CORPORATE SOCIAL RESPONSIBILITY REPORT

empowering youth

bankmed
A. Promoting Sustainability through Green Finance
B. Reducing Our Environmental Impact
C. Restorative Measures and Green Awareness
1. Environment Counts – Awareness Campaign
2. The Garden Show and Spring Festival
3. Preserving Jabal Moussa
4. Forestation Initiative
5. Bankmed Environmental Booklet

D. Feature Story: Preparing Young Environmentalists - The Green School and the Green Student Competition

MESSAGE FROM THE CHAIRMAN

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I am pleased to introduce to you Bankmed’s 2016 Corporate Social Responsibility (CSR) Report. We take pride in demonstrating through this document the strength of our commitment to our larger community and our mission to empower and support our customers.

In 2016, we continued to extend impartial support to all segments of the society. However, recognizing that the young generation is our community’s most valuable asset, we dedicated this year’s initiatives to the youth aiming at developing their entrepreneurial skills as well as supporting them in their education and career paths. We collaborated, in this regard, with organizations whose core mission is based on the youths’ well-being and development and simultaneously introduced programs that serve as a model of socially-responsible behavior. While we continued to enhance our existing initiatives, The Happy Planet Campaign and Bankmed Youth Race, we launched the Bankmed Youth Program, a specially tailored financial program that targets young people as potential customers and encourages them to become financially responsible. The program offers young people safe and practical banking solutions and attends to every aspect of their lives from saving to music and entertainment. It also provides young consumers with numerous benefits once they join.

In another context, we invited students from major universities to participate in our first Online Trading Competition; the winners from each of these universities were offered the opportunity to train at Bankmed’s Treasury. The success of this competition encouraged us to expand the number of participating universities for the following year. We equally continued to offer Retail internship training to a large number of students throughout this year.

As a financial institution capable of playing an important role in the economy, we continued to support initiatives that create jobs and provide career opportunities. Our support to startups reflects our belief that the first step towards creating a better tomorrow for youth begins by engaging them. Recognizing that the technology sector is a major catalyst for employment, we chose to focus on startups that are geared towards enhancing banking technology and solutions. We continued to partner, in this regard, with the Arabnet conference in a joint aim to grow the Internet and mobile sectors, build business bridges across the MENA region and support the digital knowledge economy. We also participated in sponsoring the Central Bank of Lebanon, Banque du Liban (BDL) Accelerate event, which brings young people close to industry experts, investors, and top influencers from around the world in order to learn, engage and get inspired. Both conferences, Arabnet and BDL Accelerate, offer venues for startups and large enterprises to showcase their ground-breaking innovations.

One of our CSR pillars is to provide affordable financial solutions to the unbanked segment of the population in an aim to help them improve their financial well-being. Bankmed continued to play an instrumental role in microfinance through its subsidiary, Emkan Finance (Emkan) which sustained its contribution to the low-income earners within the Lebanese society. Through this role, Emkan complements our commitment to CSR, especially in terms of providing under-banked individuals with an access to finance. Since its inception in 2011, Emkan’s lending portfolio has reached more than USD 182 million through 70,000 microloans.

Our commitment to sustainability has been demonstrated through the launching of projects that introduced tangible changes within our community. We will continue to make a positive difference in our society to further enhance our social and environmental goals.

MESSAGE FROM
The Chairman

Mohammed Hariri
A. Introduction

As one of Lebanon’s most socially responsible financial institutions, Bankmed continues to adopt Corporate Social Responsibility (CSR) initiatives that include taking care of the environment, educating the public on the importance of being eco-friendly, supporting cultural and sports activities across the country, as well as helping those who are most disadvantaged and marginalized.

As an integral part of Bankmed’s business strategy, CSR is continuously refined to create value within the greater community. Bankmed’s CSR strategy is founded on five pillars: Corporate Governance, Environmental Sustainability, Community Development, Economic Development, and Human Development.

In 2016, we focused on youth and their developmental needs, aligning our CSR strategy accordingly. Hence, youth empowerment has been carefully integrated within every aspect of our CSR strategy from governance and environmental sustainability to economic and human development. The initiatives endorsed across these lines have entailed youth engagement projects within environmental, cultural, and economic as well as educational scopes.
This year, we delved deeper into the world of youth. We studied the current economic and market trends and assessed their impact on the young generation. Accordingly, we worked on creating programs and adopting initiatives that highlight our commitment to our community in general and to the young generation in particular.

In fact, investing in youth was reflected within a series of strategic community projects including:

- Educational Competitions
- Economic Expansion
- Financial Inclusion
- Environmental Protection
- Hiring Young and Competent Staff Members

We aimed through this engagement to set an example for greater initiatives at all levels and across the whole country.

Lebanese youth are considered among the most talented in the region. With a high literacy rate and undisputed potential across various fields, youth make up a strong foundation for Lebanon’s continuity. However, amidst the pressing social and economic challenges, which the country has been facing, a considerable number of young people had been forced to seek job opportunities abroad. As such, to preserve the youthful power and channel its energy, a number of permanent initiatives need to be created in order to retain youth in their homeland and enable them to craft their future.

Through our specific focus on youth, we aimed to address the following challenges:

**CHALLENGES**

**SCARCITY OF JOB OPPORTUNITIES**

The lack of opportunities in the labor market is attributed to the difficult operational environment that particularly prevailed since 2011. This, in turn, had restricted growth in the market size and accordingly limited the job availability for the youth.

**COMPETITIVE PROGRAMS’ BARRIERS**

Youth in Lebanon are given limited room to take part in healthy and recreational competitions that go beyond the scope of schools’ or colleges’ contests. Although some educational competitions have been recently introduced, they have not been based on local, original ideas.

**LACK OF FINANCIAL AWARENESS**

The teaching of certain financial skills such as budgeting and investing can be overlooked by many parents. If not introduced to financial management early on, many young people are prone to encounter financial challenges later in their lives.

**SOLUTIONS**

**CREATING JOB OPPORTUNITIES**

We have been making viable contributions to the community by supporting SMEs, promoting startups, and extending financial access to economically active individuals. These aspects reflect the Bank’s active part in creating new jobs and career opportunities for Lebanese youth.

**INTRODUCING NOVEL COMPETITIONS**

We have introduced two original competitions: the Green School and the Green Student competition as well as the Bankmed Youth Marathon. Both competitions give youth the space to excel while instilling in them the love and appreciation of their own country.

**BANKMED YOUTH PROGRAM**

We launched our Youth Retail Banking Program, a groundbreaking program that is creatively designed with attractive solutions and exceptional features. The program revolves around day-to-day activities of young people, providing them with a simple, efficient, and effective way to manage their finances.
C. About This Report

This report covers CSR initiatives throughout 2016 for the Bank and some of its major operating business lines and subsidiaries:

D. Bankmed at a Glance

Established in 1944

- Most Sustainable Bank &
  Best Banking Group in Lebanon
- Best Trade Finance
- Best Investment Bank

Servicing more than
150,000 customers
across 3 continents

More than USD 182 million
in microfinance Loans since
inception + 70,000 Loans

2,658 Employees

43,627 Annual training
hours for 5,773 staff

Total Net Income in
2016: USD 130 million

Gender Distribution
Males: 50%
Females: 50%

66 Branches across Lebanon

The report complements Bankmed’s 2016 annual report.

It also outlines the Bank’s environmental, social and cultural endeavors over the same period.
Small & Medium Enterprises Banking
Corporate Banking
International Banking
Microfinance
Trade Finance
Investment Banking
Retail Banking
Wealth Management & Brokerage
Private Banking
Financial Institutions

A Universal Bank
Offering a wide array of financial solutions

E. International Presence

UK
GroupMed Insurance and Reinsurance Brokers Limited (GIRBS) (Europe)

TURKEY
T-Bank
T-Sigorta

IRAQ
Bankmed Iraq
(Raghad, Basra, Erbil)

SWITZERLAND
BankMed Suisse

CYPRUS
Bankmed Cyprus
(Limassol)

LEBANON
Bankmed
MedInvestment Bank
EMKAN Finance
GroupMed Insurance Brokers
Continental Trust
MedSecurities Investment

KSA
SaudiMed Investment Company

SAUDI LEVANT
Bankmed
(Saudi, Jordan, Kuwait)

LEADING THE WAY

UAE
Bankmed (DIFC)
MedSecurities (DIFC)
A CUSTOMER-CENTRIC

Culture

A. Youth Engagement

Environment
Promoting environmental practices among the youth

Community
Developing programs that enable youth to compete and excel in a healthy environment

Marketplace
Promoting economic growth by supporting SMEs and startups, designing financial solutions that meet youth needs and expectations, and extending financial inclusion to cater for economically active youth

Workplace
Hiring young and competent staff members capable of addressing the needs of the Bank and its clients
Providing young hires with the tools that help them to move forward on their career path
B. Bankmed’s CSR Strategy

Our CSR strategy provides us with a clear direction and enables us to focus on our investment within the community. As noted earlier, we revised our CSR strategy in 2016, laying specific focus on investing in youth. In fact, supporting young people allows us to invest in sustainability and growth.

Corporate Governance
We strive to maintain trust with various stakeholders while we continue to operate with integrity. We hereby enhance our customers’ data protection and balance our stakeholders’ interests. We also ensure that Bankmed employees are provided with adequate training tools on important issues such as anti-corruption, anti-money laundering as well as other BDL and international directives.

Environmental Sustainability
As we continue to take active steps to minimize various impacts on the environment through recycling and tracking energy usage, we devise eco-friendly initiatives through which we raise awareness about pressing environmental issues. Promoting eco-friendly practices among the youth continues to be an integral component of environmental sustainability at the Bank.

Community Development
A prime condition to help our community thrive rests on investing in our youth. Providing young people with access to education and supporting their social needs are key for a healthy community. We also design programs for the youth to help them develop a genuine appreciation of cultural riches while equally providing them with the right venues in order for them to compete and excel.

Economic Development
Promoting development rests on the ability to engage youth in the marketplace. As such, creating job opportunities for young people by promoting startups and devising financial solutions that address young people’s evolving needs constitute the basic components for healthy growth.

Human Development
Bankmed continues to attract young employees who possess the right attributes to help us move our business forward. We constantly ensure that the new hires receive the necessary training and development that provides them with the tools that enable them to progress.

C. Engaging with Clients

We continuously strive to operate according to our corporate signature, “You! Count.” In fact, attending to our clients’ needs has always been the core of our business operations. We aim to translate our genuine commitment to our clients through our wide range of financial solutions that tactfully address their needs. While we continued to draw closer to clients by establishing new branches and e-zones in prime locations, we devised a Net Promoter Score (NPS) system in some of our branches in order to assess customers’ loyalty and tackle all sorts of challenges that they may face in their day-to-day operations.

The main objectives of NPS are:

- Increase the number of loyal customers
- Reflect on profitable and sustainable growth
- Increase the number of products per customer
- Engage employees in getting to know our customers better
In order to obtain customers’ feedback, we invite them to engage in the following survey questions:

- Did you get the information needed?
- Are you satisfied with our products and services?
- How likely would you recommend Bankmed?

In addition to the aforementioned tool, we continued to strengthen our Customer Service Unit as well as Bankmed’s Call Center to render services to our customers anytime, anywhere. Most importantly, we continued to resort to the Call Report Service, which is one of our customer-satisfaction assessment tools. Our constant follow-up on customers remains the basis of the strong relationships that we proudly build with them.

D. Online Engagement

Following the identity rebranding in 2015, we updated Bankmed’s website into a modern interface that clearly reflects the Bank’s new identity and aligns with its customer-centric approach. With its tailor-made attributes and high-tech features, the Bank’s new website enhances the user experience. Whatever they may be looking for, our clients can find the answers to their queries on the Bank’s website. They can learn about every aspect pertaining to Bankmed from its history and the way it is governed to identifying its geographical presence and exploring the Bank’s latest financial services and solutions. In addition, corporate and retail clients can perform a number of operations through Bankmed’s website, which is tastefully designed to place the financial world at their fingertips.

Bankmed’s comprehensive website is complemented with an interactive presence on social media platforms, through which the Bank makes sure to actively connect with customers, especially the youth. The informative and diversified content that is often shared through social media platforms covers a wide range of topics including: business tips, economic studies, environmental advice, and of course a display of our banking products and services.

Further in 2016, we launched a dedicated microsite for Bankmed Youth Program, bankmedyouthprogram.com. This website enables young users to apply directly to Bankmed Youth Program on the go, while viewing the latest offers, benefits, and features. It is worth noting that Bankmed is the first bank in Lebanon to enhance this program with such a distinctive feature.
A. Our Governance Scope

1. Operating with Integrity

In its aim to serve as our clients’ trusted partner, we at Bankmed responsibly design and provide financial solutions that enable our clients to grow and realize economic progress. The Bank’s core activities entail:

- Safeguarding assets
- Providing financial solutions through carefully designed loan programs
- Accessing the capital markets on its clients’ behalf
- Devising state-of-the-art payment facilities

With over 70 years of experience, we have been successfully addressing clients’ demands as well as helping them meet their evolving needs and embrace growth opportunities. As such, placing clients at the core of our operations has been an underpinning of our culture at Bankmed. We strive to earn and maintain public trust by continuously adhering to the highest ethical standards in its dealings with clients, shareholders, employees, and the greater community in which we operate.
2. Upholding Strong Governance

Taking the interest of its diverse stakeholders into account, Bankmed fully complies with the Central Bank of Lebanon, Banque du Liban (BDL)’s regulations as well as with Corporate Governance guidelines adopted by the Association of Banks in Lebanon (ABL). In addition, the Bank complies with other international regulations/guidelines.

Corporate Governance encompasses the Bank’s governing processes and policies, through which the Bank:

- Manages Risks
- Sets Progression Goals
- Fosters Sustainable Growth

Capitalizing on a rigorous governance framework, Bankmed remains committed to the highest standards of honesty, integrity, and ethical behavior.

3. Protecting Stakeholders’ Rights and Information

Respecting, preserving and treating equitably the interests of all stakeholders as well as the protection of our shareholders’ rights are the pillars of Bankmed’s Governance principles. Through our commitment to strong governance, we carefully ensure the protection of our clients’ assets and personal data. Within this framework, all Bankmed employees are required to preserve and protect customers’ financial banking information.

B. Governance and Training

As previously noted, adhering to ethical conduct and compliance with laws and best practices form the bedrock of our governance system at Bankmed. Within this context, we constantly aim to ensure that our employees comply with the applicable laws, international regulations, and with Bankmed’s Code of Ethics.

In order for employees to continuously observe, abide by, and practice these laws, we provide them with the proper training in key regulatory areas such as anti-money laundering and the countering of financing terrorism.

Depending on the context and framework of the issued requirements, trainings on compliance encompass a large segment of Bankmed’s staff. These trainings come in line with our continued commitment to fight corruption in all its forms.

We, hereby, strive to establish a solid foundation that ensures that all Bankmed staff are aware of the newly issued directives and are able to comply with them.

*For more information on regulatory training, kindly check p. 63 in the chapter on Human Development.*
We recognize that a promising future is fundamentally linked to the well-being of our planet. Hereby, we have adopted several approaches in this regard to promote sustainability through:

In addition, we reiterated our commitment to raising environmental awareness among citizens, especially the youth, through a televised environmental campaign that touched upon key environmental issues. We also expanded the scope of our Green School and Green Student competition in an aim to reach out for more schools and students. In fact, we intended through these measures to instill intrinsic values in youth, so they would be able to bring in a tangible change that clearly demonstrates their care and respect for the planet.

A. Promoting Sustainability through Green Finance

Our world today is grappling with climate change and its growing impact on the well-being of communities. As such, resorting to green methods that produce energy are needed more than ever to combat climate change and contain its overwhelming influence.

Financing green projects that diminish the effect of climate change and pave the way for healthy communities has been among the top priorities of BDL, who has taken a leading position in promoting environmental awareness and encouraging environmental-friendly measures within the Lebanese banking sector. Within this framework, BDL issued circulars to stimulate lending in the Lebanese Pounds at a lower cost. Among these credit incentives are projects such as:

- Renewable Energy
- Waste Management
- Waste Water Treatment and Recycling

Green Finance  Reducing Our Environmental Impact  Embracing Eco-friendly Initiatives
This opportunity allowed us at Bankmed to direct more capital to finance environmental initiatives. The Bank introduced Green Loans to finance eco-friendly projects. This step comes in line with BDL’s initiatives and confirms Bankmed’s leadership as a financial institution that is capable of playing a key role in boosting environmental projects. The Bank has been providing loans that are aimed toward developing green projects such as Renewable Energy projects, Ecotourism, and Recycling.

Green loans at Bankmed have been growing at a very fast pace since their first launch in 2010 where they amounted to only USD 25,000. However, with increasing awareness towards adopting eco-friendly projects, green loans reached around the USD 30 million level in 2016. This significant growth highlights the expansion of environmental activities in Lebanon and underpins the role that Bankmed has been playing in providing financial solutions to such endeavors.

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CAGR= 97.9%

B. Reducing Our Environmental Impact

We strive to reduce our environmental impact by employing a number of measures including in-house initiatives such as recycling and tracking overall energy usage. Within this context, we track our consumption on site-by-site and overall basis, while continually reviewing our office and branch standards in order to plan accordingly.

In 2016, while we continued to track our electricity and paper consumption, we carried out additional initiatives that are inherently aimed toward reducing our environmental footprint:

- Constructing a fully green new headquarters as part of demonstrating a firm commitment to the environment. For that we acquired Leadership in Energy and Environmental Design (LEED) accreditation to proceed with the construction project.
- Establishment of an e-branch and two e-zones areas that helped in reducing banking space and in cutting off energy consumption namely electricity, water, and gas.
- Replacement of office coolers’ plastic cups with recyclable paper cups.
- These initiatives are put in place to bolster existing practices:
  - We continued to switch off the generators located at Bankmed’s branches from 12:00 midnight until 7:00 a.m. Nonetheless, ATM servers remain operational through long autonomy UPS systems;
  - We continued to ensure that the lights in the Head Office building and branches are switched off during non-working hours. To fulfill this measure, Bankmed has appointed specific members of the staff maintenance team to make rounds to ensure that the lights are turned off;
  - We increased digitizing through online payment facilities and virtual financial management. It is important to note that electronic banking helps in reducing the amount of paper-based documents used;
  - We continued to encourage our employees to reduce the amount of papers used in their daily activities. Consequently, by the end of 2016, the amount of recycled paper reached 20,000 Kg.
Adopting initiatives that are aimed towards raising awareness and restoring the beautiful image of Lebanon are the bedrock of Bankmed’s environmental program, “The Happy Planet.” Within this context, we proceeded with the forestation initiative, which was first launched in 2013, while we equally implemented projects that are directed toward supporting green events and raising awareness. Most importantly, we launched a televised campaign that centers on the theme protecting the environment, reiterating our ongoing mission in this regard.

Inspired by Bankmed’s corporate signature, “You! Count,” we introduced a new slogan that highlights our commitment to the environment, “Environment! Counts” through a televised TV campaign. The ads of this campaign were broadcasted in three different episodes revolving around environmental negligence such as littering as well as wasting water and energy.

Though the episodes were all conducted in a light and comic manner, the central message came across clearly. The themed wordplay, “You’ve been exposed!” intended to express the notion that one cannot get away with careless acts like littering, letting the water run through tabs in public places, or leaving office lights on.

The campaign confirms our pledge to raising awareness on environmental matters and underlines our creativity in this regard.

As part of our ongoing sponsorship of green events, we reiterated our support year after year to Beirut’s premier outdoor spring event, The Garden Show and Spring Festival. In its 13th edition, the festival hosted more than 225 exhibitors, who showcased their creative ideas for enhancing outdoor spaces, and received more than 24,000 visitors over a course of five days.

In our turn, we made a distinctive presence at the event, which had been quite appealing for children, youth, and families alike. Right at the entrance, we displayed a huge “You!” signboard, which is part of our signature, “You! Count” and invited visitors to take pictures and participate in a viral competition on Bankmed’s social media platforms. The competition’s idea reflected the youthful approach that we adopted throughout 2016. Moreover, the competition generated a positive hype as the Bank’s online followers actively participated to select the best picture. Winners of this competition received a prize, a token for their engagement.

Preserving Lebanon’s environment lies at the heart of our environmental mission. Therefore, we spare no effort to extend support to events that target this goal. Hereby, as one of the key sponsors of Jabal Moussa, we took part in the initiative’s fundraising events that are held in an aim to protect the diversity of wild life, reconfirming our will to promote environmental sustainability.
In an attempt to make a contribution to help Lebanon restore its green image, we completed an environmental mission of planting 1,750 trees across an area of 50,000 m², part of a forestation initiative in the region of Besharri, North Lebanon. This initiative, which falls within the parameters of our “Happy Planet” program was fulfilled in collaboration with “The Cedars of Lebanon Friends” Committee and the Municipality of Besharri. This step is another attestation of our true will to bring back the beautiful image of our country.

As part of our commitment to raising awareness on the need of protecting the environment, we have been publishing booklets that tackle several environmental constituents and highlight their importance. In 2016, we published a booklet titled, The Birds of the Mediterranean, a ravishing collection that gives the reader an overview of the avian wealth that populates or crosses Lebanon.

D. Feature Story: Preparing Young Environmentalists – The Green School and the Green Student Competition 2016

As a leading financial institution, fully integrated in the Lebanese community, we have recognized the importance of raising environmental awareness among children and youth. Hereby, through our “Happy Planet” program, we introduced a series of activities where we have incorporated the concept of caring for the environment within educational programs.

For the past seven years, we have been organizing the “Greenest School and Green Student Competition” which has been witnessing a growing success year after year. This year we expanded the scope of this competition allowing it to include more schools from all over Lebanon and certainly more students. Hence the 2016 edition featured more than 142 schools, from both the public and private sectors, as well as more than 13,000 students, who exhibited serious effort in displaying talent and awareness. These students creatively produced a wide range of drawings and art works mostly made of recycled material to encourage waste management that rests on the following fundamentals: reduce, recycle, and reuse.

The projects were assessed according to the following criteria:

- number of people involved or impacted
- innovative quality of ideas introduced
- changes in the school
- water saved
- energy saved
- garbage reduced
- trees planted

They were later evaluated by the Chief of Protection of Urban Environment Service, Protected Areas Project Focal Point at the Ministry of Environment, representing the Minister of Environment and the Director of Health Unit at the Lebanese Ministry of Education, representing the Minister of Education. Within the same jury, the civil society was represented by an architect and active member of the Association pour la Protection des Sites et Anciennes Demeures au Liban (APSAD²) organization, while Bankmed was represented by the Chief Editor at WorldEnvironment Magazine.

33 schools and 115 students, from all over Lebanon, were recognized at the award distribution ceremony that took place on June 8, 2016 at Bankmed’s Headquarters in the presence of Mr. Fadi Flahian, Head of Retail Banking at Bankmed and the Chief of Protection of Urban Environment Service, Protected Areas Project Focal Point at the Ministry of Environment.

Year after year, we assert our commitment to the environment as well as to creating a greener country for tomorrow’s generations.

2 APSAD is a Lebanese organization whose mission is to protect natural sites and old buildings.
At Bankmed, we are committed to supporting the greater community in which we operate. We believe in the instrumental role that we can play as a financial institution in helping our community grow and prosper. We also recognize that investing in young people is the first step that we take on a path toward creating a more prosperous and resilient community. Hereby, we established partnerships with a number of organizations that help young people reach their potential, specifically in areas pertaining to education, health, and social well-being.

We also understand that investing in youth is not limited to addressing their basic needs of health and education. Therefore, we strive to promote a range of artistic, cultural programs in an aim to enrich young’s people lives and develop their sense of culture.

- Investing in Young People

- Building a Sense of Culture
- Promoting Lebanon’s Name Worldwide
- Providing Social and Healthcare Support
- Advocating Sports and Active Living
- Enhancing Education
- Providing Financial and Digital Access
- Acquiring Access to Education
- Culturally Enriched
A. Leading a Healthy Life

1. Providing Social and Healthcare Support

For young people to lead a healthy life, their basic needs which tackle their nutrition, safety, and active living must be fulfilled. As such, improving healthcare and attending to vital social needs in the community lie at the heart of our healthcare and social well-being support at Bankmed.

Within this framework, we support a number of organizations that cater to young people’s basic physical and health needs. We lend a helping hand to institutions that aim at improving patient care by covering the cost of medical operations, enhancing clinical education, and offering the help needed for the patients’ families. We also support organizations that attend to young people’s emotional needs to feel safe and cared for.

We continued to partner with Brave Heart Fund, the fundraising initiative that works on covering the cost of surgeries and hospitalization for needy children suffering from Congenital Heart Disease (CHD).

We also maintained our partnership with The Lebanese Autism Society (LAS), an organization whose mission is to advocate for the rights of individuals with Autism and to provide them and their families with support and services from early childhood through adulthood.

Further within health support, we also extended support to OpenMinds, a fund established in Lebanon in 2012 by concerned parents to enable the American University of Beirut Medical Center (AUBMC) Special Kid’s Clinic (ASKC) to accomplish its objectives related to neurogenetic and neurodevelopmental disorders research, community awareness and education, and clinical services for families in need.

Last but not least, our ongoing partnership with the Lebanese Society of Osteoporosis and Metabolic Bone Disorders (OSTEOS), an organization whose mission is centered on enhancing state-of-the-art knowledge and expert care for osteoporosis and metabolic bone disorders in Lebanon, still attest to our deep-rooted and diversified commitment to providing medical care support in all forms.

In terms of social well-being, our support to the Lebanese Red Cross still tops the list, and standing alongside this notable organization remains one of the prime missions that we adopt at Bankmed.

In addition, we continued to offer support to Roads for Life – the Talal Kassem Fund for Post-Accident Care – a fund established to help save as many lives as possible and increase the victims’ chances of surviving an accident within the first 60 minutes, known as “The Golden Hour Trauma.”

We also collaborated with organizations such as Himaya, whose mission is to ensure child protection from abuse and provide children and young teens with a healthy environment in which they can develop.

Likewise, we took part in sponsoring events held by Skoun, whose aim is to help young people with addiction problems claim their lives by providing a nonjudgmental and caring environment of client-centered treatment and counseling.

Moreover, we continued to support Tamanna, a non-profit association that grants wishes to terminally ill children.
We invest in and even create programs that encourage youth to take part in sports and lead dynamic lifestyles. Moreover, we support sports clubs and athletes, who are capable of promoting Lebanon’s name on international fronts. We also invite our own employees to take an active part in leading athletic events within the community through Bankmed’s Basketball Team and through participating in Beirut Marathon along with their families.

In order to spread awareness about the benefits of running, train young participants to run longer distances in the future, and discover new heroes among the youth, we created the Bankmed Youth Marathon competition. The program is organized in collaboration with Beirut Marathon Association and the Ministry of Education. Bankmed Youth Marathon takes sports sponsorship to a whole new level, translating our mission to promote an active lifestyle within the community.

The event gathered in its second edition more than 6,500 students, aged between seven and seventeen, all of whom successfully crossed the finish line. The event featured five different races: 2km Run, 3km Run, 5km Run, 5km Special Needs Run, and 5km Fun Run.

We take pride in being a driving force behind such an honorable mission, which allows us to provide youth with the space to compete and set new records.

2. Advocating Sports and Active Living

b. Athletic Sponsorships

Over the years, we have built solid partnerships with leading sports events and top sports clubs in Lebanon. We continued, in this regard, to sponsor the basketball tournament of Hussam Eddine Hariri while simultaneously extending support to Lebanon’s basketball titleholder, Sporting Club, as well as the football clubs, Al-Jazeera and Al-Nijmeh. Furthermore, we established a collaboration with Body Garage Health Club in an aim to encourage youth to adopt a healthy lifestyle and integrate exercising in their daily life.

Similarly, we extended support to leading athletes that Lebanon takes pride in such as Ali Wehbi, the Desert Runner, Ray Bassil, the Lebanese sports shooter, and Rashid Boubou, the international table tennis player.

Each of these athletes offered Lebanon great achievements throughout 2016.

Ali Wehbi attained a new recognition by winning the “Global Limits Site Runner Heritage Award.”

Ray Bassil proudly raised Lebanon’s name at a number of international fronts during the year including the Baku World Cup, Rio Olympics, and the Asian Championship.

Rashid Boubou ranked first in the following tournaments: Lebanon’s Table Tennis Championship-men’s single and US Open-Dallas; he ranked in the second place in North Carolina Table Tennis Championship.

b. Athletic Sponsorships

Rashid Boubou ranked first in the following tournaments: Lebanon’s Table Tennis Championship-men’s single and US Open-Dallas; he ranked in the second place in North Carolina Table Tennis Championship.
We believe that building a sense of culture among youth is a vital component for preserving our heritage. We have, therefore, adopted a number of events that entail unique cultural values, providing youth with the space to have fun and simultaneously discover the aesthetic attributes that make our community culturally rich. Our longstanding partnerships with a number of leading cultural events such as the Beirut Art Fair, Beiteddine Art Festival, Beirut Chants, Afkart Designers’ Exhibition, Beirut Art Film Festival, and Salon du Livre clearly attest to our genuine efforts in introducing youth to inspiring cultural experiences while equally propagating Lebanon’s name worldwide, given the magnitude and importance of these events.

Throughout 2016, we supported a number of visual arts exhibitions and festivals that translate our strong belief in arts and equally promote Lebanon’s name in every corner of the globe. Chief among these events are: Beirut Art Fair, Afkart, and Beirut Art Film Festival.

a. Beirut Art Fair (BAF)
Recognizing the chief role art plays in strengthening the Lebanese cultural identity, we continued to partner with Beirut Art Fair (BAF), the leading art event in Lebanon, which has been adding to Beirut’s charm year after year. Bringing international artists, trends, galleries, publications, and institutions together, BAF has become the number one go-to art event not only in Lebanon but in the region as a whole. We have been supporting this event ever since its inception in 2010 in an aim to highlight our firm belief in art. Within this context, we have been devising creative methods to support this leading event. Hence, our partnership with BAF is not confined to direct financial contribution but exceeds that by far through an active presence. In fact, we have established our own kiosk at the exhibition where we welcome visitors and invite them to delve deeper into arts.
This year, we chose to honor modern art, paying a special tribute to 13 Lebanese female artists, whose works have surpassed aesthetic judgments, adding to Lebanon’s art heritage. Visitors were invited to explore our space to learn more about Lebanon’s golden age.

b. Afkart
In line with our goal to preserve heritage by supporting traditional artisans and to promote originality by encouraging new artists in their creative endeavors, we continued to support Afkart, the arts and crafts exhibition that takes place twice a year. Afkart aims to promote artists, artisans, and designers by giving them an opportunity to exhibit their works to a wider and more sophisticated audience.

c. Beirut Art Film Festival (BAFF)
We have been more than delighted to renew our commitment to Beirut Art Film Festival (BAFF), the leading event that focuses on increasing awareness of art and supporting the cultural life in Lebanon. In its second year, BAFF showcased films from around the world, including a fine selection of Lebanese producers.
We also took part in sponsoring similar events such as Tripoli Film Festival, an event organized by and for the citizens of Tripoli in an aim to pave the way for a better cultural access for the city and its people; Photomed, the venue that provides non-commercial photographers with the opportunity to showcase their works alongside renowned international artists; and Foundation Liban Cinema, another cultural venue that aims to preserve the Lebanese audiovisual heritage.
We also extended support to a number of music festivals throughout 2016. Our aim remains in this regard to honor our festive heritage and pass on to the young generation a sense of pride and empowerment for them to preserve in the years to come.

a. Beiteddine Art Festival

Year after year, we renew our partnership with the Beiteddine Art Festival, the jewel of Lebanese summer art events. We aim through this collaboration to preserve Lebanon’s cultural face, so that the Lebanese youth may always have an enriching event that they look forward to.

In 2016, we set up a big “You” signboard that makes up part of our slogan, “You! Count” at the entrance and invited the festival’s attendants to take pictures with the assembled monument and post them on Bankmed’s social media platforms for a chance to win a prize. Hence, the purpose of this youthful competition was to encourage young people to attend the festival and cherish its vibrant concerts and artistic events. Moreover, as part of our continued support to this event, we invited our executives and key clients to enjoy a show like no other, where the award-winning composers Salim and Sulaiman Merchant transformed Beiteddine into an enchanting palace of Rajasthan through their work, The Merchants of Bollywood.

b. Beirut Chants

As a proud partner of Beirut Chants, we renewed our support to this festival in an aim to assist the organizers in their noble mission of spreading peace, love and tolerance. Over the years, the festival has grown as a tradition that allows a large audience to enjoy music and the holiday spirit in Beirut.

In its ninth season, the festival featured famous artists and choirs in 29 concerts that extended over a period of 23 days. In fact, it is a great honor for us at Bankmed to stand by Beirut Chants and be part of a notable event that brings joy to thousands of Lebanese people, allowing them to enjoy the holiday spirit.

It is also worth noting that Bankmed supports a number of similar events including Al-Boustan Festival, Jounieh International Festival, Ehmej Festival, and Fete de la Musique.

c. The End-of-Year Festivities

We were proud to take part in the “End-of-Year Festivities” in Lebanon’s second capital, Tripoli. In fact, after years of suffering, Tripoli shook off the hard times and dressed in its best festive attire to end the year 2016. This event marked a turning point in reshaping the image of the city, reviving its economy, and remapping Tripoli socially and culturally.

Featuring a number of Lebanese and international artists, the End-of-Year Festivities welcomed more than 60,000 visitors from all over Lebanon. It also received a high media coverage, underlining its great success.

Sponsoring this event naturally aligns with our core mission of creating a happy and healthy communities all over Lebanon while equally preserving a strong cultural heritage for our youth.
Based on our belief that books are the doors to knowledge, we continued to partner with Salon du Livre’s exhibition. This support comes in line with our mission to prepare a knowledgeable and resilient generation, able to face the challenges of tomorrow in a cultured manner.

Held under the theme, “Let’s Read Together,” the 23rd edition of Salon du Livre centered on promoting diversity by designating two reading areas within the exhibition, a French and an Arabic one. The purpose of this new inclusion is to recognize the Arab publishers who are active in translating French books into Arabic.

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The exhibition, which extended over a period of ten days, featured meetings with authors and publishers. It also made room for cinema and theater through special shows that focused on drama and comedy.

On a similar note, we also took part in the 60th edition of Beirut International Book Fair, organized by the Arab Cultural Club and the Union of Publishers in Lebanon.

It is also worth noting that employees at Turkland Bank (T-Bank), our subsidiary in Turkey, engaged in a number of art activities in an aim to contribute to the Turkish community. These included a painting workshop, a New Year ornament workshop, and Kids’ Painting Contest. In addition, the Photography Club at the bank paid organized tours to a number of cities including Old Istanbul, Kapadokya, Yeşilkule – Sirkeci, and Safahanbolu-Tedigöller.

C. Acquiring Access to Education

1. Enhancing Education

In an aim to help young people reach their full potential, we support programs that provide students with the essential tools in order to improve academically and recreationally. We mainly invest in programs that cater for the financial needs, digital accessibility and even entertainment.

In 2016, we continued to sponsor Bibliobus, the mobile public library, whose mission is to promote reading and provide access to culture and information for the population of the region it serves. This support is part of our partnership with the French Institution of Deir El-Qamar. Bibliobus collaborates with a number cultural institutions to offer a good range of books and reading materials to both, adults and children across the districts of Shouf, Aley, Baabda and upper Metn districts.

We similarly continued to extend support to the American Community School at Beirut (ACS), sponsoring the school’s activities that are aimed at providing financial aid to deserving students, improving the school’s facilities, and ensuring ACS staff wellbeing.

2. Books and Reading Exhibitions

The Salon du Livre is a literary and cultural event held annually during the fall season in the Lebanese capital, Beirut. Extending over a period of ten days the event brings readers and authors together whereby they partake in various events such as signatures, meetings, conferences.

The International Arab Book Fair is an annual book exhibition that is organized by the Arab Cultural Club. The event extends over a period of 15 days and has been featuring over 200 Lebanese and Arab publishing houses. The exhibition also includes cultural activities drawing Arab and Lebanese authors closer to their readers.

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5 The American Community School at Beirut (ACS) is an accredited, not-for-profit, independent and secular American college preparatory school serving a multi-cultural international student body. ACS provides internationally-enriched, standard-based curricula, preparing students for the International Baccalaureate, the Lebanese Baccalaureate, and the American college preparatory diplomas.
Supporting programs that help young people take a step forward and play a vital role in their communities lies at the core of our CSR initiatives. As such, we gladly sponsored the Student Technology Club (STC) at Rafik Hariri University (RHU).

The STC members promote technology in universities and schools. They plan, in this regard, activities that include organizing technology camps, which enable younger students to participate in sciences fairs and take part in local and international robotics competitions.

Intrigued by their mission, we were pleased to stand by this ambitious group of university students and support their endeavors to coach younger teams at schools, empowering them with the skills and technological tools in order to excel at these challenging competitions.

Backed by Bankmed, the club realized several achievements in robotics competitions throughout 2016:

- **VEX Robotics Competition**: This is another robotic competition platform that allows young learners to explore Science, Technology, Engineering, and Mathematics (STEM) in a competitive yet creative manner. VEX Robotics project encourages teamwork, leadership and problem solving among groups. The students coached by STC won the Robotaics Skills Awards for the middle school category.

- **Open Arab Robotics Championship (OARC)**: STC won third place in the SUMO® Robotics category.

- **American University of Beirut (AUB) Robotics Competition**: STC came in the first place in this university-wide event, winning the Best Performance Trophy award.

Through this series of victories, STC confirmed its leadership in integrating technology within learning, preparing students to become innovators, thinkers, and problem solving leaders. On our part at Bankmed, we take pride in supporting such ambitious and intelligent student groups, who are capable of creating a visible mark within the greater community.

**NERD16**: This is a robotics day event consisting of five different competitions. STC prepared eight teams to take part in this event, and thereby ended up the event with five trophies.

**Robot-sumo**, or pepe-sumo, is a sport in which two robots attempt to push each other out of a circle (in a similar fashion to the sport of sumo). The robots used in this competition are called sumobots. The engineering challenges are for the robot to find its opponent (usually accomplished with infrared or ultrasonic sensor) and to push it out of the flat arena.
Playing a role in promoting economic growth in an aim to retain youth in their country is a challenge that we have been undertaking with confidence. In fact, the tight economic conditions that have been looming over Lebanon for the past few years have made it challenging for young graduates to access the marketplace and find suitable jobs that match their degrees or meet their aspirations.

As such, we adopted initiatives that enabled us to create jobs and provide career opportunities. Through our tactful focus on the Small and Medium Enterprises (SMEs) sector, we continued to support vital sectors within the Lebanese economy. Moreover, our strong adoption of BDL’s directives, specifically the ones geared towards startups, the primary outset for ambitious youth, enabled us to maintain a strong position among leading financial institutions. Furthermore, and in line with our mission to support youth, we devised distinctive financial services for young people in an aim to assist them with their financial management plans.

On a similar note, providing access to financially active individuals remains one of our underpinnings that has been sustaining our leading position in microfinance. Bankmed’s microfinance subsidiary, Emkan Finance continued its contribution to the low-income segment of the Lebanese society, namely the economic active individuals who do not have access to traditional financing means.
A. Small and Medium Enterprises Initiatives

Small and medium-sized businesses are the engines of economic growth. They play an instrumental role in creating jobs and enhancing the livelihoods of individuals and communities. However, SMEs are often challenged with barriers to finance. Therefore, in recognition to their important role, we developed financial solutions that address the needs of SMEs, providing them with access to financial resources that enable them to grow.

While the sizeable SMEs Division at Bankmed offers tailored financial solutions that tactfully meet the needs of our clients, we continue to build partnerships with leading local and international institutions that support this sector. These collaborations enable us to expand the lending portfolio and include new sub-sectors with SMEs. It is worth noting that our partnership with SANAD that was initially established in 2015 continues to support our SMEs portfolio.

SME Financial Solutions Provided by Bankmed

Subsidized Loans
Kafalat Loans
Business Loans

B. Microfinance Initiatives

Extending financial services to the low-income customer group lies at the core of our CSR mission. We understand that financial inclusion should tackle all segments of the community, provide equal opportunities for everyone to grow and improve their financial status. We have, therefore, developed microfinance solutions that address the needs of small-scale entrepreneurs and micro-businesses, who used to traditionally grapple with access to finance to expand their businesses and respond to their financial demands.

1. Emkan Finance (Emkan)

Emkan Finance (Emkan) was founded in 2008 as an NGO focused on economic developmental projects and on providing microloans to economically active individuals, who do not have access to traditional financing means provided by commercial banks. In 2011, the microfinance lending unit was spun off into an independent financial company, operating as a subsidiary of Bankmed. The company, with its existing seven branches, was granted a Financial Institution (FI) license by the Central Bank of Lebanon (BDL) who became its regulator.

Since its inception, Emkan has been responding to the demand of microloans within local communities, reaching out specifically to the under-banked segment of the population. Through this role, Emkan complements Bankmed’s banking activities and demonstrates its firm commitment to CSR. Similarly, the Bank’s ownership of Emkan enhances the company’s rigor, and through this backup, Emkan has evolved as one of the country’s most recognized micro-lending institutions. Moreover, the Bank’s support has been instrumental in helping Emkan obtain financing through BDL and other external institutions. These aspects raise confidence among the company’s clients.

Over the last six years, Emkan has extended more than USD 182 million through 70,615 loans. Currently, Emkan has around 17,172 active clients among the low-income segment of the population.

Emkan extends its activities over a wide range of sectors. However, a high concentration of micro entrepreneurs lead jobs within the service sector, this sector comprises the lion share with 46% of the company’s entire active client portfolio. In addition, small business activities pertaining to construction and transportation services continue to take the majority share of the service sector amongst Emkan’s portfolio.

With respect to young borrowers aged between 18 and 25, they represent around 14% of the company’s active client pool, with the service sector hosting the highest number of young borrowers.

The following detailed statistics reflect the concentration of the outstanding portfolio and active borrowers by sector, geographic distribution, and loan use.
Chayma is a young mother of four, who simply decided to prove herself as a productive young woman, capable of making a viable contribution to her family after her husband returned from the Gulf. Hence, capitalizing on her husband’s technical support and skills, she established her own enterprise where she produced hygiene and cleaning materials and marketed her products locally in Akkar region in northern Lebanon.

Chayma’s products received a lot of popularity within her region, yet she had difficulty to grow her business as she struggled with a shortage of liquidity to increase her production. To overcome this challenge, Chayma applied for a loan from Emkan finance that enabled her to invest in new machinery and acquire some working capital for additional supplies. With the newly acquired equipment, Chayma was able to expand her production, lower the costs, and compete with her products in other regions.

With the ongoing success, Chayma applied for a second loan, which she used to buy more fixed assets, thus securing the ownership of the location where her production plant is situated.

Currently, Chayma is helping her husband raise their four kids, but most importantly she continues to hold on to her future plans to expand the business operations, plant facility and distribution network.
Mohammad is a 25-year-old young man, who lives in Menieh in the North of Lebanon with his parents and four siblings. Since his late teens, Mohammad started working at restaurants in Beirut in an aim to support his family. He took shifts in the kitchen and waited tables at several places; this granted him some experience in the food industry. Three years later, he was ready to start his own business in chicken processing and distribution.

Capitalizing on his son’s experience, Mohammad’s father decided to open a small restaurant where Mohammad played a major role in running the business. Mohammad applied for a loan from Emkan in order to expand the snack corner. In fact, the loan enabled him to improve the interior of the facility, buy new appliances, and hire additional staff. As a result of his good management of the business and his professional growth, Mohammad was able to take over his father’s restaurant and run the business by himself. With the desire to expand his business, Mohammad applied for another loan from Emkan Finance that allowed him to further amplify the snack service, increase his customer base and generate more income to help support his family.

Startups are catalysts of employment. With structures that are quite less complex than those of bigger firms, startups open room for numerous career opportunities especially for youth. Startups can also promote research and innovation, hence introducing values of proactivity into the society.

Realizing the dynamic role that startups can play in stimulating the Lebanese economy forward, we invested in small companies especially in those that are geared towards banking technology and solutions. This investment, which reflects our commitment to the latest technology, came in line with BDL initiatives that had been issued in this context such as Circular 331. It is worth noting that our investment banking arm, MedSecurities Investment (MedSecurities) sources out and advises the Bank on many of Circular 331 investment opportunities.

C. Supporting Knowledge Economy – BDL Circular 331

Our commitment to promoting startups and supporting knowledge economy takes up many forms. In fact, this engagement reflects our strive to bring the youth closer to promising opportunities that enable them to access the marketplace. Within this context, we continued to sponsor ArabNet Conference as a strategic partner.

Covering e-commerce, digital media, and hardware innovation, ArabNet offers a rich venue for digital opportunities across a myriad of industries. In its 2016 edition, the event featured more than 70 regional and international speakers, who discussed a variety of tech-related subjects. It also hosted more than 1,000 attendees and 40 digital companies, who showcased their latest services and products in the TechFair exhibition area.

Further within our commitments to technology and innovation, we took part alongside MedSecurities in BDL Accelerate 2016 conference, the biggest international innovation entrepreneurship conference in the Mediterranean. Through this conference the Central Bank of Lebanon invites everyone, from all walks of life, to:

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This brings them close to industry experts, investors, like minded individuals, and top influencers from around the world. In its 2016 edition, the conference featured the presence of key change makers such as Steve Wozniak10, Tony Fadell11, and Brett King12.

10 Steve Wozniak is the co-founder of Apple Inc. He has helped shape the computing industry with his design of Apple’s first line of products the Apple I and II and influenced the popular Macintosh. Wozniak is the Chief Scientist at Primary Data and is a published author with the release of his New York Times best-selling autobiography, iWoz: From Computer Geek to Cult Icon by Norton Publishing.
11 Anthony Michael “Tony” Fadell (born March 1969) is a Lebanese-American inventor, designer, entrepreneur, and angel investor. He served as the Senior Vice President of the iPod Division at Apple Inc., from March 2006 to November 2010. He is known as “one of the fathers of the iPod” for his work on the first generations of Apple’s music player.
12 Brett King is bestselling author, a seasoned commentator and globally respected speaker on the future of business. King has been invited to the White House to advise the National Economic Council on the Future of Banking. He also met with regulators from the United States, China, the European Union and the World Bank. King has been featured on Fast Company, TechCrunch, Wired, fortune magazines, FoxNews, ABC, CNBC, Bloomberg, BBC, Financial Times, The Economist, ABA Journal, Bank Technology News and many more.

References:

9 ArabNet is an assortment of activities (conferences, workshops, and web) that aim to grow the web and mobile sectors in the Arab world as well as build business bridges across the MENA region and support digital knowledge economy. With conferences held in Dubai, Riyadh, and Beirut, ArabNet brings globally-renowned speakers to discuss the latest topics in the field as well as connect entrepreneurs and startups.
D. Bankmed Youth Program

In line with our strategy to support the young generation and attend to their evolving and dynamic needs, we launched its Youth Program, a groundbreaking program that is creatively designed with attractive solutions and exceptional features.

This innovative program targets all young adults aged 18-25 years. The Youth Program takes the youth banking experience to its next level with its comprehensive privileges and services, introducing and encouraging genuine financial responsibility at a younger age.

Bankmed’s Youth Program aims to offer young people safe and practical banking solutions that are specifically aimed at their dynamic and tech-driven lifestyle. It attends to every aspect of their lives from saving to music and entertainment.

It includes a current account that can be safely accessed anywhere at any time, and provides immediate benefits to young consumers once they join the program.

Bankmed is the first bank in Lebanon to enhance its Youth Program with a dedicated microsite, www.bankmedyouthprogram.com that enables users to apply directly to the program on the go, while viewing the latest offers, benefits, and features. These benefits include a free Visa International Debit Card, a free membership in a special mobile music application that enables account holders to listen and download unlimited number of songs and share them, and free online and mobile banking.

The Youth Program also enables participants, once they start using their Youth Debit Card, to enjoy another set of unique benefits such as a 1% cash back automatically earned upon every purchase, free ride services, valuable discounts at a wide array of merchants, and instant valuable discounts on their movie tickets. As such, the program revolves around day-to-day activities of young people, providing them with a simple, efficient, and effective way to manage their finances.

Bankmed Youth Program reflects the Bank’s ongoing drive to consistently design and deliver unique products and solutions that meet the evolving needs of all customer segments and age groups. It also highlights Bankmed’s aim at supporting the young generation and becoming their leading banking partner.

E. Supporting Apple Farmers – Bankmed Customer Week

In 2016, apple farmers in Lebanon faced a challenging time where they had difficulties in selling and exporting their produce.

In this regard, guided by our CSR spirit, we launched a new initiative, “Customer Week,” in an aim to support the Lebanese apple farmers by purchasing their apple crates and distributing it to the Bank’s clients. This initiative was carried out in all Bankmed branches for a whole week, between October 10th and 15th of 2016, whereby the Bank’s staff offered apples to all walk-in customers along with an informative brochure outlining the health benefits of consuming this fruit.

Through this initiative, we reaffirmed our mission to empower the community, inviting all customers to take part in the “Customer Week” initiative in order to support the Lebanese apple farmers. After all, farmers grow more than crops; they grow our economy!
A. Human Resources

Employment within the financial sector has changed significantly over the last few years, especially that technology began to shape the modern banking operations. As such, banks embarked on employing talents from a broad range of backgrounds that could go beyond traditional finance.

Although we continued to hire experienced individuals, who are able to address our customers’ needs and drive Bankmed’s strategy forward, we opened room for young and ambitious employees to join our workforce. Through this employment framework, we were able to strike the balance of maintaining our historic positioning as one of the oldest financial institutions in Lebanon, while moving forward through our advanced financial solutions that tactfully meet today’s challenges. The integration of young employees has had a profound positive influence on our business, especially that the younger generation is more engaged in technology and is capable of introducing state-of-the-art services that keep us ahead of the game.

Today, the Bank boasts more than 2,600 employees across eight countries, while it maintains a strong position as an employer of choice for many fresh graduates and professionals in Lebanon. This popularity continues to be reflected by our application database that has reached more than 28,000 applications in 2016, up from its previous 24,000 applications in 2015.

<table>
<thead>
<tr>
<th>Year</th>
<th>Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>24,000</td>
</tr>
<tr>
<td>2016</td>
<td>28,000</td>
</tr>
</tbody>
</table>
In our turn, we selectively reach out to new and young talents by taking part in a number of job fairs at several universities in Lebanon. This presence enables us to interact with the students, who are about to join the work field, and learn about their career aspirations. It also allows us to promote our business and invite them to join our growing family.

The selected applicants branch into groups, professionals and fresh graduates, with the latter group constituting around 60% of the hired staff.

In terms of gender, the percentage of males in our newly hired staff reached 58% in comparison with females which stood at 42%. However, this figure did not impact the gender balance among our staff, which we continuously strive to ensure and maintain.

1. Gender Equality

In terms of gender, the percentage of males in our newly hired staff reached 58% in comparison with females which stood at 42%. However, this figure did not impact the gender balance among our staff, which we continuously strive to ensure and maintain.

2. Average Age Group

Our integration of young staff members has positively influenced the average age group at the Bank. During the past 8 years, the age of 85% of Bankmed recruits ranged between 18 and 30 years on average. Accordingly, the percentage of staff whose age is within this bracket increased by almost 10.5% while the staff average age at Bankmed decreased by 1.3 years.

<table>
<thead>
<tr>
<th>Numbers of Resumes Received in 2016</th>
<th>4,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Candidates Screened</td>
<td>1,326</td>
</tr>
<tr>
<td>Number of Candidates Hired</td>
<td>177</td>
</tr>
</tbody>
</table>

The selected applicants branch into groups, professionals and fresh graduates, with the latter group constituting around 60% of the hired staff.

<table>
<thead>
<tr>
<th>Professionals</th>
<th>69</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh Graduates</td>
<td>106</td>
</tr>
</tbody>
</table>

Total number of new hires in 2016: 177
- Females: 42%
- Males: 58%

Total number of staff in 2016: 2,658
- Females: 50%
- Males: 50%
B. Talent Management and Training (TMT)

Advancing our people is one of the best investments that we make in order to sustain our progress. We, therefore, provide our employees with the tools, training, and the opportunities that enable them to grow and reach their full potential. Our Talent Management and Training (TMT) unit is entitled to prepare our human power for future experiences and career opportunities.

Moreover, the unit also enhances our investment in young and promising talents through enriching internship opportunities that allow Lebanese college students receive their training at the Bank, hereby fulfilling our greater role within the community.

In 2016, the TMT unit organized more than 180 various programs for more than 5,700 participants from all business lines. The programs spanned across a total training hours that surpassed 45,600.

In 2016, we proceeded in offering succession planning programs, HighFlyers and Retail Management Development Program (RMDP) for talented staff. Development plans and focused curricula were followed to foster leading talents. The programs were leveraged to include challenging assignments that triggered teams to work in think tanks with focus on innovative enhancements to current business procedures and services. Assigned staff were exposed to latest developments in the financial field whilst attending seminars with prominent training experts who have experienced the dynamics of the industry.

Graduates of previous classes were heavily engaged in current programs while they took the initiative to lead a MedMe13 course and share what they have previously learned.

The coaching and mentoring that are being offered to targeted talents remain the main features that make these programs stand out. Senior executives got heavily involved in the development of current participants as they guided them through their individual development plans.

Both programs will be concluded in 2017 where the 44 graduating, talented professionals will be ready for leading roles.

1. Talent Management Programs

<table>
<thead>
<tr>
<th>Programs</th>
<th>Training hours</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>181</td>
<td>43,627</td>
<td>5,773</td>
</tr>
</tbody>
</table>

This reflects our continuous aim to enhance performance and career progression of our human power.

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13. MedMe: A platform that displays all of the Bank’s business lines, services, and products.
In an aim to adequately integrate new recruits in our greater family, we have put in place the On-Boarding Program.

**c. On-Boarding Program**

**Purpose:** To ensure efficient on-boarding of new recruits while running orientation sessions and following up on their learning and performance. TMT team followed up closely with the branches to ensure that they receive proper training, offering around 350 hours of counseling in this regard.

- **52** Staff members were assigned rotation across various units
- **292** Staff confirmations were processed
- A total of **6,294** training hours were offered

Similarly, we continued to enhance our Career Development Program in order to help our staff grow and develop.

**d. Career Development Program**

**Purpose:** To manage development programs for staff assigned on career plans

- **62** Staff members successfully completed their career development requirements
- **90** Staff members were assigned to career development plans

With respect to training programs, 25,608 training hours were invested to deliver 92 Training Programs for 3,476 participants. Depending on the nature of the program introduced, 2016 trainings were carried out by in-house executives as well as by notable external providers.

**2. Regulatory Training**

In compliance with BDL requirements, the TMT team sustained the process of preparing staff for BDL 103 and Capital Market Authority (CMA) certifications. Acquired certifications include:

- Lebanese Regulations
- Combating Financial Crime
- Risk in Financial Services
- Global Financial Derivatives
- Global Securities
- International Introduction to Investment
- Investments and Risks
- Certified AntiMoney Laundering Specialists (CAMS)

**BDL 103 and CMA Certifications**

- **475** Employees attained certifications
- **151** Employees completed required courses
- **2,667** Hours

14 BDL Circular 103 certificate identifies a series of qualifications that must be passed by practitioners based on their work. These include: Securities from the Chartered Institute for Securities and Investment (CISI-London); Financial Regulation from the Chartered Institute for Securities and Investment (CISI-London); and Lebanese Regulation and Banking Ethics which was developed by the Banking Control Commission.

15 A CMA certificate equips its holders with an in-depth mastery of financial and business skill. It delivers critical skills that businesses need, improves professional competencies, and bridges the gaps between academics and the actual financial world.
Moreover, in order to acquaint employees with best practices and introduce them to the related technical requirements that help improve existing practices, TMT invited specialized trainers to execute this task. Within this scope, 248 staff members attended 5,982 training hours in eight in-house programs including International Financial Reporting Standards 9 (IFRS 9) and Credit Relationship Management (CRM)/Credit Application writing (CA). The program targeted professionals all the way from Senior Executives to Assistant Relationship Managers and Junior Analysts, who previously attended the CRM course. The training focused on detecting problems at an early stage using Cash Flows and the right ratios, stressing on forward indicators such as Sensitizing Obligors, Stress Testing Portfolios (Macro and Micro), and avoiding the pitfalls of traditional ratio analysis.

With respect to CRM–CA Writing, the program targeted Institutional Banking professionals in order to update them with Credit and Relationship Management processes in relation to IFRS 9. In details, the program dwelled on financial concepts and Statements (Income Statement, Balance Sheet, as well as Consolidated Statements).

In addition, TMT organized a series of training programs that were carried out by the Bank’s Retail, Compliance, and Treasury executives who trained the staff on new products, procedures, systems and regulations.

3. In-House Programs

- Compliance Series
- Product Knowledge
- Principles of Banking and Financial Operations
- Soft Skills Productivity Series

a. Compliance Series

This training series is deployed annually to all staff as a requirement from the central bank. In 2016, these sessions targeted all functions in branches and provided them with an update on new Anti-Money Laundering (AML) laws and regulations, overview on FATCA requirements, and a refresh on sanctions and Embargoes.

b. Product Knowledge

This training course has been designed for retail branch staff, aiming at providing them with retail products specifications and features and the ability to match these products to the needs of their customers. This course helps customer service representatives gain more confidence when discussing products with customers and with time it will help them get a fuller understanding of Bankmed’s product range.

c. The Principles of Banking and Financial Operations with Customers

The training sessions were launched in 2015, in compliance with BDL Circular 134. In 2016, the awareness targeted new recruits in an aim to help them build general awareness to the code of ethics and to customer rights and obligations. Staff members were trained on the newly required procedures that comply with the circular and ensure transparency and proper code of ethics. Attendees were mainly from Institutional Banking, Retail Banking, Treasury, and MedSecurities units.

d. Soft Skills Productivity Series

This program aims at enhancing team spirit and synergy among Retail Banking front line staff. The following topics form the core of the training within this program: Communication Strategies; Time Management; Stress Management; Emotional Intelligence; Personal Productivity; Teamwork and Teambuilding.

4. Public Programs

In 2016, 234 staff members attended 52 public programs through a total of 5,094 hours. The programs covered topics in Banking and Finance, Remedial, Credit, Internal Audit, Risk, Information Technology, Information Security, Treasury, Banking Operations, Accounting Standards, Compliance and Human Resources.
As part of our ongoing drive to contribute to our greater community, we design programs that provide college and university students with an opportunity to gain meaningful work experience in a professional setting. These programs aim at expanding students’ personal and professional learning. They also reflect our aim to support the young generation in crafting their career plans.

**a. Retail Summer Internship Program**

Our Retail Internship program is an oriented learning opportunity that is designed to enable undergraduate students gain a practical experience at Bankmed in the banking field. Throughout the program, students get exposed to an environment that allows them to think and interact in the operational banking setting. This step aligns with our CSR strategy and underpins our responsible approach to business by highlighting our endeavors in shaping its long-term sustainability goals.

In 2016, we provided internship opportunities to more than 90 students, who were engaged in the Internship Program that extended over a period ranging between four and eight weeks spread between June and September. This program offers a wide range of opportunities for candidates to channel their time and energy and take an active part in the Bank’s activities. Assignments mainly took place in the Retail Banking unit.

In addition to this program, we offered training opportunities through the following programs:

**b. AUB Part-Time Job**

The AUB part-time job program offers AUB students the opportunity to operate in our Retail branches. The program gives students a chance to experience a real life Banking profession. During their assignment at our branches, AUB students marketed our Retail products and serviced our clients. The program is offered all through the year and proves its ongoing success year after year.

**c. Customized Head Office Internship Programs**

This program exposes students to our institutional and investment banking operations. It also gives participants the opportunity to:

- Promote and sell Bankmed products
- Learn about our different banking lines
- Get introduced to our different banking services

Nevertheless, the most important aspect of this internship is to identify future employees based on their performance.

**d. Apprenticeship Program**

This program offers students a promising opportunity to explore the professional world and the banking industry. It is an observational, two-week program that exposes students to real work environment in a retail branch. Throughout the apprenticeship program, students have a chance to sightsee the Retail Banking procedures and transactions. They learn about different Retail products and services; and acquire basic banking know-how.

**6. Assessment**

In an aim to enhance the selection process at the Bank and better spot candidates for career moves, the TMT carried out a series of assessments throughout 2016. 457 candidates sat for these assessments and 89 were selected for recruitment, 53 staff members were confirmed, while 85 sat for competency based assessments that depict their potential and readiness for career moves. Lastly, 69 staff members were recommended for career plans, and the TMT team set a plan to assist in the process.
1. The First Online Trading University Competition

This year we went a step ahead in supporting youth in their educational and career paths as we introduced our first Online Trading University Competition, which was carried out from February 15 until March 15, 2016.

The Online Trading Competition was organized by Bankmed’s Treasury and the TMT unit, who had set up Bankmed Online Trading Platform targeting Business, Finance, and Economics majors at the American University of Beirut (AUB) and the Lebanese American University (LAU). Through this platform, students had access to financial markets and participated in an online trading competition. The program accommodated for 30 students from the two universities.

Prior to the competition, students were invited for a six-hour training on the trading platform. Later, during the competition, they were introduced to modern financial instruments and were provided with a demo account to trade in Foreign Exchange, Spot, Forwards, and Options.

As part of the grading criteria, the students had been asked to present their deliverables in front of a group of judges from university professors and Bankmed executives.

The program was concluded in a special ceremony held at its headquarters in Clemenceau on May 10, 2016. The ceremony gathered a number of university professors and administrators from two participating universities alongside the Bank’s executives, who recognized the winners of this competition. The ceremony ended with the distribution of awards to the distinguished students. In addition to the financial awards that the winners received, the first winner in each university was also granted an internship opportunity at Bankmed’s Treasury.

Based on the success of its first Online Trading Competition, Bankmed will expand the scope of this competition to include more universities in the future.

2. Taking Internship a Step Further: Celebrating Success

In an aim to reflect our mission to support youthful talents and promote startups, we asked a student entrepreneur, a student at AUB, to prepare a cake for the concluding ceremony of Bankmed Retail Internship Program.

The young entrepreneur has launched her own startup, Brownsugar Bakery, and we thought of endorsing her products by inviting her to take part at the concluding ceremony of the Retail Internship Program.

Focusing on the newly launched Youth Program, the creative student employed her talents and created an outstanding dummy cake, which genuinely mirrored this year’s theme.