

# OPERATIONS AND GOVERNANCE



# YEAR IN REVIEW

## ROCK-STEADY RESULTS IN A TURBULENT REGION

### CONSERVATIVE APPROACH OVERCOMES LOCAL AND REGIONAL HEADWINDS – AGAIN

Byblos Bank achieved another year of satisfactory results in 2015, leveraging its durable business model and prudent management strategy to navigate continuing instability in Lebanon and other key markets. Despite a fifth year of political gridlock at home, a civil war raging in next-door Syria, and a regional slowdown caused by the collapse of oil prices, the Bank managed to post not just adequate profit levels, but also increases in several key measures, including customers' loans, customers' deposits, and total assets.

At the same time, we continued to bolster the foundations on which the steady returns of the future will be built. The Bank's capital, liquidity, and non-performing loan ratios continued to meet or beat all relevant national and international standards, and our commitment to continuous process improvements and other enhancements to service quality promise a loyal and growing clientele going forward.

## CATERING TO THE CLIENT

### A COMMITMENT TO EXCELLENCE

The Consumer Banking Division introduced a variety of new tools in 2015, empowering customers to gain better control over their finances while benefiting from maximum access, convenience, and flexibility. Alongside – and supported by – 24/7 customer service, these improvements helped both the Bank and its clients to focus on what each does best.

Some of the biggest changes during the year involved enhanced features for the Byblos Bank Mobile Banking Application launched in 2014, including rollout of an Android tablet version, instant settling of tuition fees for university students, and mobile access to new products and services like The Makers Account aimed at Lebanese youth, and Environmental Energy and Non-Energy Loans. These and other additions further expanded the Mobile Banking App's central role in Byblos Bank's campaign to give customers greater control over their own finances, saving them time and money, and freeing up branch staff to offer more advisory and other value-added services.

In parallel, the Bank also pressed on with a never-ending quest to steadily improve customer experiences, combining the latest technologies, continuous staff training, regular performance monitoring, and process simplifications to make sure we provide world-class service quality and never stop searching for new ways to meet our clients' expectations.

This ongoing mission to continually improve customer service and customer satisfaction has a major positive impact in other areas as well. In 2015 these included Byblos Bank's compliance

effort regarding Central Bank of Lebanon Circular 134, which requires all banks in Lebanon to take a series of steps aimed at ensuring that all customers are treated equitably and transparently. Byblos Bank responded by updating several relevant policies and procedures (and by establishing the full-scale Financial Literacy Program described below), and branch staff were – and will remain – central to these undertakings as well. In addition to their customer service functions, they constitute Byblos Bank's front line in terms of compliance with local and international standards regarding issues such as money-laundering and the financing of terrorism. Accordingly, 2015 saw Byblos Bank devote even more resources to these tasks in terms of personnel, training, and proven processes based on international best practice.

Byblos Bank pioneered retail banking in Lebanon, and we still lead the way in terms of responsive product designs that cater to the needs of our customers. The headliner in 2015 was our launch of The Makers Account, which celebrates the aspirations of Lebanon's youth by offering a host of features and special deals to help them gain the new skills and new experiences they crave. Consumer Banking also took a proactive approach to the challenging conditions prevailing in several key markets, ramping up its Business Development activities by focusing on high net worth Lebanese living abroad, as well as other attractive niche segments.

These and myriad other aspects of the Bank's operations are tied together by the efforts of our Customer Service Team, which handles all manner of client requests 24 hours a day, seven days a week. Byblos Bank's business model is built on constantly improving the client's experience, so Customer Service employees and managers receive regular training and other forms of support, improving their ability to assist our clientele.

## COMMERCIAL BANKING

### IN THE BUSINESS OF BOOSTING BUSINESS

For decades Byblos Bank has expanded alongside the highly reputable and resilient companies that give Lebanon's private sector its dynamism, providing in-depth understanding on the financial requirements of various businesses in various regions. This has enabled our Commercial Banking Division to design and deliver products and services that are up to the challenges of both coping with local realities and meeting global standards.

The impact of these tools is further enhanced by our teams of highly trained and experienced professionals, each of whom specializes in one or more areas, from contracting and real estate to manufacturing, trade, and project finance. The continuous development of our talented teams has allowed the Bank to meet customers' expectations and provide valuable advice over the course of many years.

Looking ahead, the downward economic trends and political woes that have affected Lebanon and the region since 2011 are



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continuing, and 2016 will not be different. We expect challenging market conditions to not only persist, but even to worsen as local and regional operating environments deteriorate further.

Faced with such adverse conditions, the Commercial Banking Division will continue to follow conservative policies with respect to growth targets while striving to preserve our market share and asset quality. This approach proved successful once again in 2015, enabling us to meet overall goals for the year. For 2016, Byblos Bank remains confident that our formula of long experience, sound policy, and dedicated teams will continue to give us an advantage in achieving our goals - as it has in the past.

## CAPITAL MARKETS

### HOLDING THE LINE IN TRYING TIMES

Byblos Bank's Capital Markets Team successfully overcame challenging overall conditions at the global and local levels in 2015, posting several key achievements in the process. We maintained a healthy market share of 18% on the Beirut Stock Exchange, continued to provide support for local banks in the Lebanese Pound money markets, and, despite significant volatility, remained a key source of liquidity on the Lebanese Eurobond market. All the while, the team also kept up its supply of effective hedging tools for its corporate clients on the commodities and foreign exchange markets, provided its usual professional brokerage services for both equities and fixed income, and introduced International Funds as a new investment option for retail and Private Banking clients.

## INTERNATIONAL NETWORK

### FLYING BYBLOS BANK'S BANNER ABROAD

In the face of political instability and economic slowdowns affecting much of the globe in general and several regions where we operate in particular, Byblos Bank continued to both consolidate its presence in most other countries in 2015, and selectively expand its business in Iraq by opening a new branch in Sulaymaniyah. As a major education and economic hub for Iraq's Kurdistan Region, the city has emerged as a bright spot in the country's difficult recovery from decades of war and isolation, so we are very proud to be the only Lebanese bank - indeed the only international bank from any other country - with a presence there.

On another level, the Bank integrated a considerable amount of operations among subsidiaries coping with especially difficult local economic conditions and/or sanctions in place that restrict dealings in some markets. This allowed us to minimize operational risks inherent in daily business, all while controlling our expenditures and making the most of our efficiency.

At the same time, the International Network Division continued to carry out its primary purpose of managing interactions

between our foreign entities and Head Office in Lebanon, as per the Group Function and Service Level Agreements where applicable. As in the past, numerous field visits to branches, representative offices, and subsidiaries were conducted in 2015, all part of efforts to a) ensure continuity in key positions in the event of lengthy absences; b) define, prevent, and/or resolve issues as quickly as possible; c) enhance processes to deliver improved service; and d) keep staff members abreast of all new procedures and practices.

In 2016, the International Network Division will continue its mission of consolidation and efficiency improvements, increasing the profitability of our foreign entities and, by extension, their respective contributions to the Group. In addition, we will strive to continue our record of strong compliance with local regulations, full adherence to Byblos Bank procedures, and strict observance of international sanctions applying to some of the countries where we operate.

## HUMAN RESOURCES

### TAKING CARE OF THOSE WHO TAKE CARE OF OUR CLIENTS

Byblos Bank understands that its employees are its most precious asset, so the Human Resources Division never stops looking for better ways to strengthen the partnership, helping them reinforce their competencies and build successful careers. This approach has served the Bank well over the course of many years, and 2015 only saw more of the same, including:

- Choosing Hay Group to assist in setting a Bank-wide Balanced Scorecard, which determines the contributions of each division, department and employee to the overall strategy of the Bank by using a set of clear Key Performance Indicators (KPIs). This scorecard also reflects the interactivity among different departments/divisions and their synergies in delivering on the Bank's strategy with the aim of instilling a more performance-based culture.
- Implementation of the new Assessment and Development Center program by our certified and dedicated assessors. This process features highly trained professionals who work with both new and existing employees to assess their skills and competencies, ultimately leading to their personalized Development Plans. Assessors use multiple tools - including behavioral simulations, group exercises, presentations, role-playing, and a psychometric/personality questionnaire - to identify strengths and weaknesses and build an objective plan that allows employees to improve their skill-sets and accelerate their career development.
- Launching of a series of workshops, with Grid International, in order to identify a common thread of skills that will reinforce Byblos Bank's Core Values and enhance every aspect of the working culture by building a more collaborative and interdependent environment, improving both personal and



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team effectiveness, increasing motivation, and fostering greater accountability.

- Increasing the rates of internal recruitment and promotion to fill vacancies, thereby improving engagement and motivation for all members of the Byblos Bank Team.
- Launching Career Programs for potential future branch managers, training them for the position in a way that optimizes their performance and prepares them to deal with the challenges they will face.
- Adopting training courses for newly assigned and middle managers to help them better cope with the requirements of their jobs and manage their workloads and teams more effectively.
- Introducing a standardized process to handle underperformers, giving them a chance to regain career momentum by using a multi-level, multi-phase approach, each with specific KPIs and clear timeframes.
- Implementing new payroll mechanisms and procedures that further safeguard privacy and confidentiality for all employees.
- Securing an exclusive Group healthcare offer granting all second-class hospitalization beneficiaries (staff and their direct dependents) the option of upgrading to first class at a very competitive special rate.

## CORPORATE SOCIAL RESPONSIBILITY

### A FORCE FOR CULTURE, COMMUNITIES, AND CONSUMERS

Byblos Bank had a busy CSR calendar in 2015, devoting considerable resources to both developing our existing programs aimed at fostering human development and economic benefits, and the launching of a fully fledged Financial Literacy Program (FLP). These activities aim to share the Bank's success by partnering with individuals, organizations, and communities to further shared goals, including greater access to education, higher levels of financial awareness, broader appreciation of Lebanese culture, and stronger protections for the environment.

### EDUCATION: INTRODUCING LEBANON'S FIRST FINANCIAL LITERACY PROGRAM

Byblos Bank knows that education is the single-most important determinant of most people's career and financial success, so we exert considerable effort to supporting schools and universities, expanding access to these institutions, and educating the public about banking and economics.

Studies indicate that large numbers of Lebanese have yet to plan for their future financial security, and many don't know

where or how to start. And because greater financial awareness leads to an expanded potential for growth and development, in 2015 the Bank established its FLP in order to empower consumers by increasing their knowledge of banking and economic issues, enabling them to make better decisions about their finances. This program is aimed not just at current Byblos Bank customers, but also at the general public, working through popular mainstream media outlets to familiarize citizens with basic terms and concepts, how banking products work, how to compare features, how to make and abide by a budget, and how to select the savings and/or loan products that best suit their individual needs.

The FLP opened up two separate avenues to increased public awareness in 2015: in November, the Bank teamed up with *Al-Akhbar* newspaper to initiate "Nes W Finance", a weekly article offering insights and analysis on numerous aspects of economics and personal finance; and the following month, we started sponsoring "Fakker Maliyyan", a two-minute daily program on LBCI Television that familiarizes viewers with key terms and concepts.

Financial literacy is a logical extension of our ongoing Education work, including continuing support for various initiatives at most of Lebanon's schools and universities. In addition, 2015 saw the Bank successfully complete the University Loan Program, a four-year partnership with the AFD, the French government's overseas development agency, that enabled some 1,500 of Lebanon's best and brightest students to attend university by providing low-cost, long-term loans.

### CULTURE: KEEPING THE FOCUS ON PHOTOGRAPHY AND HERITAGE

Byblos Bank works on several fronts to celebrate and incubate Lebanon's cultural production, increase awareness of treasures both new and old, and help standout artists to build viable careers.

Our Photography Program continued to fulfill its purpose in 2015, providing support for emerging Lebanese photographers, helping to develop a stronger market for their work, and placing them at the heart of that market. This mission is accomplished by using a variety of channels to promote photography in general, and to shed light on local talents and expose them to the media, gallerists, collectors, and experts in the field. As usual, 2015 featured several high-profile events, including:

- In January and February, the Bank helped bring PhotoMed, a celebrated festival of Mediterranean Photography, to Lebanon for the second year in a row. Byblos Bank Headquarters in Ashrafieh hosted "Mediterraneo", an exhibition by Italian master photographer Mimmo Jodice, giving visitors an opportunity to take in more than 60 black-and-white images produced by a genuine artistic icon. In addition to providing a platform for cultural exchange and offering art aficionados an opportunity to appreciate the works of world-renowned photographers, the Bank's status as PhotoMed's primary partner in Lebanon has enabled us to partner in the development of a special



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Lebanese program for the festival. In 2015, this led to two separate exhibitions featuring rare photographs taken in Lebanon during the late 19<sup>th</sup> and early 20<sup>th</sup> centuries, as well as a third event highlighting today's Beirut.

- In March, we sponsored an exhibition and book launch celebrating the 40<sup>th</sup> anniversary of the Faculty of Fine and Applied Arts at Holy Spirit University of Kaslik (USEK), which introduced Lebanon's first photography curriculum.
- In April, Byblos Bank Headquarters played host again, this time to "Nightshift", an exhibition by the winner of the 2014 Byblos Bank Award for Photography, Myriam Boulos. The event featured candid and striking photographs representing the nocturnal gatherings of Lebanese youth at defunct industrial spaces now repurposed as party zones filled with music and dancing.
- Ms. Boulos' exhibition was accompanied by a roundtable designed to give emerging photographers and photography enthusiasts a better understanding of photography as an art form and as a market. Entitled "From Production to Marketing of Photography", the discussion reviewed the historical development of the medium in Lebanon in order to provide perspective on the situation today and how to improve it.
- In May, the Bank sponsored a photography exhibition at the Saint Coeur School in Bauchrieh. This event featured works by students enrolled in the school's photography course, with the best images being retained as part of the facility's permanent décor. We also sponsored the 2016 calendar that resulted from the same initiative.
- In September, we held the fourth edition of the Byblos Bank Award for Photography in cooperation with Beirut Art Fair at the Beirut International Exhibition and Leisure Center (BIEL). The contest attracted over 1,000 submissions from more than 180 Lebanese photographers, attesting to the Award's rising prestige in the artistic community. In the end the judges awarded the prize to Carmen Yahchouchy for her haunting photographs of wives and mothers posing with guns that once belonged to husbands and sons killed during the Lebanese Civil War. Jury President Dimitri Beck, editor-in-chief of Paris-based *Polka* magazine, described the "touching and intimate series" as "a testimony on the memory and persistence of pain". Like her predecessors, Ms. Yahchouchy received an extensive package of recompenses for her achievement, including expert mentoring from renowned Lebanese photographer Roger Moukarzel and Beirut Art Fair, helping her to prepare for her first solo exhibition, to be held at Byblos Bank Headquarters and promoted with both a targeted media campaign and a personal catalog.
- Throughout the year, we continued to expand the audience for Purple Lens by Byblos Bank, a Facebook page dedicated to generating buzz for our Photography Program by promoting the work of Lebanese photographers, broadening exposure for Byblos Bank Award finalists, and engaging with

photography enthusiasts. By end-2015, the page had more than 12,000 fans, signaling the growing public interest that has always been our goal.

Byblos Bank sees shared heritage can as a virtual glue that contributes to societal cohesion, an endless stream of opportunities to highlight Lebanon's rich culture and generate socioeconomic benefits. We therefore place great value in protecting, renovating, and showcasing the surviving monuments to Lebanon's unique history, leading to broader awareness of all the wonders that make our country what it is, what it has been, and what it could be tomorrow. In 2015 we continued to back initiatives on several fronts:

- Byblos Bank helped complete Phase II of the Jbeil Souks Renovation project with a USD 1 million donation that followed its initial USD 2 million grant for Phase I. In addition, we funded the construction of a fitting entrance to the historic city. All of these endeavors are particularly significant because in addition to preserving one of the oldest human settlements in the world, they also address the present and the future by providing an opportunity to accelerate economic activity and giving local residents a better chance to make a living and remain on the land of their ancestors.
- The Bank also sponsored a bilingual guide titled "Tout Savoir Byblos: Everything you ever wanted to know" and written by Camille Asmar and Claude Doumet-Serhal from the Lebanese British Friends of the National Museum. The volume features three suggested itineraries to help tourists and other visitors discover the city's unique cultural treasures, with detailed information on each.
- In addition, we continued to sponsor "Hayda Lebne", a daily program on LBCI Television that puts the spotlight on Lebanon's immense repertoire of natural wonders and monuments to its storied past.

### ENVIRONMENT: REFORESTATION AND REDUCING WASTE

There are few heavier responsibilities than that of the current generation to bequeath a cleaner, greener, and healthier planet to its successors. Byblos Bank embraced this duty early on, and its commitment to environmental protection has only grown over the years. Our contributions in this area include not just active support for worthy partners and projects, but also adoption of policies and practices that increase the sustainability of our own daily business activities:

- Throughout the year, work continued toward completion of the Byblos Bank Shouf Reserve Bio-Corridor, which will join and strengthen two separate ecosystems by revitalizing a relatively barren space between them. This is being accomplished by ensuring that surviving trees have the right conditions in which to recover, and by replacing dead ones with new saplings so that the corridor contains a total of 10,000 Cedars and other species.



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- We also forged ahead with implementation of our Bgreen initiative, a multi-faceted plan to lessen the environmental impact of Byblos Bank Headquarters in Ashrafieh. This process includes specific and measurable actions to conserve energy and water, reduce paper usage, and recycle paper and plastic bottles. The campaign also proved responsive to the garbage-removal crisis that gripped much of Lebanon in 2015: water dispensers were installed on every floor, radically reducing the number of bottles and cups used by employees for drinking water and many other hot and cold drinks.

### OTHER ACTIVITIES

- In September, Byblos Bank finished renovating and equipping a building it owns and placed it at the disposition of the Justice Ministry to house the palace of justice in Jbeil. The aim of this endeavor is to facilitate and enhance the work of judicial authorities and public administration, empowering both to better serve the community.
- In May, Byblos Bank lent its support to Child's Week, an annual event organized by the Association for the Protection of Lebanese Children, for the 30<sup>th</sup> time.
- For the second year in a row, the Bank sponsored a spectacular Byblos Christmas Tree that drew attention from media outlets near and far, including Britain's *Guardian* newspaper, which named it one of the world's most impressive. The 2015 tree was also accompanied by a special mobile phone campaign that allowed visitors to donate USD 1 for every SMS, raising some USD 40,000 for four NGOs: the Society of St. Vincent de Paul, the Lebanese Red Cross, Child Circle, and the Maronite Charity Association of Jbeil.
- During the year, we also participated in fundraising events for a variety of NGOs, helping them to continue their good works in the community.
- In addition, the Bank supported Lebanon's increasingly lively theater scene by seizing opportunities to advertise in the programs that accompany so many plays and other stage productions.

### ADVOCACY

#### FULLY ENGAGED IN SOCIOECONOMIC DISCOURSE

As a responsible institution of systemic importance to the Lebanese economy, Byblos Bank takes very seriously its role as a voice for sustainable policies and practices in the private and public sectors. This means not only making recommendations, but also investing in promising ventures that set positive examples for various business, financial, and political players. As part of this function, in 2015 the Bank once again helped frame important discussions about key issues affecting the overall welfare of Lebanon and its inhabitants.

We continued to call for a restructuring of the electricity sector in order to relieve the Treasury of the annual burden imposed by losses at state utility Electricité du Liban, upgrades for road and other transportation links, and ratification of a draft law on Public-Private Partnerships that would enable the private sector to get more involved in both the financing and the management of infrastructure projects.

The Bank also advocated reforms aimed at increasing the efficiency of public administration, along with other measures to consolidate public finances, including initiatives to fight tax evasion, improve the collection of taxes and other fees, diminish unnecessary spending, reduce waste and corruption, sell off non-performing real estate properties, and freeze recruitment for the civil service.

Looking toward the future, we believe that Lebanon has great potential as a regional hub for startups focused on the knowledge economy, and therefore an opportunity to both refashion the country's image and convince more of its skilled youth to stay in their homeland instead of emigrating. The Bank has translated this belief into action in numerous ways, including contributions to several funds designed to provide capital for promising startups, as well as support for separate efforts by the Central Bank of Lebanon.

### CORPORATE GOVERNANCE

#### GOING BEYOND COMPLIANCE

Robust governance and cautious management have allowed Byblos Bank to fend off numerous local and regional crises in recent years, including continuing instability in much of the MENA region. Rather than responding by relaxing our standards, however, this experience has only reconfirmed our belief in the necessity of world-class governance and compliance measures.

As a result, the Bank continues to run a business model whose core principles include strict adherence with all local and international regulations. This approach includes continuous reassessment of and, as and when necessary, modification to our internal policies and procedures. It also includes specialized training for our employees, keeping them informed of evolving regulatory requirements and the best ways to apply them.

We also put heavy focus on the quality of the information we provide, and on how we communicate that information, especially to our shareholders. Byblos Bank goes to great lengths to ensure that all financial and other material data we provide are accurate, complete, and up to date. Over the years this commitment has earned the Bank an industry-wide reputation for transparency, a vote of confidence that imparts real-world value to all of our customers, investors, employees, business partners, and other stakeholders.



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These practices are particularly helpful when it comes to shielding the Bank and its stakeholders against the possible consequences of money laundering, terrorism financing, and other crimes that affect financial institutions. Accordingly, the Byblos Group relies on a full package of measures and controls to prevent it from being exploited, whether by individuals or organizations seeking to defy international sanctions and/or otherwise violate or circumvent relevant laws and regulations. These include purpose-designed organizational policies, rapid implementation of supervisory initiatives, and close monitoring of our internal processes and procedures. In addition, the Bank complies with all Central Bank of Lebanon rules and guidelines regarding the establishment of a compliance function for identifying, monitoring, and reporting suspicious transactions and other activities.

As per Basel Committee recommendations, Financial Action Task Force guidelines, local regulations and international best practice standards, the Group maintains an across-the-board program of compliance policies, procedures and systems to fulfill its commitment to detecting and preventing all forms of money laundering, terrorism financing, sanctions breaching, and other related activities. This program follows strict principles applying to all jurisdictions where the Group has a presence, including:

- Conducting all necessary due diligence before beginning a relationship with a prospective client, including verifying his or her identity, ascertaining the legitimacy of sources of funds, identifying third parties who might actually control the disposition of those funds, understanding the customer's business model, and determining the intended purpose of the business relationship. Under Group policy, under no circumstances do we offer one-time services to "walk-in" customers not maintaining an account with us.
- Prohibiting or restricting the opening of accounts for certain types of relationships, such as shell banks, non-face-to-face customers, money services businesses (MSBs), numbered or bearer accounts, online casinos and other gambling websites, among others.
- Applying a risk-based approach when determining whether to accept or reject the initiation of a business relationship, one that considers factors such as the prospective customer's background, location, nature of business activity, and type(s) of banking products being solicited. The Group strictly denies access to its services whenever due diligence examinations of a customer reveal inconsistency in the facts.
- Conducting enhanced due diligence and increased transaction monitoring for customers believed to pose a higher-than-average risk for money laundering, including, but not limited to, those considered politically or financially exposed.
- Monitoring accounts for changes in transaction patterns that deviate from expected activity or behavior that would be considered normal for that particular customer or category of customers.

- Screening customer data and transaction details against sanctions programs administered by local authorities as well as foreign countries and organizations (such as OFAC, the United Nations, and the European Union, among others) to ensure that individuals, entities, countries, vessels, goods and services associated directly or indirectly with any transaction are in full compliance with those sanctions.
- Reporting to the Group Compliance AML and Regulatory Department on any transaction deemed to be unusual or suspicious, and, as and when appropriate, filing a case with the local authorities.
- Providing all staff with continuous training on anti-money laundering measures and techniques, and ensuring full awareness of the Group's obligations with regard to various sanctions programs.

The Group employs a vigorous oversight regime over its activities to ensure consistent adherence to all elements of its compliance program. This includes assigning a compliance officer to each branch and the presence of a local Compliance Department for each subsidiary, all under the supervision of a Group AML and Legal Compliance Department located at Byblos Bank Headquarters. In addition, the Head of Group Compliance has direct access to senior management, the Board of Directors, and the Central Bank of Lebanon's Special Investigation Commission.

These and other compliance activities stem from an unshakeable belief in stringent governance as the ultimate tool in modern risk management. Accordingly, we use state-of-the-art procedures to control different types of risks, for all lines of business, at the individual, portfolio, and aggregate levels. We take great care to protect client information, maintain lofty ethics in all our business dealings, and provide fully transparent risk disclosure to the Board of Directors, senior management, regulators, ratings agencies, and other interested parties.

This belief has long enabled Byblos Bank to deliver solid returns, steadily improve its long-term financial position, and develop a sterling reputation. Having generated so much value with this approach and the self-improvement and other sound practices it encourages, we look forward to relying on the same good habits – and continuous refinements – for decades to come.



# BOARD OF DIRECTORS MEMBER PROFILES

## DR. FRANÇOIS S. BASSIL

**CHAIRMAN OF BYBLOS BANK GROUP**

Lebanese, born in 1934. Holder of a PhD in Law from Leuven University in Belgium. Has been working in the banking sector since 1962. Was a co-founder of Byblos Bank S.A.L., which he has helped transform into Lebanon’s third-largest bank and where he held the positions of Chairman of the Board of Directors and General Manager from 1979 until July 2015, when he was elected Chairman of Byblos Bank Group. Is also Chairman of the Board of Directors of Byblos Bank Africa. Also sits on the Boards of Byblos Bank Europe, Byblos Bank Syria, and Byblos Bank Armenia. In addition, serves as Chairman of the Board of Directors and General Manager of Byblos Invest Holding Luxembourg. In June 2015 completed a fourth term as Chairman of the Board of the Association of Banks in Lebanon.



## MR. SEMAAN F. BASSIL

**CHAIRMAN AND GENERAL MANAGER OF BYBLOS BANK S.A.L.**

Lebanese, born in 1965. Holder of a Bachelor’s Degree from Boston University in the US and an MBA from Cambridge University in the UK. Has been working in the banking sector since 1990. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 1992. Was elected Vice-Chairman of the Board and General Manager in 2000 and Chairman and General Manager in July 2015. Also serves as Chairman of the Board of Byblos Bank Syria, Chairman and General Manager of Byblos Invest Bank S.A.L., Vice-Chairman of the Board of Byblos Bank Africa, and Member of the Board of Byblos Bank Europe.



## H.E. MR. ARTHUR G. NAZARIAN

**DIRECTOR**

Lebanese, born in 1951. Holder of a Bachelor’s Degree in Textile Engineering from Philadelphia University in the US. Has served as Lebanon’s Minister of Energy and Water Resources since 2014, as a Member of the Lebanese Parliament since 2009, and is a former Minister of Tourism and of Environment. Is an entrepreneur at the helm of several companies in Lebanon and the Gulf. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 2006, and serves as a Member of the Risk, Compliance, Anti-Money-Laundering and Combating the Financing of Terrorism Committee, and of the Human Resources, Compensation, Remuneration, Nomination and Corporate Governance Committee, both of which are affiliated to the Board. Also serves as a Member of the Board of Directors of Byblos Bank Armenia.





# BOARD OF DIRECTORS MEMBER PROFILES

## BARON DR. GUY L. QUADEN

DIRECTOR

Belgian, born in 1945. Holder of a Master’s Degree in Economics from La Sorbonne in France and of a PhD from Liège University in Belgium. Appointed in 1977 as Professor of Economic Policy at Liège University, where he later served as Dean of the Faculty of Economics and Management. Started his career in the banking sector in 1988 when he joined the Board of the National Bank of Belgium (the country’s central bank), later serving as Governor (and as a Member of the Governing Council of the European Central Bank) from 1999 until 2011. Has produced numerous economic publications. Received the title of Baron from the King of Belgium and was decorated as an Officer of the Légion d’Honneur by the President of the French Republic. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 2012. Also sits on the Board of Byblos Bank Europe.



## MR. DES S. O’SHEA

DIRECTOR

Irish, born in 1956. Holder of a Bachelor of Commerce Degree from University College Cork in Ireland, and qualified as a Chartered Accountant in 1980. Has been working in the banking industry since 1981, including eight years as Vice President of GE Capital ending in 2011, and is a current or former holder of banking directorships in 10 countries. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 2014.



## MR. YVES R. JACQUOT

DIRECTOR

French, born in 1956. Holder of a BA from the École Supérieure des Sciences Économiques et Commerciales (ESSEC) in France. Has been working in the banking sector since 1980 and has held a variety of senior positions, including Deputy Director General of BRED Banque Populaire in France, and Director General of BRED’s COFIBRED investment fund. Currently serves as First Vice President for International Development at National Bank of Canada Group, Deputy Director General of NBC’s NATCAN International Investments, and as a member of the boards of ABA Bank in Cambodia and Afrasia Bank in Mauritius. Has been a member of the Board of Directors of Byblos Bank S.A.L. since May 2015 and serves as a member of the Audit Committee affiliated to the Board.





## BOARD OF DIRECTORS MEMBER PROFILES

### MR. BASSAM A. NASSAR

#### DIRECTOR

Lebanese, born in 1965. Pursued his higher studies at both the London School of Economics in the UK and Harvard Business School in the US. Is an entrepreneur with major holdings in a number of private companies in Nigeria. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 1992, and serves as a Member of the Audit Committee and the Human Resources, Compensation, Remuneration, Nomination and Corporate Governance Committee, both of which are affiliated to the Board. Also serves as Chairman of the Board of Byblos Bank Europe and as a Member of the Board of Byblos Invest Holding Luxembourg.



### MR. ALAIN C. TOHMÉ

#### DIRECTOR

Lebanese, born in 1962. Holder of a Bachelor of Commerce Degree from University College Cork in Ireland and an MBA from Boston College in the US. Started working in the banking industry when he joined Byblos Bank Europe in 1985 before moving in 1997 to Byblos Bank S.A.L., where he assumed several positions, the most recent having been Deputy General Manager, until 2011. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 2011 and serves as Chairman of the Audit Committee and Member of the Human Resources, Compensation, Remuneration, Nomination and Corporate Governance Committee, both of which are affiliated to the Board. Is also Chairman of the Board of Byblos Bank Armenia, Vice-Chairman of the Board of Byblos Bank Syria, a Member of the Board of Byblos Bank RDC, and a Member of the Board of Byblos Invest Bank S.A.L.



### DR. HENRY T. AZZAM

#### DIRECTOR

Lebanese, born in 1949. Holder of a PhD in Economics from the University of Southern California in the US. Has been working in the financial sector since 1981. Has assumed key positions with major financial companies in Lebanon and other parts of the Arab world, including Deutsche Bank Dubai. Is well-versed in the money and banking markets and has issued publications and articles revolving around the financial world. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 2012.





# BOARD OF DIRECTORS MEMBER PROFILES

## MR. AHMAD T. TABBARA

**DIRECTOR**

Lebanese, born in 1940. Holder of a Bachelor’s Degree from the American University of Beirut. Worked as a consultant to former Prime Minister Salim el Hoss. Is an entrepreneur with shares in a number of family businesses and social initiatives, including the Toufic Tabbara Cultural Center. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 1999. Also serves as a Member of the Risk, Compliance, Anti-Money Laundering and Combating the Financing of Terrorism Committee affiliated to the Board.



## MR. FAISAL M. ALI EL TABSH

**DIRECTOR**

Lebanese, born in 1948. Holder of a Master’s Degree in Geology from the American University of Beirut. Is an entrepreneur and owner of M.A. Tabsh Company in Saudi Arabia. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 2000. Is also a Member of the Board of Byblos Invest Holding Luxembourg and Vice-Chairman of the Board of Byblos Bank Europe.





# BOARD OF DIRECTORS COMMITTEES

## AUDIT COMMITTEE

<b>Chairman</b>	Mr. Alain C. Tohmé
<b>Members</b>	Mr. Yves R. Jacquot
	Mr. Bassam A. Nassar

## RISK, COMPLIANCE, ANTI-MONEY-LAUNDERING AND COMBATING THE FINANCING OF TERRORISM COMMITTEE

<b>Chairman</b>	Mr. Des S. O'Shea
<b>Members</b>	H.E. Mr. Arthur G. Nazarian
	Mr. Ahmad T. Tabbara

## HUMAN RESOURCES, COMPENSATION, REMUNERATION, NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

<b>Chairman</b>	Mr. Alain C. Tohmé
<b>Members</b>	H.E. Mr. Arthur G. Nazarian
	Mr. Bassam A. Nassar



# MANAGEMENT COMMITTEES

## EXECUTIVE COMMITTEE

<b>President</b>	François S. Bassil <sup>1</sup>	Chairman of Byblos Bank Group
<b>Vice President</b>	Semaan F. Bassil <sup>2</sup>	Chairman and General Manager
<b>Members</b>	Joumana Chelala	DGM <sup>3</sup> , Head of Group Consumer Banking Division
	Marwan Moharram	DGM, Head of Group Risk Management Division
	Fadi Nassar	DGM, Head of Group Commercial Banking Division
	Alain Wanna	DGM, Head of Group Financial Markets and Financial Institutions Division

## CENTRAL CREDIT COMMITTEE

<b>President</b>	Semaan F. Bassil	Chairman and General Manager
<b>Vice President</b>	Marwan Moharram	DGM, Head of Group Risk Management Division
<b>Members</b>	Joumana Chelala	DGM, Head of Group Consumer Banking Division
	Fadi Nassar	DGM, Head of Group Commercial Banking Division
	Alain Wanna	DGM, Head of Group Financial Markets and Financial Institutions Division
	Fouad Ferneiné	Head of Corporate Banking Department

## INTERNAL AUDIT MANAGEMENT COMMITTEE

<b>President</b>	Fadi Abou Abdallah	Head of Group Internal Audit Division
<b>Vice President</b>	Marwan Moharram	DGM, Head of Group Risk Management Division
<b>Members</b>	Semaan F. Bassil	Chairman and General Manager
	Joumana Chelala	DGM, Head of Group Consumer Banking Division
	Joseph Nasr	AGM <sup>4</sup> , Head of Distribution Network Division
	Ziad El Zoghbi	Head of Group Finance and Administration Division

## ASSETS AND LIABILITIES COMMITTEE

<b>President</b>	Alain Wanna	DGM, Head of Group Financial Markets and Financial Institutions Division
<b>Vice President</b>	Fadi Nassar	DGM, Head of Group Commercial Banking Division
<b>Members</b>	Semaan F. Bassil	Chairman and General Manager
	Joumana Chelala	DGM, Head of Group Consumer Banking Division
	Marwan Moharram	DGM, Head of Group Risk Management Division
	Ziad El Zoghbi	Head of Group Finance and Administration Division

## BANKING TECHNOLOGY COMMITTEE

<b>President</b>	Raffoul Raffoul	AGM, Head of Group Organization Development, Information Systems and Operational Support Division
<b>Vice President</b>	Ziad El Zoghbi	Head of Group Finance and Administration Division
<b>Members</b>	Semaan F. Bassil	Chairman and General Manager
	Joumana Chelala	DGM, Head of Group Consumer Banking Division
	Marwan Moharram	DGM, Head of Group Risk Management Division
	Fadi Nassar	DGM, Head of Group Commercial Banking Division
	Walid Kazan	AGM, Head of International Network Division
	Elie Bassil	Head of Group Banking Technology Division

<sup>1</sup> Dr. François S. Bassil was elected Chairman of Byblos Bank Group on 25 July 2015.

<sup>2</sup> Mr. Semaan F. Bassil was elected Chairman and General Manager of Byblos Bank S.A.L. on 25 July 2015.

<sup>3</sup> DGM - Deputy General Manager.

<sup>4</sup> AGM - Assistant General Manager.



# MANAGEMENT COMMITTEES

## HUMAN RESOURCES COMMITTEE

<b>President</b>	Semaan F. Bassil	Chairman and General Manager
<b>Vice President</b>	Fadi Hayek	Head of Group Human Resources Division
<b>Members</b>	Joumana Chelala	DGM, Head of Group Consumer Banking Division
	Marwan Moharram	DGM, Head of Group Risk Management Division
	Fadi Nassar	DGM, Head of Group Commercial Banking Division
	Alain Wanna	DGM, Head of Group Financial Markets and Financial Institutions Division
	Raffoul Raffoul	AGM, Head of Group Organization Development, Information Systems and Operational Support Division

## RISK MANAGEMENT COMMITTEE

<b>President</b>	Marwan Moharram	DGM, Head of Group Risk Management Division
<b>Vice President</b>	Alain Wanna	DGM, Head of Group Financial Markets and Financial Institutions Division
<b>Members</b>	Semaan F. Bassil	Chairman and General Manager
	Joumana Chelala	DGM, Head of Group Consumer Banking Division
	Fadi Nassar	DGM, Head of Group Commercial Banking Division
	Ziad El Zoghbi	Head of Group Finance and Administration Division
	Pascale Maksoud Dahrouge	Head of Group Financial and Operational Risk Management Department

## INTERNATIONAL COMMITTEE

<b>President</b>	Semaan F. Bassil	Chairman and General Manager
<b>Vice President</b>	Alain Wanna	DGM, Head of Group Financial Markets and Financial Institutions Division
<b>Members</b>	Joumana Chelala	DGM, Head of Group Consumer Banking Division
	Marwan Moharram	DGM, Head of Group Risk Management Division
	Fadi Nassar	DGM, Head of Group Commercial Banking Division
	Walid Kazan	AGM, Head of International Network Division
	Raffoul Raffoul	AGM, Head of Group Organization Development, Information Systems and Operational Support Division
	Gilbert Zoueïn	AGM, Head of Group Products, Segments and Marketing Division
	Ziad El Zoghbi	Head of Group Finance and Administration Division

## COMPLIANCE AND ANTI-MONEY-LAUNDERING COMMITTEE

<b>President</b>	Marwan Moharram	DGM, Head of Group Risk Management Division
<b>Vice President</b>	Joumana Chelala	DGM, Head of Consumer Banking Division
<b>Members</b>	Semaan F. Bassil	Chairman and General Manager
	Alain Wanna	DGM, Head of Group Financial Markets and Financial Institutions Division
	Walid Kazan	AGM, Head of International Network Division
	Joseph Nasr	AGM, Head of Distribution Network Division
	Fadi Abou Abdallah	Head of Group Internal Audit Division
	Paul Chammas	Head of Group Operations Division
	Sharif Hachem	Head of Group Anti-Money-Laundering and Regulatory Compliance Department



# MANAGEMENT COMMITTEES

## LOAN RECOVERY COMMITTEE

<b>President</b>	Marwan Moharram	DGM, Head of Group Risk Management Division
<b>Vice President</b>	Fadi Nassar	DGM, Head of Group Commercial Banking Division
<b>Members</b>	Semaan F. Bassil	Chairman and General Manager
	Joumana Chelala	DGM, Head of Group Consumer Banking Division
	Samir H�elou	Head of Loan Recovery Department

## OPERATIONAL RISK COMMITTEE

<b>President</b>	Marwan Moharram	DGM, Head of Group Risk Management Division
<b>Vice President</b>	Raffoul Raffoul	Head of Group Organization Development, Information Systems and Operational Support Division
<b>Members</b>	Semaan F. Bassil	Chairman and General Manager
	Joumana Chelala	DGM, Head of Group Consumer Banking Division
	Joseph Nasr	AGM, Head of Distribution Network Division
	Paul Chammas	Head of Group Operations Division
	Ziad El Zoghbi	Head of Group Finance and Administration Division
	Pascale Maksoud Dahrouge	Head of Group Financial and Operational Risk Management Department

## INFORMATION SECURITY COMMITTEE

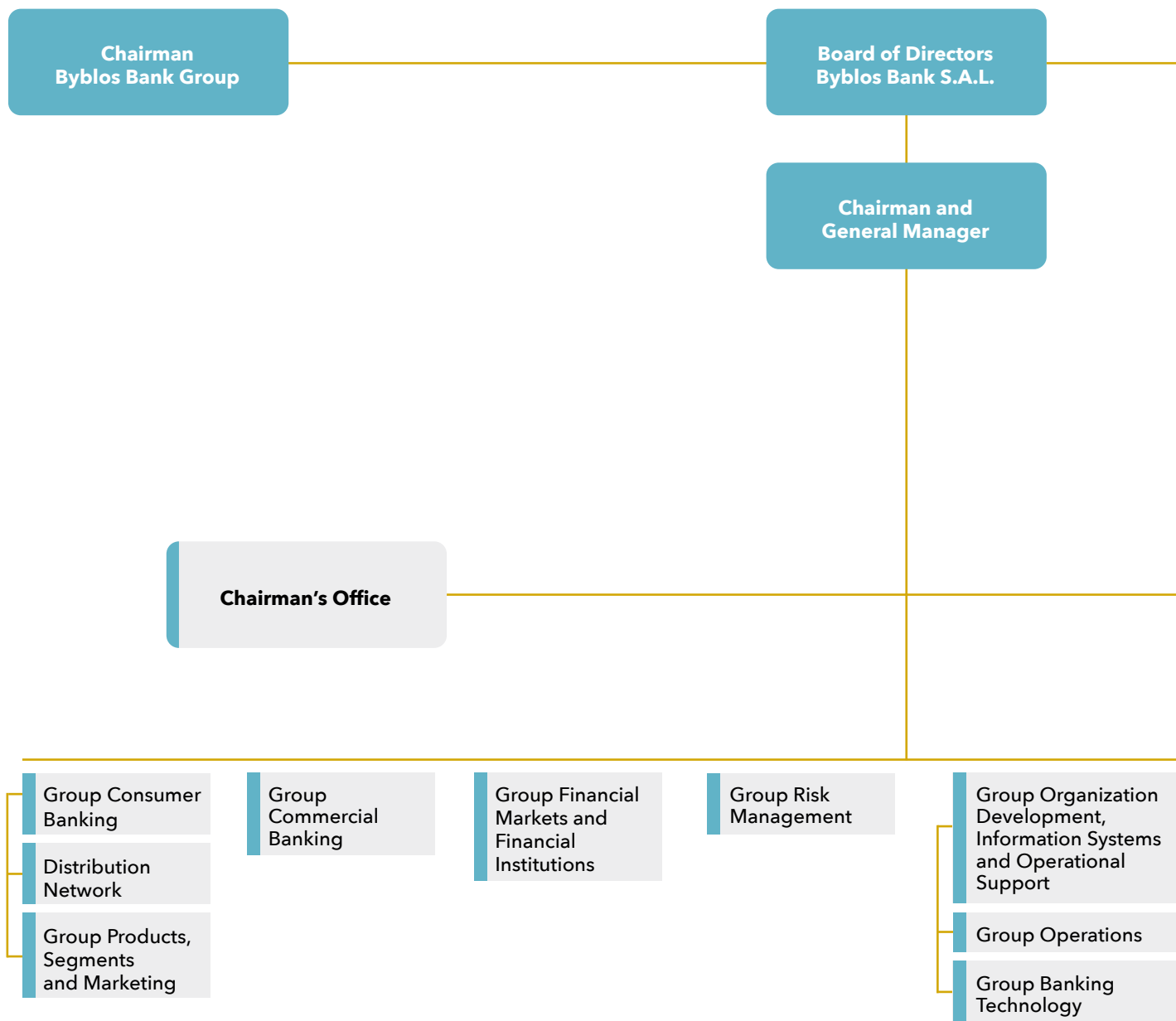
<b>President</b>	Raffoul Raffoul	Head of Group Organization Development, Information Systems and Operational Support Division
<b>Vice President</b>	Marwan Moharram	DGM, Head of Group Risk Management Division
<b>Members</b>	Semaan F. Bassil	Chairman and General Manager
	Joumana Chelala	DGM, Head of Group Consumer Banking Division
	Fadi Nassar	DGM, Head of Group Commercial Banking Division
	Walid Kazan	AGM, Head of International Network Division
	Elie Bassil	Head of Group Banking Technology Division
	Ziad El Zoghbi	Head of Group Finance and Administration Division

## PURCHASING COMMITTEE

<b>President</b>	Ziad El Zoghbi	Head of Group Finance and Administration Division
<b>Vice President</b>	Joumana Chelala	DGM, Head of Group Consumer Banking Division
<b>Members</b>	Semaan F. Bassil	Chairman and General Manager
	Raffoul Raffoul	AGM, Head of Group Organization Development, Information Systems and Operational Support Division
	Antoine Keldany	Head of Administration Department

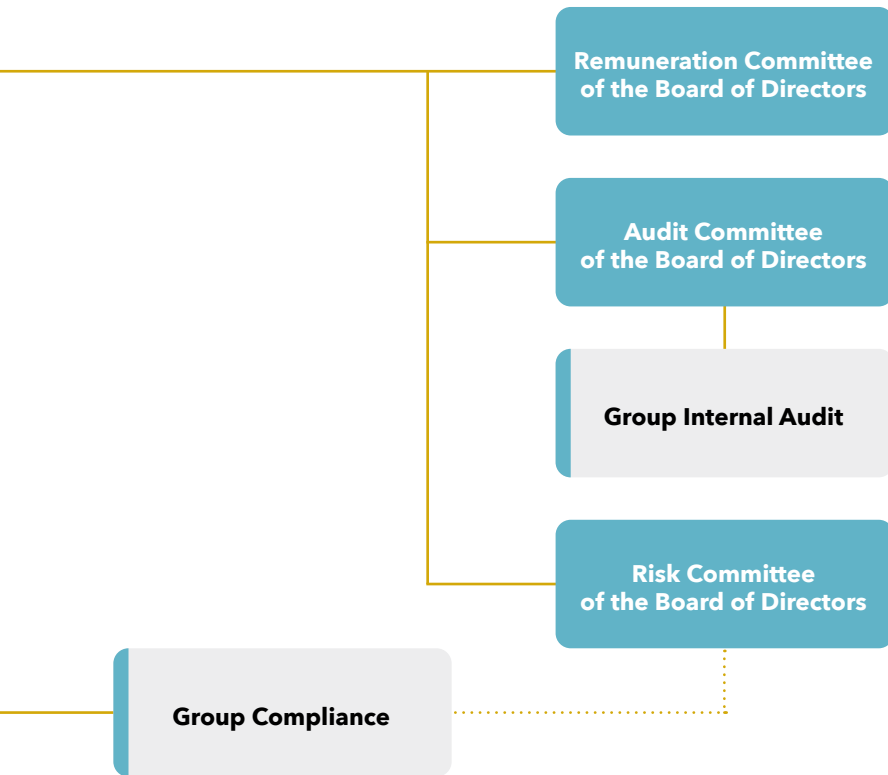


# ORGANIZATIONAL CHART





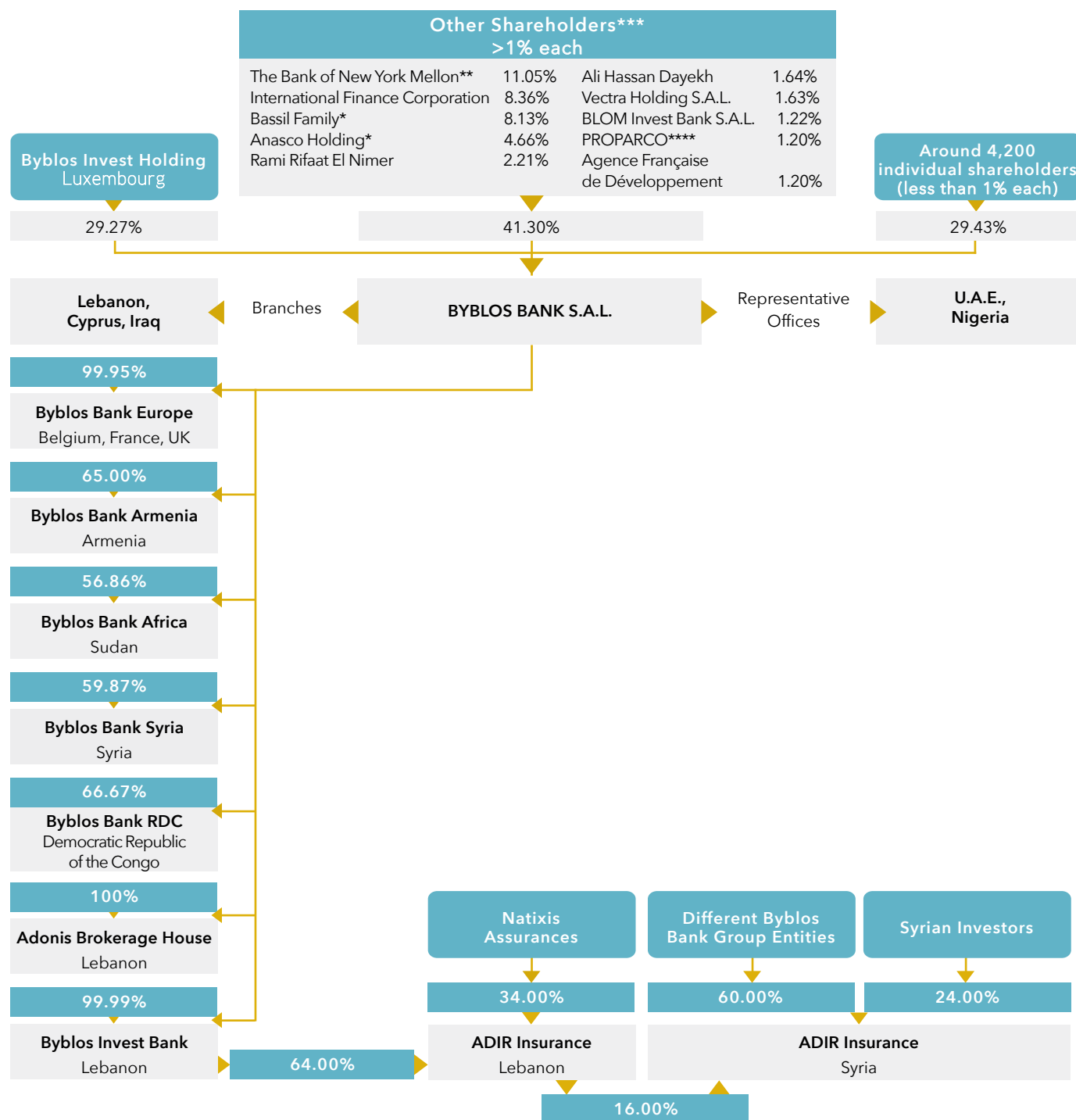
# ORGANIZATIONAL CHART



- International Network
- Group Finance and Administration
- Group Human Resources
- Group Legal Support
- Group Communication
- Group Economic Research and Analysis



# GROUP CHART



\* Major shareholders in Byblos Invest Holding.

\*\* The Bank of New York Mellon is the depository bank for the GDR program.

\*\*\* Including preferred shares, as at 31 December 2015.

\*\*\*\* Société de Promotion et de Participation pour la Coopération Economique.