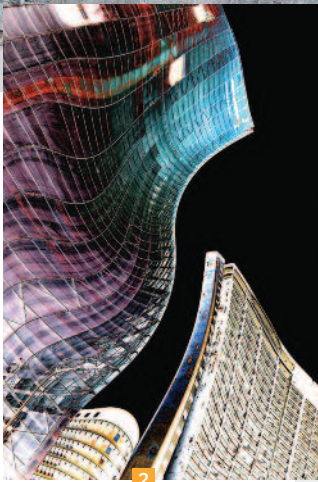
The pieces of art inspired collective growth and proved that young artists are both rooted and visionary. In their own way, they painted and inspired the future; such an artistic vision of a changing world is quite portrayed in a significant and precious selection of JABAL's 2015 edition.

During four days of JABAL 2015, more than 4,000 visitors attended the exhibition. Galleries, curators, institutions, art directors of museums came to encourage the artists. Among the 32 exhibiting artists, 14 have sold their artworks, while 5 artists did not wish to sell their displayed artworks, preferring to keep it for their own. As customary, the Bank purchased paintings from participating artists to display them at Fransabank departments and branches.

We pride ourselves by being an enthusiastic and responsible financial institution. Through such collaborative ventures with artists, we offer opportunities to enhance the community's understanding of art on one hand, and sustain the best possible artists for the creative and cultural industries which we serve on the other hand. We already have achieved great success in our previous editions, and we aim to build on this to secure Fransabank's place as a leading provider of art and culture.



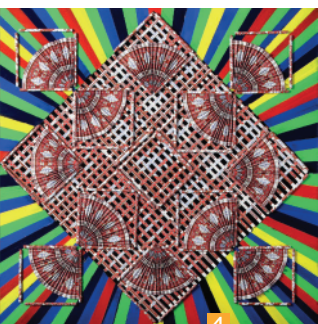
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2



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4



5

1. Mohamad Khayata, Photography, 2014
2. Lina Hassoun, Vertigo, 2014, Lambda print
3. Lama Hajjar, Untitled, 2014, Iron, Resin
4. Liane Mathes Rabbath, Eclipse, 2014
5. Lamia Saab Muhtar, Hayda Lebnen, 2015, Paper collage

Enchanted Masterworks

When encouraging art, Fransabank dedicates its efforts to promote it under all its forms. Apart from our annual exhibition, we also make sure to collaborate and support cultural events whose mission is aligned with our objective of making art accessible to all. In 2015, we conferred substantial importance to promoting classical music, as such we:

- Celebrated Beiteddine Art Festival's 30th anniversary through an opera concert for the gifted soprano Anna Netrebko who enchanted the nights of the Chouf through its refined high-pitched voice. For her first performance in the Arab world, Netrebko captured ears and eyes of 2,300 attendees, including 80 selected clients invited by Fransabank. Not only that, Beiteddine Art Festival dedicated the 2015 edition of its art exhibition to the legendary philosophical essayist, novelist, poet and artist, Gibran Khalil Gibran. For the first time ever, Gibran art pieces were put on a display outside the Museum of Bécharré - North of Lebanon - including an undisclosed collection of paintings. The exhibition invited all attendees to travel into a world of poetry and awes generated by the fine heritage Gibran handed to the Lebanese people.



- Chose to be part of **Al Bustan Festival** program, for the fourth consecutive year, and sponsored Arabella Steinbacher's concert; a German-Japanese artist, who mixed genius with passion and shone on her violin.

- Partnered and supported cultural festivals in various Lebanese regions as for **Baalbeck International Festival**, where by the Bank was a major partner of this festival for the fourth year in a row. **Batroun International Festival**, **Ehden International Festival**, **Ehmej**, and **Tannourine Festivals** received as well the Bank's support. Through these partnerships, Fransabank conveys their universal messages as an expression of faith in Lebanon's cultural legacy, an embodiment of ingenuity and a call for peace.

- Honored Lebanon's cultural heritage embodied by one of the first generation of Lebanese composers and an icon of Lebanon's musical heritage, Zaki Nassif. Therefore, the Bank extended its support to the **American University of Beirut (AUB) Zaki Nassif Program** and sponsored a one- year schedule of concerts introducing classics in Lebanese and Oriental



music at AUB's Department of Fine Arts and Arts History. There is no better way to promote education, culture and heritage other than having Lebanon's renowned artists integrated in college curriculums and educational programs; an innovative approach to penetrate the soul of the Lebanese youth and remind them of the true Lebanese culture and rich legacy.

- Heartened classical music through **The Lebanese Band Association for the Promotion of Music - LeBAM's** concert. The Bank's patronage of this cultural opportunity enriched the availability of quality music education to the local communities.



- Celebrated the **World Theater Day** and supported a symposium organized by the Holy Spirit University of Kaslik - USEK entitled "Theater, Identity and Survive". For two consecutive days, discussion sessions were held talking over key issues, and the importance of theater as the observer which tests and stores in memory every social, political and ideological issue.

Standing by our **Communities**

When Culture, History and Ecology Come Together

Going backwards to the Middle Ages in the nineteenth century, Lebanon was well-known for its fine production of silk. The caza of Alek - Bsous particularly – in Mount Lebanon, witnessed this golden age where silk production in Lebanon was the main activity for a large section of the population, creating great social and economic change in the lives of the local population.



Being proud of our heritage and as an effort to keep up Lebanon's ecological and cultural legacy, Fransabank was a major sponsor of **The Silk Museum in Bsous** which was open to the public from May till November 2015. The aim of this initiative was to attract people to one of the most beautiful olive groves and gardens in Lebanon while presenting a gentle reminder of the interaction between humans, insects and plants and the rewards that this brought to Lebanon for hundreds of years. The Museum evoked images of scented spice routes, the famous 'Silk Road' and the ancient exchanges of silk between the Land of the Cedar, the East, and the West.

Developing Communities

Towards Decent Work for All Post-2015

"Towards Decent Work for All Post-2015" was the theme of the workshop attended by Fransabank representatives and was held at Adnan Kassar Building for Arab Economy. This workshop addressed the policies and standards that will help in spreading diversity and inclusion within Arab institutions and economic bodies, thus contributing to the launch of constructive dialogue towards

decent work for all beyond 2015. Participants from Arab and international countries shared their expertise in the field of employment of people with disabilities; it is noteworthy that the number of handicapped persons in the Arab World is 45 million as for the year 2015.

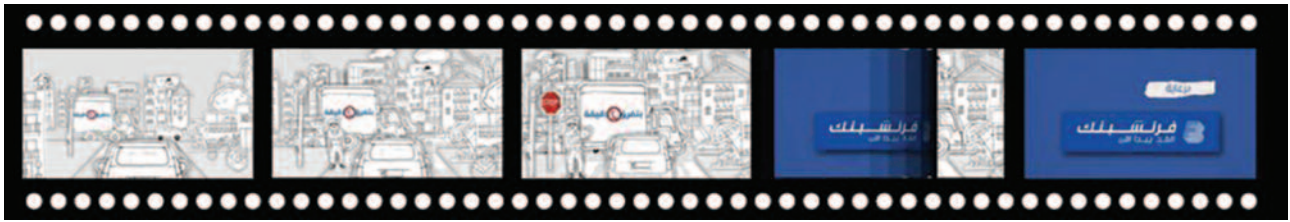
In parallel, Fransabank collaborated with the International Labor Organization (ILO) in a pilot project on "Decent Work for Domestic Workers" targeting a highly vulnerable group of foreign residents in Lebanon. The voluntary participation of Fransabank, through an open discussion between selected employees, provided insights on the perspectives of employers of domestic workers with the goal of continuous improvement in their living and working conditions. The project was terminated with a voluntary individual pledge "My Fair Home Campaign", through which employees recognize and commit to protect domestic workers' rights.

A Long-Lasting Alliance with Communities

Through initiatives that focus on removing social barriers, enabling communities to prosper, and promoting health awareness to wider audiences; we continuously partner with non-profit organizations, renowned institutions, and the public sector to have a durable engagement and maximize our impact. Consequently, Fransabank has been supporting several selected NGOs on a yearly basis.



Since October 2011, Fransabank has accompanied **Roads For Life** in its mission to raising awareness and empowering young people to be safe on roads. Fransabank engaged in sponsoring training courses to more than 400 doctors in emergency units in 90 Lebanese governmental and private hospitals all over the country, so that they became certified Advanced Trauma Life Support providers. The Advanced Trauma Life Support (ATLS®) is a systematic, concise training for the early care of trauma patients. In 2015, 70 ER physicians from 76 hospital ER rooms were trained and received certificates in collaboration with the American University of Beirut Medical Center (AUBMC).



In parallel, Fransabank sponsored a Traffic Law Program on a national television, entitled “بتفرق عديقة”, or “One minute makes a difference”. The program explained on a daily basis all details of implementation of a newly effected traffic law in Lebanon.

Bringing Life, Health and Hope

Likewise, the Bank has been promoting, since its inception, the caring cause launched by **OpenMinds**; whereby a fund was established in Lebanon to enable the AUB Medical Center’s Special Kids Clinic (ASKC) conduct research, empower the community through education and awareness, focusing on organizing activities to provide early detection, expert diagnosis, and coordinate total care for developmentally and neurologically impaired children in an affordable manner. Our donation to OpenMinds reflects our contribution to increasing community awareness, expanding access to clinical services for eligible families to empower them and propel their children to a more promising future.

In 2015, we, at Fransabank, have once again prioritized health issues on the list of our social responsibilities. Consequently, we extended our support to **The Neonate Fund**, lending a helping hand to needy families whose newborns are being cared for in the Neonatal Intensive Care Units (NICU); as each year in Lebanon, around 8,500 babies are admitted to the NICU upon delivery. These babies are born either too soon or too sick to survive on their own.

In the same context, we also sustained our contribution to **Skoun**, the outpatient therapeutic facility in Lebanon that offers prevention and treatment to drug users. As well, we donated for the second consecutive year a full year treatment to one patient at **Oum el Nour**, a Lebanese not-for-profit center which is committed to prevent and treat substance abuse. Fransabank aims with these initiatives to serve individuals through empowering them to make healthy choices and helping them reintegrate in society.

This was not all, as we have been supporting a wide range of NGOs whose work, objectives, and values benefit our communities, to name a few: Yaduna with the mission to improve women’s cardiovascular health, Oumnia which cares for seriously cancer ill children, Salim El Hoss Bioethics and Professionalism Program at AUB as an interdisciplinary resource for faculty, students, and healthcare providers who are involved in bioethics education, research, and consultation, Al Amal Institute, a rehabilitation center that support mentally disabled people, as well as the Cedar Nights and Jouzour Loubnan which both care for the environment, among others.



Standing by our Communities

Running for a Cause

Sport is a powerful tool for community cohesion. The value of sport to local governments and communities extends beyond sport for sport's sake. It can play a role in bringing communities together, having a social and cultural impact, developing social capital and reducing anti-social behavior. It helps break down barriers between diverse groups and create a sense of local pride and belonging and tolerance among young people. In 2015, Fransabank demonstrated a strong commitment towards physical activities and supported four marathons:



- The **Internal Security Forces Half Marathon** kicked off in front of the Lebanese National Museum, with around 1,200 runners. The participants were drawn from the Arab police offices, the Lebanese sport associations, clubs and federations, as well as teams from the Internal Security Forces, Lebanese Armed Forces, General Security, State Security, Beirut Fire Department and UNIFIL. This initiative was mainly targeting the public sector bringing them together under pleasant ambiances and away from the daily work routine and stress.



- **Tripoli Half Marathon** was held under the theme "Running for Peace". It helped people follow driving rules using sports as a mean to get this message through our youth. The event proved to be popular with the participation of some 25,000 people including local and international runners.



- **Beirut Marathon Association's Women's Race** was organized firstly to encourage women to fulfill all their roles in society, and lead promising future with positive energy. The Bank was represented by two teams of children and teenagers, a team of Himaya in an attempt to raise awareness on child abuse in Lebanon, and another team of SOS Village d'Enfants composed mainly of army martyr's children.



- **BDL Beirut Marathon 2015** in which institutions can choose to run for a cause that is dear to them, had Fransabank's contribution extended to the Brave Heart Fund as we believe in the necessity of saving the lives of underprivileged children diagnosed with congenital heart disease.



- Fransabank collaborated this year again with the humanitarian NGO Al Younbouh. The "Walk with Al Younbouh" initiative offered all participants the chance to meet and interact with Al Younbouh center students encouraging a community based on equality, diversity and integration.

1. Internal Security Forces Half Marathon
2. Tripoli Half Marathon
3. Beirut Marathon Association's Women's Race
4. BDL Beirut Marathon
5. Walk with Al Younbouh

ONE Lebanon



"Together we are Stronger: One Goal, One Audience, One Lebanon!" was the theme of a friendly game football pitch held at Collège Notre Dame de Jamhour, whereby ambassadors and

diplomats from the British, German, Danish and Australian embassies played against the ONE LEBANON team consisting of Lebanese celebrities, businessmen and friends proving once again the power of sports in uniting people and breaking all barriers. Fransabank was proud to be among the enthusiastic and vibrant participants and supporters present at the game in such a citizen-driven moment when the Lebanese show their resilience and hope.

Likewise, Fransabank has always been a patron for sports in the community and supported, one of the major schools in Lebanon, Collège Notre Dame de Jamhour sports activities as the rugby tournament, kids' athletics, table tennis tournament and inter-school triathlon.

Food is our Common Ground

We strongly believe in our critical role in supporting society at large, and orphan children in particular, as they need not only the financial, but even more the social and emotional support to promote their healthy growth and help them become productive individuals in the community.

And so, during the holy month of Ramadan, the month of fasting, giving and family gatherings, an Iftar for 75 orphans from the Social Welfare Institute's Orphanage along with a cinema outing to watch "The Prophet" – the film version of the famous masterpiece of Gibran Khalil Gibran – was organized by the Bank.



The Prophet is a book of 26 prose poetry essays written in English by the Lebanese artist, philosopher and writer Gibran Khalil Gibran. It was originally published in 1923 and is Gibran's best known work.

After a long summer day of fasting, the kids expressed enthusiasm and happiness in watching the movie and later in gathering around for iftar, which was an opportunity for Fransabank family to share the celebratory spirit of the Holy month. Not only that, each child received a gift packet by Fransabank employees.

240 Children at Fransabank Headquarters

Aiming at drawing a smile on the faces of 240 children selected by the Ministry of Social Affairs from various Lebanese charities, Fransabank hosted in its Headquarters a "Christmas Holiday Food Drive" event for these children coming from various regions of the capital Beirut. The event was concluded in partnership with the Lebanese Food Bank. It included dinner, recreational activities, games, musical shows, along with gifts distribution.



We see through these efforts a way for shedding light on the Lebanese Food Bank's vision "to eliminate hunger in Lebanon by 2020"; a harsh

mission but yet not unfeasible, as well as on Fransabank CSR strategy on which eradicating poverty is at the top of its priorities.

Advocates for Peace with Ramadaniyat Beirutia 2015

"Islam, Advocacy for Peace" was the theme of Ramadaniyat Beirutia 2015, an annual cultural and social festival that revived Beirut's authentic Ramadan ambiance, while promoting the virtues of the holy month of Ramadan embodied in the values of brotherhood, sympathy, tolerance, solidarity, love, and peace. Fransabank was keen on sponsoring this event.

Last but not least, the Bank, as customary, donates office supplies (computers, printers, furniture, tables, chairs, offices, among others) to public schools and NGOs in need, in order to support their works.





A P P E N D I C E S

Implementation of the UN Global Compact 10 Principles

Fransabank joined the United Nations Global Compact, the world's largest and most widely embraced corporate citizenship initiative in 2013. The UN Global Compact asks companies to embrace, support and enact a set of core values in the areas of human rights, labour, the environment and anti-corruption. We have been reporting on our progress since then, including a commitment to uphold and protect human rights, labour, environment and anti-corruption standards through business practices. All Fransabank CSR Reports can be accessed through the UN Global Compact and Fransabank respective websites.

This table describes our communication on progress on the UN Global Compact's 10 principles.

UNGC 10 PRINCIPLES	IMPLEMENTATIONS AT FRANSABANK
<p>Human Rights</p> <p>Principle 1: businesses should support and respect the protection of internationally proclaimed human rights</p> <p>Principle 2: make sure that they are not complicit in human rights abuses</p>	<ul style="list-style-type: none"> • International human rights are the foundation of Fransabank relationship with its employees, partners, and customers equally, abiding by the international best practices. • The Bank follows deeply rooted values aligned with an updated code of conduct, and abide by a firm corporate governance framework that includes a culture of transparency, responsibility, accountability, and fairness.
<p>Labour</p> <p>Principle 3: businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</p> <p>Principle 4: the elimination of all forms of forced and compulsory labour</p> <p>Principle 5: the effective abolition of child labour</p> <p>Principle 6: the elimination of discrimination in respect of employment and occupation</p>	<ul style="list-style-type: none"> • Fransabank makes sure that all its employees have access to competitive compensation and promotions based on an annual performance evaluation. This process secures employees' development, progress and motivation within the Bank. On the other side, recruitments and trainings are on the run all year long; and new comers are recruited based on merit insuring diversity and inclusion. In addition, we welcome regular feedbacks from all sides and levels of employees. • The Bank focuses on the achievement of its business goals by measuring employees' contribution to its success putting aside all forms of discrimination or criteria that are irrelevant to the Banks' workflow. • Freedom of association and collective bargaining are granted to all Fransabank employees. They are free to join the Bank's employees' union. • All forms of forced labour are prohibited including child employment.

UNGC 10 PRINCIPLES	IMPLEMENTATIONS AT FRANSABANK
<p>Environment</p> <p>Principle 7: businesses should support a precautionary approach to environmental challenges</p> <p>Principle 8: undertake initiatives to promote greater environmental responsibility</p> <p>Principle 9: encourage the development and diffusion of environmentally friendly technologies</p>	<ul style="list-style-type: none"> • Fransabank has proved to be a pioneer Lebanese bank in promoting clean energy and eco-friendly loans through its Sustainable Energy Finance (SEF) Loans. • The Bank has been reevaluating its energy consumption and switching to clean energy technologies in its operations, this includes greenhouse gas emissions, paper, water, and waste management. • Environmental sustainability is not only impacted into Fransabank operations, but also in the corporate culture, promoting individual contribution to the protection of the environment through various initiatives such as the “Bouchons Roulants” and the paper recycling projects and the print reduction initiative; leading to a greener corporate culture.
<p>Anti-Corruption</p> <p>Principle 10: businesses should work against corruption in all its forms, including extortion and bribery</p>	<ul style="list-style-type: none"> • Fransabank fully abides by local and international requirements and regulations to guarantee a full compliance to anti-corruption laws, and our procedures are always updated with any new law. • The Board of Directors, top management, shareholders, and stakeholders are regularly updated with new laws or practices adopted at Fransabank; emphasizing on the ethical practices such as transparency and disclosure. • In line with all regulations, information security is central from a sound governance framework. The Bank is committed to the banking secrecy law and protects all digital information using the most updated and encrypted data center and software.

APPENDIX I

Code of Conduct

Employee behavior	<ul style="list-style-type: none">• General employee conduct• Physical appearance and dress code<ul style="list-style-type: none">Dress code policy for womenDress code policy for men• Non-smoking policy<ul style="list-style-type: none">Non-smoking areasSign requirementsImplementation of the non-smoking law• Working hours, attendance, and punctuality• Gossips and rumors• Bank property• Social media and bank image<ul style="list-style-type: none">Personal social mediaBusiness social media
Reporting illegal or unethical behavior	<ul style="list-style-type: none">• Incident reporting• Accounting complaints

Professional Ethics

Conflict of interest	<ul style="list-style-type: none">• Outside employment• Improper personal benefits• Service on boards and committees
Accepting gifts, meals, and entertainment from customers, suppliers, and others doing business with Fransabank (entities and/or persons)	-
Fraudulent or illegal acts	-
Theft	-
Customers relations	<ul style="list-style-type: none">• Clarity of information• Confidential information and banking secrecy• Quality of service• Anti-Money Laundering (AML)• Politics
Relations with other banks	<ul style="list-style-type: none">• Exchange of information• Competition• Announcements and advertisements

APPENDIX II

Information Security

The Information Security Unit published the “End User Security Guide”, a set of security policies that addresses risks directly related to the users’ work environment. All employees should make sure to read and abide by its content. Below is a brief summary of that document.

Email usage	Email is a communication tool and is allowed for business purposes only. Everyone is held responsible for his/her email account.
Computer security	All computer devices should be properly protected by restricting access to it. Similar devices include sensitive information that must be restricted to authorized personnel only. Employees using Fransabank computers shall consider the sensitivity of the information and use them responsibly.
Clean desk	Fransabank employees should protect paper documents, mass storage devices, and optical media by locking them away while leaving for prolonged period of time.
Removable media	Only Fransabank owned removable media devices are allowed for usage and that to prevent the transfer of any virus to Fransabank network.
Media destruction	Proper media disposal is necessary to prevent unauthorized use after removal from service. Hard copy materials should be shredded on daily basis while electronic devices should be destroyed as per Fransabank Electronic Media Destruction Procedure.
Software installation	Software installation is the sole responsibility of the Information and Communication Technology Division.
Internet usage	Fransabank restricts internet access usage for employees who need it in their daily operations. Non-work related websites are blocked by default.
Laptop acceptable use	Portable devices should be properly protected while in use. Those devices should not be left unattended.
User password management policy	User ID and password is granted to employees for accessing systems owned by Fransabank. It is expected to properly protect credentials and keep them away from unauthorized individuals. Complex passwords should be used and changed as per Bank policy.

