



**PART III:**  
HUMAN RESOURCES  
IN BANKS OPERATING  
IN LEBANON

# 03



## I- BANKING POPULATION IN 2014

This report describes the status of employees in the Lebanese banking sector for 2014 as per commercial and investment operating banks in Lebanon. We will present a brief overview of the number of banking sector employees and banking population characteristics according to some detailed criteria. We will then present the average cost per employee in the Lebanese banks, relying on his/her net and gross salary, including all benefits. This part concludes with some indicators of productivity in the Lebanese banking sector.

### 01

#### The Banking Population Characteristics

By the end of 2014, the number of employees working in banks operating in Lebanon reached 23,850 distributed as follows: 19,495 employees in Lebanese commercial banks' (31 banks) -i.e. 81.7% of the total banks' employees- 2,732 employees in Lebanese banks with Arab control (10 banks), 95 employees in Lebanese bank (1) with foreign non-Arab control, and 431 employees in the branches of Arab banks operating in Lebanon (9). There are 4 non-Arab Banks which employ 330 persons and 767 employees in the investment banks (16 banks which are all Lebanese joint stock companies).

It is worth noting that while editing this report, some amendments occurred to the list of operating banks in Lebanon:

- "Ahli International Bank s.a.l." registered under n° 84 was removed from the official list of banks after its merger with Fransabank (n° 1), according to BDL decision n° 11926 dated January 8, 2015.
- "Standard Chartered Bank s.a.l." registered under n° 98 changed its designation to read "Cedrus Bank s.a.l. (n° 98)", according to BDL decision n° 11954 dated February 23, 2015.
- "National Bank of Abu Dhabi p.j.s.c." registered under n° 140 will be operating as a representative office of foreign bank, according to the ministry of Commerce and Economy acknowledgment n° 2787 dated October 22, 2014 (O.G. N° 54/2014).

Therefore, the number of operating banks in Lebanon becomes 70 distributed as follows: 32 Lebanese banks (s.a.l.), 9 Lebanese banks with major Arab control, 9 branches of Arab banks, 4 branches of foreign banks, and 16 investment banks.

The Lebanese banking sector continued to provide in 2014 more job opportunities despite the decline of the economic activity and slowdown in growth, unlike what happened in other countries, especially in the major industrialized one. For example, in the framework of restructuring programs and reducing their costs', some US largest banks (6) and

European banks (18) have cancelled jobs by a rate of 7.3% and by 4.1% respectively in 2014. This trend will continue in 2015. Meanwhile the number of employees in the banks operating in Lebanon have increased by 714 persons in 2014 and 499 persons in 2013. The new recruitment in the Lebanese banking sector comes when other sectors are suffering from rising unemployment due to difficult local situation and the large influx of Syrian displaced workers and the competition they generate. The employment increase in the Lebanese banking sector can be attributed to several factors including the increase in banking activity despite its slower growth in the last period, the increase of number of banks' operating branches which attained 1,041 by the end of 2014 and the diversity of services and the specialization in banking activities.

It is well known that the Lebanese banking population is characterized by its youth with a high level of education, competence and expertise, and a significant presence of the female gender.

For the distribution **by gender**, the share of women employees of the total banking population continued to rise up to 46.5% in 2014 (while it represented 45.9% in 2013) against 53.5% of men employees. The women's share in the banking sector exceeds the national female employment rate in Lebanon which is estimated at around 25%.

**For family status**, the percentage of single employees continued to slightly decrease to represent 38.9% of the total number of the banking population by the end of 2014 (50.6% single female and 49.4% single male employees) against 39.2% in 2013. The share of married employees represented 61.6% -of which 56.1% males and 43.9% females- with a total number of dependent children reaching 21,032, with all the implications to banks in terms of family allowances, scholarships and other benefits. Women working in the banking sector, benefit henceforth from the National Social Security Fund allowances for their children if their husbands are not registered at NSSF (by virtue of Law No 483 ratifying the amendments of some provisions of Article 14 of the Social Security Law).

**For age brackets**, no significant changes were registered between the end of years 2013 and 2014. The percentage of employees whose age does not exceed 40 years constituted 58.4% of the total number of the banking population at the end of 2014 (58.1% by the end of 2013). This age bracket follows its national level counterpart. It is useful to note that the bracket of employees under 30 years constitutes the 2/3 of new employments and 50% of the cadre recruited in the French banking sector according to the latest 2013 report of the French Federation of Banks.

The share of employees whose age varies between 40 and 60 years has slightly decreased to 36.7% (37.5% in 2013) of the total number of the banking population at the end of 2014, while the share of employees above 60 years old increased to 5% in 2014 against 4.5% at the end of 2013.

The distribution of bank employees by gender and within the different age brackets shows that the share of male employees exceeds that of female ones in all age brackets, except for the age bracket below 25, where the share of women reached 61.5%, i.e. the new employees within the sector are mainly women. This excess between the two genders increases with aging.

## Distribution of Bank Employees by Gender and Age – end of 2014 (%)

	Below 25 years	25-40 years	40-50 years	50-60 years	Above 60 years
Male (%)	38.5	51.1	55.7	60.2	72.4
Female (%)	61.5	48.9	44.3	39.8	27.6
<b>Total Number</b>	<b>2,037</b>	<b>11,888</b>	<b>4,723</b>	<b>4,020</b>	<b>1,182</b>

The distribution of employees by gender over the different age categories reveals that nearly 64% of total banks female employees are below 40 years, thus exceeding male share in this category (53.7%).

## Distribution of Male and Female Employees by Age Category – end of 2014 (%)

	Below 25 years	25-40 years	40-50 years	50-60 years	Above 60 years	Total number
Male (%)	6.1	47.6	20.6	19.0	6.7	<b>12,763</b>
Female (%)	11.3	52.5	18.9	14.4	2.9	<b>11,087</b>

**For job grades,** we note that the detailed staff distribution by grade is no longer possible in the light of the amendments of the new classification provided by the 2008-2009 Collective Labour Agreement. We will not be able to produce a detailed and comparative study until all bank members apply that same classification. However, we can give a brief idea of this new classification as the pertaining declared number of employees has reached 15,617 persons at the end of 2014, i.e. around 65.5% of the total number of the banking population, of which 79% classified as “Technicians” against 21% as “Cadres”. We remind that “Technicians” occupy jobs that need skills acquired by education, experience and training; and they have the ability to solve problems, to oversee a team work and to have flexible relations with customers. The “Cadres” are the persons that can handle jobs with bigger responsibilities, extensive knowledge, and leadership skills with the ability of decision makers. The female gender constituted 48.2% in the category of technicians and 43.6% in that of cadres. This is in line with the French banking sector where the women position in that category is enhanced. In 2012, (latest available data), 44.6% of the cadre category in French banks were of the female gender. Since 10 years, this professional mixed policy has made the banking profession vanguard in terms of equality between both genders.

**For the level of education,** the share of employees holding a university degree continues to significantly increase across the years to reach 74.8% of the total Lebanese banking

population by the end of 2014 (73.2% by the end of 2013). This is largely due to the recruitment of university graduates in the sector. In fact, their number has increased by 986 employees between the end of 2013 and 2014; 512 female and 384 male employees. In comparison, the new recruited to the French banks are in majority holders of higher education certificates: 90% are holder of the baccalaureate + 2 years or more. Their jobs are related directly with the clients.

In parallel, the percentage of employees holders of baccalaureate or its equivalent (less than a university degree) decreased to 15.2% out of total banking employees in Lebanon by the end of 2014 (15.9% at the end of 2013), and the percentage of employees who did not reach that level of studies has decreased to 10.% (10.9% in 2013).

The distribution of bank employees by gender and education level reveals that the share of women exceeds that of men among the holders of university degrees by the end of 2014, whereas the share of women holders of baccalaureate or its equivalent attained 41.1% against 58.9% for men. The share of women who are of a level below baccalaureate reached 17.3% against 82.7% for men employees, which is in line with the high share of male subaltern employees.

#### Distribution of Bank Employees by Gender and Level of Education – end of 2014 (%)

	Below the baccalaureate level	Baccalaureate or its equivalent	University graduate
Male (%)	82.7	58.9	48.5
Female (%)	17.3	41.1	51.5
<b>Total Number</b>	<b>2,379</b>	<b>3,637</b>	<b>17,834</b>

The distribution of employees by gender and according to the level of education indicates that 83% of bank female employees are university graduates, while those who have not reached the baccalaureate level represent less than 4% of the total number of female employees in the banking sector.

#### Distribution of Male and Female Bank Employees by the Level of Education – end of 2014 (%)

	Below the baccalaureate level	Baccalaureate or its equivalent	University graduate	Total number
Male (%)	15.4	16.8	67.8	12,763
Female (%)	3.7	13.5	82.8	11,087

## 02

## Salaries, Wages and Benefits

In 2014, the total amount of salaries and various allowances allocated by banks to their employees reached LBP 1,720.6 billion against LBP 1583.4 billion in 2013, increasing therefore by 8.7% following an increase of 6.4% in 2013 and 13.2% in 2012. The 2014 increase like in 2013 is due to the increase in the number of employees, the statutory annual raise, the contributions to the NSSF and other benefits according to the Collective Labour Agreement. As for the increase registered in 2012, it was due to the cost of living raise which became effective on February 1st, 2012; according to governmental decree n° 7426 dated January 25th 2012, in addition to the annual statutory raise granted by the banks according to the Collective Labour Agreement.

Therefore, the average annual cost of a bank employee reached around LBP 72.14 million in 2014 (i.e. LBP 6 million per month, on the basis of 12 months) against LBP 68.44 million (i.e. LBP 5.7 million per month, on the basis of 12 months) in 2013; an increase rate of 5.4%. Knowing that the salary level and the amount of allowances differ from one employee to another according to several criteria, among which, ranking, seniority, level of education, family status, bank policy on salaries, and bank category and size.

As for the distribution of salaries and benefits, the share of **salaries** represented 61.3% of the total cost (salaries and benefits) in 2014. The total salaries amounted to LBP 1,055.4 billion against LBP 990 billion in 2013, i.e. an increase of 6.6%. This increase is explained by the increase in the number of employees (714 in 2014 and 499 in 2013) and by the annual raise given by banks to their employees. Therefore, the **average monthly basic salary** of a bank employee increased in 2014 to LBP 2.77 million, on the basis of 16 months (as stipulated in the Collective Labour Agreement) against LBP 2.67 million, on the basis of 16 months in 2013.

**The Family Allowances** represented 2.1% of the total cost paid by banks to employees in 2014, amounting to LBP 36.1 billion against LBP 35.2 billion in 2013, i.e. an increase of 2.5%. These allowances are composed of contributions to the National Social Security Fund based on employees' salaries. The contribution of banks has been 6% since April 1st, 2001. According to the Collective Labour Agreement, banks pay in addition to the contributions required by NSSF (LBP 33 thousand for one child and LBP 60 thousand for the spouse), additional allowances for dependent child of 50%, and for the spouse of 75% of the respective amounts stated by NSSF regulation. In 2014, contributions to the NSSF increased by 3.4% in accordance with the higher number of married employees and their benefiting children; noting that female employees, beginning 2003, benefit from family allowances for their children if the conditions stated by NSSF are fulfilled.

Bank contributions to **health allowances and maternity or what is commonly known as health insurance** represented 4.9% of the total cost paid by banks to employees in 2014. The value of these allowances increased to reach LBP 83.5 billion in 2014 against LBP 79.4 billion in 2013, i.e. an increase rate of 5.2%. These allowances include contributions

paid by banks to the NSSF, knowing that the rate applied to that division is 7% (and 2% deducted from the employee's salary) knowing that the monthly salary ceiling subject to that rate has been upgraded to LBP 2.5 million instead of LBP 1.5 million in the beginning of 2013, in addition to the surplus, which is not covered by the NSSF and granted by banks to their employees. Contributions increased by 5.2% in 2014 in comparison with 2013 and surplus increased by 5.1%. This is due to the increase in the number of employees and their dependent children, and the increase of health allowance provided by the banks according to the latest Collective Labour Agreement, the cost of hospitalization and probably higher cases of sickness.

The **end-of-service indemnities** represented 13.1% of the total cost paid by banks to employees by the end of 2014, amounting to LBP 225.8 billion against LBP 195.1 billion in 2013, i.e. an increase of 15.8%. This is due to the increase in provisions by 21.7% while banks contribution to the NSSF increased by 9%. It is mainly due to the high number of newly recruited in 2014. It is worthy to note here that the contribution rate paid by banks to NSSF for end-of-service indemnities is 8.5% of the aggregate income subject to taxes.

The amount of **other benefits** paid by banks to their employees represented nearly 18.6% of the total cost (salaries and benefits) by the end of 2014. Their value amounted to LBP 319.9 billion against LBP 283.7 billion in 2013, i.e. an increase of 12.8%. These benefits include bonuses, education allowances (20.5% of total other benefits in 2014), transportation allowances (20.3%), cashier allowances, marriage and maternity allowances, representation fees, clothing, and others. The other benefits' increase is partly due to the improvement of some of the allowances and benefits stated in the Collective Labour Agreement 2013-2014.

**Education Allowances:** They reached LBP 65.7 billion in 2014 against LBP 65 billion in 2013, i.e. an increase of 1.1%. This is due to the increase of the education allowance according to the Collective Labour Agreement 2013-2014 which was duly signed on July 31, 2013. The dependent children of bank employees registered in private schools were 13,214 in 2014 and the allowances paid by banks to their employees amounted to LBP 47,553 million, i.e. an average of LBP 3.600 million per student (knowing that the scholarship according to the latest Collective Labour Agreement is set at LBP 3,500 thousand per student). The number of children registered in private universities was 2,650, and the allowances paid by banks to their employees amounted to LBP 16,698 million, i.e. an average of nearly LBP 6 millions and three hundred and one thousand per student (LBP 5,500 thousand per student according to the Collective Labour Agreement). **These figures indicate that some banks are granting education allowances exceeding the amounts stipulated by the terms of the Collective Labour Agreement.**

The number of children of employees registered in public schools was 164 in 2014, and the total allowances paid by banks to their employees amounted to LBP 263 million, i.e. an average of LBP one million five hundred thousand per student which is nearly the amount per student stated in the Collective Labour Agreement. Parents of children registered in the Lebanese University (586 students in 2014) benefited from a total amount of LBP 1,183 million, knowing that the amount stipulated in the Collective Labour Agreement is LBP 3 million per student.



**Transportation Allowances:** Their value increased to reach LBP 64.9 billion in 2014 against 63 billion in 2013. This is due to the increase in the number of employees in light of the decrease of the average price of 20 litres of gasoline from LBP 34,250 in 2013 to LBP 33,083 in 2014 as circulated by the Association of Banks in Lebanon to its members on a monthly basis. We note that the average price of a barrel of oil dropped from about USD 108 in 2013 to nearly USD 99 in 2014.

It is worth noting that the Collective Labour Agreement is signed and revised on periodic basis by the Association of Banks and the Syndicate of Banks' Employees. This Agreement sets the relationship between the administrations of bank members of ABL, on the one hand, and employees of banks in Lebanon, on the other. This agreement determines, in its various chapters and annexes, all that relates to allowances, benefits, indemnities, raises, leaves, medical care, salary scale, and different relevant topics. It also imposes the application of the new regime classification, and lately it has established the Post-End-of Service **hospitalization system** to secure the deep commitment of banks and the Association to ensure the best living conditions to employees of the banking sector throughout their life.

### 03

#### Productivity

Banks operating in Lebanon are seeking to increase the productivity of their employees by many means which are reflected through training and development of human resources, investment in fixed assets and staff related costs.

In terms of human resources, banks operating in Lebanon like banks across the world, allocate significant amounts of funds to train and develop their employees, being well aware that human resources have become an essential element to improve banking activity and increase the productivity of the institution. In Lebanon, the training and development of employees in the Lebanese banking sector is of great interest to bank management. In this context, and since 1991, the **Training Department** has been following bank activities in this regard, within the framework of the Secretariat General of the Association of Banks in Lebanon. The Department organizes various training sessions going hand in hand with the local and international developments and catering for the training needs of banks. Moreover, some banks have created internal centres (in house) for the training and development of their employees. Some employees are also sent abroad to attend specialized sessions or some experienced trainers are brought to Lebanon so that bank employees benefit from their knowledge and competences.

On the other hand, some bank employees attended in 2014, the banking classes at the **Higher Institute of Banking Studies (ISEB)** which was created according to Decree n° 9749 dated January 24, 2013 and published in the Official Gazette n° 4/2013. The Institute started its academic activities in 2013-2014 under the supervision of a joint Board of Directors, representing Saint-Joseph University and the Association of Banks in Lebanon. ISEB is eligible to deliver degrees and higher studies diplomas to its registered

students. The Association and the USJ share its ownership equally.

We note that according to BDL circular n° 103, the Banque du Liban (BDL) determines the framework of scientific, technical and moral qualifications required from the authorized persons to exercise some activities in the banking and financial sectors. Also, the accompanying of the global developments in the banking industry imposes the continuous pursuit of specialized courses in several areas, including anti-money laundering and terrorism financing (compliance) and the US tax Law (FATCA).

For comparison, the French banks allocate about 4% of the total salaries (around 2,000 Euros per annum and per employee) for the professional training against 800 Euros for other combined sectors, thus allowing the promotion of skills and progress within the bank and encouraging individual advancement. Every 2 of 3 employees in the banking sector benefit from, at least, an annual training activity.

In terms of fixed assets, banks allocate large amounts of funds in the fields of information technology and communications, hardware, software, modern electronic equipment, and services to meet customer needs by fast and secure modern services and to improve the internal work and reduce costs thus increasing productivity.

Underscoring the already recognized high productivity of the Lebanese banking sector is its contribution to about 5.7% of gross domestic product or GDP (sector salaries and benefits and allowances + profits / GDP) in 2014:  $(2,536 + 1,721) / 74,642 = 5.7\%$  while the sector employs a small share of the labor force in Lebanon. It also appears that the ratio of total assets, total deposits, and total capital as percent to the number of employees in the sector is improving while the ratio of net profits/number of employees is stable; the cost to income ratio measured by the staff expenses and other general operating expenses to the net financial income registered an increase since 2011 after its decline in the previous years.

### Employees' Productivity Indicators in the Lebanese Banking Sector

	End of 2011	End of 2012	End of 2013	End of 2014
Cost/income (%)	47.7	52.1	52.5	57.9
Total assets/number of employees (million USD)	6.62	6.89	7.30	7.54
Deposits of clients/number of employees (million USD)	5.40	5.62	5.97	6.14
Total capital/number of employees (million USD)	0.53	0.60	0.66	0.71
Net profits/number of employees (000 USD)	72.48	69.62	70.89	70.99

Sources: BDL -ABL

## II- ACTIVITIES OF THE TRAINING DEPARTMENT

### 01

#### General Overview

The Training Department continues, within the General Secretariat at the Association of Banks in Lebanon (ABL), and for twenty three consecutive years, to organize training programs for the employees of its banks and representative offices members. The purpose of these activities focuses on enriching employees' knowledge and competencies, developing their personal and professional abilities, thus, bringing the sector to higher echelons. Every year, the Training Department updates the content of its programs according to the latest developments in the banking industry, as well as the methodology used in its training activities to be in line with the international innovations in training methods and systems.

During 2014, the Training Department was able to maintain its position in training the employees of the banking sector in addition to a small number of financial institutions and public sector employees. The training activities attracted almost 2000 participants in 2014. Throughout the 25 topics which have been covered this year, either as seminars of different types or conferences, the Training Department focused on supplementing subjects that were offered in previous years, such as UCP, IAS & IFRS. Moreover, the Training Department developed some of the subjects found regularly in its training programs since a long date, such as the legal aspects of banking operations, the loan contract, its guarantees and implementation, and improving management skills of managers, supervisors and others. New themes were introduced last year such as the Foreign Account Tax Compliance Act (FATCA), the Methods & uses of funds transfer pricing process, and Cyber fraud prevention technologies and services. The Training Department has also organized a conference on banking activity, ABL role and UCP, for 23 officers in the Lebanese army, in cooperation with the Institute of Finance/ Ministry of Finance.

The Training Department participated in the preparation of a number of local and international conferences. It participated actively besides ABL President in the UBF (Union des banques francophones) conference in Brussels (April 2014) about financial education.

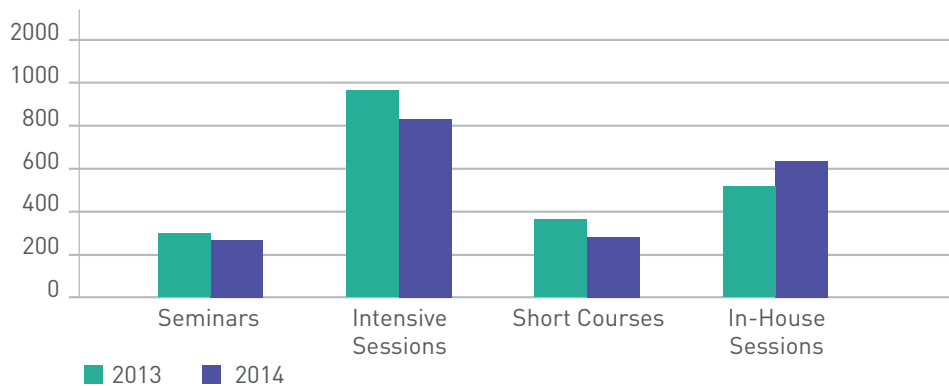
As in previous years, the Training Department has committed itself to execute its annual program as approved by ABL's Board of directors and published at the beginning of the year on ABL's website [www.abl.org.lb](http://www.abl.org.lb) under "Training Department" section. Banks are communicating with ABL, through this website, to register their employees in the different activities and to submit their comments and suggestions.

## 02

### Distribution of the Training Department Activities

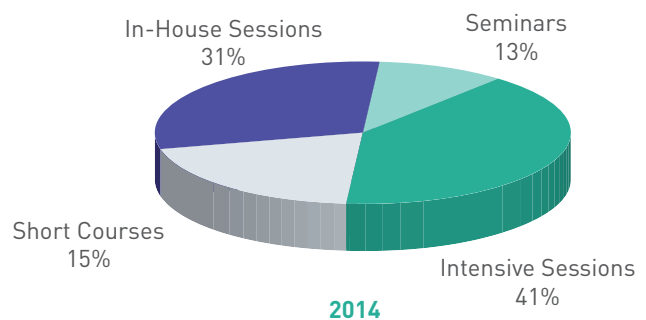
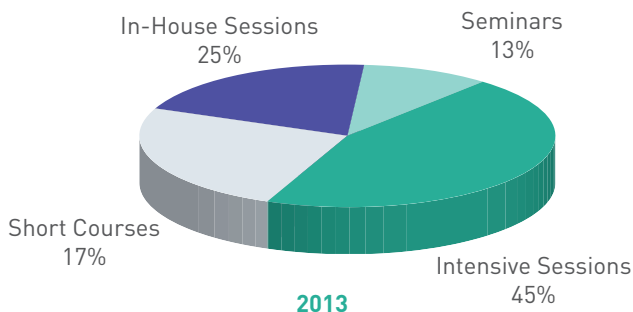
During the last year, the training activities at ABL have been run in various forms, depending on topics' specificities and banks' requests. The distribution of participants in the various training activities of 2014, as compared to that of the previous year, is shown in the graph below. The internal training sessions have attracted comparatively a large number of participants, whereas the number of participants in other training categories has slightly diminished.

#### Participants' Distribution by Type of Training Activities During 2013-2014



In comparing the distribution of participants by type of training activity, for the years 2013 and 2014, as shown in the graph below, we can notice a similarity between the total number of participants in the different training activities, whereas we notice a divergence between the number of participants in the intensive sessions, the short courses, and the internal sessions, but in different proportions. We also notice a partial difference in the number of participants to the conferences.

#### The Graph Below Shows the Distribution of Participants in the Various Training Activities in 2013 and 2014:



**Hereafter, the details concerning the content of the different types of training activities for the year 2014:**

**a- Seminars and Conferences**

In 2014, the duration of each of these activities was three to four hours. New subjects were handled in all of them. They were organized in cooperation with the Institute of Finance/ Ministry of Finance, the Special Investigation Commission (SIC), and other local and international organizations and institutions.

These activities attracted 261 participants, of whom 117 persons participated in the conference on Fighting Money Laundering. The conference on compliance to international rules and regulations including the "Foreign Account Tax Compliance Act (FATCA)" attracted 54 participants. This subject takes a great deal of importance in ABL activities as we notice in the different categories of training for this year.

Themes	Nb of persons	Nb of banks
Cyber Fraud Prevention technologies and services <sup>1*</sup>	67	35
Last updates on Fighting Money Laundering and FATCA	54	39
Banking activity, role of ABL and documentary credit operations <sup>2*</sup>	23	-
Fighting Money Laundering (2 sessions) <sup>3*</sup>	61	1
Practical aspects of BDL circular number 371 and its amendments	56	51
<b>Total</b>	<b>261</b>	<b>51</b>

<sup>1\*</sup> in cooperation with "Kaspersky Lab"

<sup>2\*</sup> in cooperation with the "Institut des Finances"/Ministry of Finance in the framework of "Reinforcing skills in financial management for the Lebanese army officers."

<sup>3\*</sup> in cooperation with "Special Investigation Commission".

**b- Intensive training sessions and workshops**

These activities aimed at developing the capacities of participants in the banking field through lectures and case studies. Each of these activities lasted from one to five days.

In 2014, the Training Department focused on these activities which attracted 953 participants. They all had 7709 hours of training, which means an average of 33.67 hours per participant. As usual, banks participated intensely in the "Fighting Money Laundering" workshop held in cooperation with SIC on one hand, and on the other hand, in subjects as "Loan Grading", "IAS-IFRS", "Loan administration & review" and "Problem Loans & Remedial Solutions". In overall, the Training Department organized 31 intensive sessions that covered 17 different subjects during this year. And it cooperated

with local and foreign experts to deliver these sessions. For instance, it cooperated with an international expert in internal audit who works for the training institute related to the Hellenic Bank Association to deliver the training on "Writing internal audit reports"; it also cooperated with an international expert who is Lebanese and works for the International Labor Organization and for the Institute of Finance / Ministry of Finance to deliver the "Procurement: Purchasing & contract management" seminar.

The table in annex shows the different subjects discussed as well as the number of training hours for each session, the details concerning the participants and their distribution by gender, seniority and grade.

#### **c- Short Courses**

These activities aimed at developing employees of various categories in different departments, in different fields of the banking industry. The training was delivered as courses and practical cases during afternoon sessions, twice or three times a week, over a period of one or two months. 289 employees participated in these sessions, among whom 156 attended the Banking English Training Program that is scheduled three times a year and for six knowledge levels. The "Legal Aspects of Banking Operations" subject was handled and repeated twice. Hence, the total number of groups that attended short courses is 8 and the table in annex shows all details about the number of sessions and the participants.

#### **d- In-House Sessions**

These activities aimed at assisting the training departments in banks in elaborating and organizing specific training programs that suit the banks requirements and needs. This type of training was very attractive to banks during 2014; hence 26 in-house sessions were organized. The workshop on "Fighting Money Laundering" was organized 19 times and 453 employees participated to it. Another topic was covered in the frame of in-house training and employees from 5 different banks have participated to it.

## 03

### Participants' Characteristics

The statistical information about the participants in the intensive sessions, short courses and in-house activities during 2014, as shown in annexed table 1, reveal that 1 734 persons attended these activities and they had training for 21 080 hours, which means an average of 12.16 hours for each trainee.

The Training Department collects statistical information concerning the gender, the grade and the seniority of participants, except for the attendees of the conferences (261).

Contrary to what was happening in the two previous years, the number of men exceeded the number of women who participated in all categories of training. The new recruited employees participated mostly in the short courses. And the employees with more than 10 years of experience participated in the intensive and in-house sessions.

# 03

## HUMAN RESOURCES IN THE BANKS OPERATING IN LEBANON

Percentage of participation in intensive, in-house and short courses by gender and years of employees' experience

### Percentage of Participation in Intensive, In-House and Short Courses by Gender and Years of Employees' Experience

	Intensive sessions	Short Courses	In-house sessions
Female	45.7%	48.1%	41.7%
Male	54.3%	51.9%	58.3%
Less than 5 years	30.7%	38.8%	21.9%
5-10 years	26.3%	24.2%	12.9%
More than 10 years	43.0%	37.0%	65.2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

# 04

## Other Related Activities

- Organizing the international exam "Certified Documentary Credit Specialist" (CDCS): the Training Department continues to supervise the CDCS exam which is organized in cooperation with the "Institute of Financial Services". 15 candidates sat for the exam on 11 April 2014 among whom participants from Iraq and Syria. According to the results, the number of persons holding this certificate in Lebanon went up to 99 persons.
- The Training Department has also supervised the preparation, editing and publishing of the "Banking Population in 2013" survey, which covered 19 365 employees working in 46 banks among 70 existing banks by 31 December 2013. They represent 83.7% of the banking sector employees. This study is the fourth of its kind (1994-2000-2005) and is based on information provided by participating banks about their employees according to a unified application. The study covers many aspects of the human resources in banks: demographic and social aspects, employment structure, training and development, labor movement, salaries and bonuses ... The study enables us to analyze the trends in the banking management field, by comparing the present situation to that of eight years ago, or even 13 years before.

## 05

### Training Evaluation

ABL's General Secretariat follows on the activities of the Training Department with great interest, through participants' comments filled on an evaluation form at the end of every training activity, and through communicating with the general management of banks to detect the direct and indirect effects of training activities.

At the end of 2014, banks have appreciated the selection of training topics as well as the trainers. In fact, some banks asked the Training Department to organize in-house sessions for their employees under its supervision at ABL.

We would like to seize the opportunity to highlight the importance of the continuing cooperation between the banks' management and the General Secretariat at ABL for the choice of training subjects that fulfill their employees' needs. Also, the present interaction between human resources departments in banks and the Training Department should be maintained, especially at the level of ABL's Human Resources and Social Affairs Committee, therefore the training will be conducted in the required manner which helps in the development of the banking activity.



### Distribution of Participants to the Intensive Training Sessions, Short Courses and In-House Sessions (2014)

Themes	Number of participants	Distribution by gender		Distribution by seniority			Distribution by grade			Number of banks	Number of training hours by session	Number of total training hours
		Female	Male	Less than 5 years	5-10 years	More than 10 years	Technicians	Middle Level cadres	High Level Cadres			
<b>Intensive Sessions</b>												
Conflict Management	13	3	10	2	3	8	7	3	3	7	14	182
UCP 600 and ISBP 745	31	12	19	11	9	11	26	1	4	17	14	434
Emotional Intelligence (2 sessions)	32	12	20	11	13	8	28	3	1	11	7	224
Procurement: Purchasing and contract management	30	13	17	9	7	14	24	2	4	18	14	420
Financial threats analysis, forensics and investigation	13	10	3	4	5	4	9	3	1	8	40	520
Letters of guarantees	29	11	18	3	10	16	24	4	1	16	21	609
Presentation and public speaking	10	3	7	4	2	4	7	3	0	6	12	120
Effective internal audit report writing	32	18	14	12	10	10	26	3	3	18	14	448
Credit contract: conditions, guarantees and banks' responsibility	48	21	27	8	20	20	44	1	3	13	14	672
Process of funds transfer pricing and methods	35	24	11	7	10	18	23	3	9	21	14	490
Fighting Money Laundering (13 sessions)	263	124	139	99	54	110	220	18	25	50	4	1052
Loan Grading (2 sessions)	70	32	38	18	26	26	59	4	7	28	8	560
Loan Administration and review	64	23	41	14	18	32	57	6	1	22	7	448
Problem loans and remedial solutions	50	24	26	10	14	26	38	9	3	18	7	350
IAS - IFRS	64	41	23	25	7	32	41	14	9	29	11	704
Performance Appraisal	17	2	15	6	4	7	12	1	4	12	14	238
Recruitment process & interviewing and selecting skills	17	1	16	8	3	6	13	2	2	14	14	238
<b>Sub-Total</b>	<b>818</b>	<b>374</b>	<b>444</b>	<b>251</b>	<b>215</b>	<b>352</b>	<b>658</b>	<b>80</b>	<b>80</b>	<b>50</b>	<b>229</b>	<b>7709</b>

Themes	Number of participants	Distribution by gender		Distribution by seniority			Distribution by grade			Number of banks	Number of training hours by session	Number of total training hours
		Female	Male	Less than 5 years	5-10 years	More than 10 years	Technicians	Middle Level cadres	High Level Cadres			
<b>Short Courses</b>												
Legal Aspects of Banking Operations (2 sessions)	51	31	20	17	11	23	46	4	1	12	21	1071
Office management	24	1	23	7	4	13	23	1	0	17	24	576
Legal and regulatory aspects of personal management	34	9	25	10	7	17	22	6	6	22	18	612
Assets and Liabilities management in banks	24	8	16	15	3	6	21	2	1	10	15	360
Developing English Language Skills (3 sessions)	156	90	66	63	45	48	151	1	4	24	55	8745
<b>Sub-Total</b>	<b>289</b>	<b>139</b>	<b>150</b>	<b>112</b>	<b>70</b>	<b>107</b>	<b>263</b>	<b>14</b>	<b>12</b>	<b>24</b>	<b>133</b>	<b>11364</b>

Themes	Number of participants	Distribution by gender		Distribution by seniority			Distribution by grade			Number of banks	Number of training hours by session	Number of total training hours
		Female	Male	Less than 5 years	5-10 years	More than 10 years	Technicians	Middle Level cadres	High Level Cadres			
<b>In-House Sessions</b>												
Legal Aspects of Banking Operations (7 sessions)	174	78	96	98	24	52	169	4	1	5	21	195
Fighting Money Laundering (19 sessions)	453	183	270	39	57	357	348	37	68	6	4	1812
<b>Sub-Total</b>	<b>627</b>	<b>261</b>	<b>366</b>	<b>137</b>	<b>81</b>	<b>409</b>	<b>517</b>	<b>41</b>	<b>69</b>	<b>11</b>	<b>25</b>	<b>2007</b>
<b>Total</b>	<b>1734</b>	<b>774</b>	<b>960</b>	<b>500</b>	<b>366</b>	<b>868</b>	<b>1438</b>	<b>135</b>	<b>161</b>	<b>50</b>	<b>387</b>	<b>21080</b>

### III- ACTIVITIES OF THE HIGHER INSTITUTE FOR BANKING STUDIES – ACADEMIC YEAR 2013 – 2014

The Higher institute for banking studies (ISEB) was established subsequently to the issuance of the ministerial decree n° 9749 that appeared in the official gazette on January 27th, 2013 as a partnership between the Association of Banks in Lebanon (ABL) and the Saint-Joseph University (USJ), where both parties are equally represented in its Board of Directors.

Under this partnership, the Higher institute for banking studies (ISEB) will be enabled to take advantage of university experience in teaching and the expertise of professional association body in knowledge and techniques required to practice in the Banking field, so the graduates will have better access and integration in financial sectors and especially in banking without any need to long rehabilitation period of time specially because the courses program focuses on both academic and professional.

The registration in Bachelor's program had started during the academic year 2013-2014 and the Master program on 2014-2015. Moreover, the Institute continues to respect all the past commitments in the activities that were initiated by the Centre for banking studies (CEB) during last 46 years and its raison d'être has stopped since the ISEB started its activities. The institute has kept CEB archive and it will accomplish all the programs that have been started by CEB and they don't conflict with its missions.

Based on that, the ISEB had launched modern educational programs for Bachelors & Masters along with the needed skills in local and international financial sectors. These programs will be reviewed periodically along with the development in banking sectorial requirements.

The number of the new registered students for the first year in Bachelor degree was eight students and some forty five other students with specialized Diploma in Banking studies were registered to pursue their Bachelor studies. Meanwhile, the launching of the Master degree took place on September 2014.

For further information on the new institute, please visit our web site: [www.iseb.usj.edu.lb](http://www.iseb.usj.edu.lb)

We summarize here below the activities as well as the current and future projects for the Higher institute for banking studies (ISEB).

#### 01

##### The Bachelor Degree In Banking Studies

Eight students had started in the first year; some of those finished the two semesters' courses, while 15 students were registered in the 2014-2015 academic year.

Meanwhile, 45 students were registered in the Specialized Banking studies Bachelor (60 credits) and 37 of those finished all requirement and were the first promotion of acquiring the Bachelor in Banking Studies. It is worth mentioning that 11 of those had already another Bachelor degree in Economics, Finance or Business, so they only got 24 credits from the 60 credits to be achieved.

## 02

Specialized Diploma in Banking Studies, Known in French as Diplôme D'études Spécialisées De Banque (Desb).

### a- The Registration in the Specialized Diploma in Banking Studies

Created in 1996, The Specialized Diploma in Banking Studies targets participants from baccalaureate to higher education, and is recommended to the new banks' employees. This program facilitates the integration of the candidates, and helps them promote their skills by updating their information related to banks' environment and new banking techniques. It has a duration of three years for the Lebanese Baccalaureate holders and two-year duration for holders of bachelor degrees in Economics or Business Administration. The already registered students will continue the pre-set program during the academic years 2013-2014 and 2014-2015 under the ISEB supervision.

The number of registered students for the academic year 2013/2014, in the first and second years of the curriculum (after the preparatory year) amounted to 56 employees. These students were distributed among different academic years and sections, as shown in the following table:

Year	Section	Nbr. of registered	Nbr. of accepted
<b>First</b>	Arabic – French	13	13
	Arabic - English	07	07
<b>Second</b>	Arabic – French	18	18
	Arabic - English	18	18
<b>Total</b>	<b>A/E and A/F</b>	<b>56</b>	<b>56</b>

b- 35 students have become holders of this diploma at the end of the 2013/2014 academic year.

The total number of students holding the DESB since 1998 / 1999 is 793 students.

## 03

Advanced Diploma in Bank Management, Known in French as Diplôme Supérieur En Gestion Bancaire (DSGB).

### a- The registration in the Advanced Diploma in Bank Management

Created in the year 2000, this program aims at rehabilitating competent middle managers and targets the officers with a global banking knowledge, enhancing their administrative and professional performance, and giving them the opportunity to adapt to developments and changes in order to better assume their responsibilities. The DSGB targets bank employees with a multilateral banking experience of more

than six years and holders of a university degree (baccalaureate + 3 years minimum) or the Specialized Diploma in Banking Studies. The program duration is for sixteen months excluding August.

The registered students in 2013 have accomplished their courses during 2013-2014. Those who passed successfully the writing and oral exams have to prepare a brief research paper in one of different banking fields for obtaining the Advanced Diploma in Bank Management. The selection of direct linked topics to banking profession was highly recommended to students; among those, we can find:

- The structural relationship between the bank and its clients – Lebanese case.
- The future of branches in the Lebanese banking sector.
- The working environment in the Lebanese banking sector – A practical case for a specific bank.
- The Client approach in retail banking services in Lebanese banks.

In that regard, the ISEB won't publish any paper that includes private or confidential information on the banks. Furthermore, the students who passed the exams from 2008 till 2011 were given a deadline till end of 2014 to register for their research papers and to submit it before end of 2015. However, the students who ended their studies in 2014 should submit their papers before 15/06/2016.

## 04

### Program Of Specialized Certificates

#### a- The "Credit" Certificate

As per the success of the previous Credit sessions organized since 2005 by the Centre for Banking Studies, the ISEB had launched a similar session in 2014 after adding some modifications that occurred from the supervisory authorities along with international standards about credit operations and its risks.

This certificate consists in 2014 of 2 separate programs:

##### 1- Credit for Individuals and SME (43 hours).

This certificate is composed of 2 parts.

- a) Credit for Individuals and SME (31 hours)
- b) Bad debt recovery (12 hours)

##### 2- Credit for corporations (36 hours)

Those who want to follow the program of the second certificate must have obtained the above mentioned first certificate.

The participants of the 2014 session were segregated as following:

Part	Date	Registered Number	Admitted Number
1-a-1	March 24th – April 16th (1st group)	29	26*
1-a-2	May 19th – June 11th (2nd group)	21	14
1-b	May 07th – 26th	30	21*
2	June 10th – July 9th	29	21*

\* Includes the number of candidates who presented the exam without attending the courses in 2014.

**b- “Foreign Exchange” certificate**

In cooperation with the Financial Markets Association of Lebanon, ISEB has organized a preparatory training session for the “ACI Dealing Certificate” from 9 till 11 June 2014 in the ISEB venue. Some 16 participants belonging to 11 banking organizations have participated knowing that the participants to the session can normally sit for an examination in accredited centers in different locations in Lebanon through the web.

**c- Two sessions on Information Technology Management**

In cooperation with the Association of Information Systems Supervision (ISACA – Lebanon), the ISEB had organized a training session on the two international topics: “COBIT 5 Foundation” & “COBIT 5 Implementation”, where some 16 banking employees have participated on March 17 & 18, 2014 to the first topic, and only 3 persons were registered and attended on March 19, 20 and 21st the second one, knowing that all participants have presented the final exam online under the supervision of an accredited ISACA associate at ISEB.

**d- Preparing candidates for “Lebanese Financial Regulations” exam**

The ISEB has organized two preparatory specialized sessions to present the examination on “Lebanese Financial Regulations” along with the Central Bank circular # 103. Two groups of 50 candidates from the banking sector were registered during the period September 1, 2013 till end of August 2014; Moreover, the ISEB has organized 5 review sessions for more than 200 candidates that didn’t pass the exam and had to focus on some queries in the program.

## 05

### Current and Future Projects

The academic year 2014/2015 is full of new projects for the institute, starting by the inauguration of the first year program of Master degree in Banking studies as well the special curriculum of Master for the advanced Diploma in Banking Studies candidates.

Furthermore, we continue to follow up the administrative process including the marketing efforts to inform holders of Lebanese Baccalaureate about the Bachelor program and to get potential candidates among the Economics & Business graduates for the Master degree that has been launched in September 2014, mainly for those who are employed in the banking sector.

Additionally, the institute would enhance cooperation with professional corporations on training sessions.