

03

PART 3: HUMAN RESSOURCES IN THE LEBANESE BANKING SECTOR

I- Banking Population in 2013

This report describes the status of employees in the Lebanese banking sector in 2013. 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, relying on his/her net and gross salary, including all benefits. This part concludes with some indicators of productivity in the Lebanese banking sector that managed to survive all local and external pressures.

1-1 The banking population characteristics

By the end of 2013, the number of employees working in **banks operating in Lebanon** reached 23,136 distributed as follows: 21,629 employees in Lebanese commercial banks' (42 banks), 734 employees in branches of Arab and foreign banks (11 banks), and 773 employees working in investment banks (17 banks which all are Lebanese corporations s.a.l).

In 2013, the number of employees increased by 499 persons with an increase rate of 2.2% compared to 2012 where the number of employees registered 22,637. The new recruitment in the 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 banks' higher volume of activities despite a slower pace growth in the last two years, the increase of number of banks' operating branches which attained 1007 by the end of 2013 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 represented 45.9% of the total banking population by the end of 2013 against 54.1% of men employees. The women's share in the banking sector exceeded 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 39.2% of the total number of the banking population at the end 2013 (49.9% single female and 50.1% single male employees) against 39.5% in 2012. The share of married employees represent 60.8% -of which 56.6% males and 43.4% females- with a total number of dependent children reaching 20,995,

with all the implications to banks in terms of family allowances, scholarships and other benefits. Women working in the banking sector, like in all other Lebanese economic sectors, 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 2012 and 2013. The percentage of employees whose age does not exceed 40 years constituted 58% (8.8% under 25 years of age and 49.2% between 25 and 40 years). This age bracket follows its national level counterpart. The share of employees whose age varies between 40 and 60 years represented 37.5% of the banking population by the end of 2013 (20.4% for the age bracket between 40 and 50 years old; 17.1% for the age bracket between 50 and 60 years old). The share of employees above 60 years old stabilized at 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 exceeded 57.7%, 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 2013 (%)

| | Below 25 years | 25-40 years | 40-50 years | 50-60 years | Above 60 years |
|---------------------|----------------|---------------|--------------|--------------|----------------|
| Male (%) | 42.3 | 50.8 | 56.2 | 61.3 | 75.0 |
| Female (%) | 57.7 | 49.2 | 43.8 | 38.7 | 25.0 |
| Total Number | 2,039 | 11,392 | 4,710 | 3,949 | 1,046 |

The distribution of employees by gender over the different age categories reveals that 64% of total banks female employees are below 40 years thus exceeding male share in this category, while male employees dominate higher age brackets.

Distribution of male and female employees by age category – End of 2013 (%)

| | Below 25 years | 25-40 years | 40-50 years | 50-60 years | Above 60 years | Total Number |
|------------|----------------|-------------|-------------|-------------|----------------|---------------|
| Male (%) | 6.9 | 46.3 | 21.2 | 19.4 | 6.3 | 12,506 |
| Female (%) | 11.1 | 52.7 | 19.4 | 14.4 | 2.5 | 10,630 |

For job grades, we note in this paragraph that according to the Collective Labour Agreement 2008-2009, banks have to adopt the new classification. We will not be able to produce for the year 2013 a detailed and comparative study until all bank members apply that same classification.

For the level of education, the share of employees holding a university degree continues to significantly increase across the years to reach 73.2% of the total Lebanese banking population by the end of 2013 (72.2% by the end of 2012). This is partially due to the recruitment of university graduates in the sector. In parallel, the percentage of employees holders of baccalaureate or its equivalent (less than a university degree) decreased to 15.9% by the end of 2013 (16.7% at the end of 2012), and the percentage of employees who did not reach this level of studies has decreased to 10.9% (11.1% in 2012).

The distribution of bank employees by gender and education level reveals that the share of women slightly exceeds that of men among the holders of university degrees by the end of 2013, whereas the share of women holders of baccalaureate or its equivalent attained 40.8% against 59.2% for men. The share of women who are of a level below baccalaureate amounted in this category to 18.4% against 81.6% 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 2013 (%)

| | Below the baccalaureate level | Baccalaureate or its equivalent | University graduate |
|---------------------|-------------------------------|---------------------------------|---------------------|
| Male (%) | 81.6 | 59.2 | 48.8 |
| Female (%) | 18.4 | 40.8 | 51.2 |
| Total Number | 2,523 | 3,675 | 16,938 |

The distribution of employees by gender and according to the level of education indicates that 81.5% of bank female employees are university graduates, while those who have not reached the baccalaureate level represent less than 5% 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 2013 (%)

| | Below the baccalaureate level | Baccalaureate or its equivalent | University graduate | Total Number |
|------------|-------------------------------|---------------------------------|---------------------|--------------|
| Male (%) | 16.5 | 17.4 | 66.1 | 12,506 |
| Female (%) | 4.4 | 14.1 | 81.5 | 10,630 |

2-1 Salaries, Wages and Benefits

In 2013, the total amount of salaries and various allowances allocated by banks to their employees reached LBP 1,583.4 billion against LBP 1,488.2 billion in 2012, increasing therefore by LBP 95.2 billion or by 6.4% in 2013 compared to an increase of 13.2% in 2012. This increase 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.

It is worthy to note that taxes paid on salaries of the employees of the banking sector represent 28% of the total taxes of salaries in Lebanon, knowing that the number of the banking population represent less than 4% of aggregate employees in both private and public sectors!!!

The average annual cost of a bank employee reached LBP 68.44 million in 2013 (i.e. LBP 5.70 million per month, on the basis of 12 months) against LBP 65.74 million (i.e. LBP 5.48 million per month, on the basis of 12 months) in 2012. 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 alone** represented 62.5% of the total cost (salaries and benefits) in 2013. The total salaries amounted to LBP 990.7 billion against LBP 940.7 billion in 2012, i.e. an increase of 5.2%. This increase is explained by the increase in the number of employees and by the annual raise given by banks to their employees according to the Collective Labour Agreement. Therefore, the **average monthly basic salary** of a bank employee increased in 2013 to LBP 2.67 million, on the basis of 16 months (as stipulated in the Collective Labour Agreement) against LBP 2.6 million, on the basis of 16 months in 2012. Therefore, in 2013, the monthly basic salary of a bank employee on the basis of 12 months attained LBP 3.56 million in comparison with the average monthly salary of total salaries declared to the NSSF amounting to LBP 1.48 million.

The Family allowances represented 2.2% of the total cost paid by banks to employees in 2013, amounting to LBP 35.2 billion against LBP 34.9 billion in 2012, i.e. an increase of 0.9%. 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 2013, contributions to NSSF were stable in comparison to that of 2012; contributions to the NSSF increased by 1.3% 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** represented 5% of the total cost paid by banks to employees in 2013. The value of these allowances increased to reach LBP 79.4 billion in 2013 against 61.1 billion in 2012, i.e. an increase of 29.9%. These allowances include contributions paid by banks to the NSSF, knowing that the rate applied to that division is 7% (2% deducted from the employee's salary) and in 2013, the monthly salary ceiling subject to that rate has been upgraded to LBP 2.5 million instead of LBP 1.5 million, in addition to the surplus, which is not covered by the NSSF and granted by banks to their employees. Contributions increased by 50.5% in 2013 in comparison with 2012 and surplus by 11%. This is due to the upgrading of the monthly salary ceiling relating to the contribution to NSSF as stated before, the increase of the number of employees and the number of dependent children, the increase of health allowance according to the Collective Labour Agreement, the cost of hospitalization and probably higher cases of sickness.

The **end-of-service** indemnities represented 12.3% of the total cost paid by banks to employees by the end of 2013, amounting to LBP 195.1 billion against LBP 197.1 billion in 2012, i.e. a slight decrease (-1%). This is due to the decrease in provisions by 5.1% while banks contribution to the NSSF increased by 4.1%. 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 salaries subject to taxes.

The amount of **other benefits** paid by banks to their employees represented nearly 17.9% of the total cost by the end of 2013. Their value amounted to LBP 283.7 billion against LBP 254.4 billion in 2012, i.e. an increase of 11.5%. These benefits include education allowances (22.9% of total other benefits in 2013), transportation allowances (22.2%), cashier allowances, marriage and maternity allowances, bonuses 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 billion in 2013 against LBP 55.1 billion in 2012, i.e. an increase of 18%. 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. Part of this increase was paid in 2013. The dependent children of bank employees registered in private schools were 13,271 and the allowances paid by banks to their employees amounted to LBP 47.421 million, i.e. an average of LBP 3.573 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 2,792, and the allowances paid by banks to their employees amounted to LBP 16.306 million, i.e. an average of nearly LBP 5,840 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 209 in 2013, thus the total allowances paid by banks to their employees amounted to LBP 325 million, i.e. an average of LBP one million five hundred thousand per student according to the Collective Labour Agreement). Parents of children registered in the Lebanese University (350 students in 2013) benefited from a total amount of LBP 945 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 63 billion in 2013 against 59.6 billion in 2012. This is due to the increase in the number of employees in light of the relative stability of the average price of 20 litres of gasoline at LBP 34,250 against LBP 35,000 as circulated by the Association of Banks in Lebanon to its members on a monthly basis.

It is worth noting that on July 31st, 2013, the Association of Banks and the Syndicate of Banks' Employees signed the Collective Labour Agreement. For information, the Collective Labour 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, 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.

3-1 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 Department of Training and development 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 2013, and for the last time, banking classes at the centre of banking studies (CEB), which was created in 1967, under the supervision of a joint Board of Directors, representing Saint-Joseph University and the Association of Banks in Lebanon. It is worth noting that the decree n° 9749

dated January 24th, 2013, and published in the Official Gazette n° 4/2013, has authorized the Association and USJ to transform the CEB into the **Higher Institute of Banking Studies (ISEB)** which has started its academic year 2013-2014 with the collaboration between the Association and the USJ, -i.e. ISEB is eligible to deliver degrees and higher studies diplomas to its registered students. The Association and the USJ share its ownership equally.

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 5.9% of gross domestic product or GDP (sector salaries and benefits + profits / GDP) in 2013: $(2354 + 1488) / 63573 = 5.9\%$ 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 is improving even though the ratio of net profits/number of employees is slightly decreasing; 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 2010 | End of 2011 | End of 2012 | End of 2013 |
|---|-------------|-------------|-------------|-------------|
| Cost/income (%) | 47.2 | 47.7 | 52.1 | 53.0 |
| Total assets/number of employees (million USD) | 6.29 | 6.62 | 6.89 | 7.30 |
| Deposits of clients/number of employees (million USD) | 5.18 | 5.40 | 5.62 | 5.97 |
| Total capital/number of employees (million USD) | 0.47 | 0.53 | 0.60 | 0.66 |
| Net profits/number of employees (000 USD) | 77.00 | 72.48 | 69.62 | 70.89 |

Sources: BDL –ABL

II - Activities of the Training Department

1-2 General overview

Within the General Secretariat at the Association of Banks in Lebanon (ABL), the Training Department continues, since twenty two consecutive years, to organize training programs for all employees in banks operating in Lebanon, on different topics, aiming to enhance their qualifications and competencies, in the purpose of improving the quality of banking services and responding to the willing of banks in training their employees.

Training at ABL is of four kinds:

- **Seminars and conferences:** Most of the time, this kind of training is limited to several hours and can reach half a day. It seeks to inform the general managers, their deputies and heads of departments about the recent developments in the banking business environment and
- **Intensive training sessions and workshops:** These activities last between one and four days. They aim mostly to enhance the skills of participants in the banking field through lectures and case studies.
- **Short courses:** These activities are delivered as courses and practical cases during afternoon periods, twice or three times a week, over one or two months. The objective of these activities is to develop competences of all categories of bank's employees in different banking fields.
- **In-house sessions:** These activities are organized on banks' request and according to their specific needs and demands.

During 2013, the number of participants in training activities attained 2140 persons, i.e. an increase of 20% compared to the previous year. The proportion of trainees over the total number of banking employees has increased from 8.27% up to 9.24% between 2012 and 2013.

The 2013 training activities covered different subjects such as fighting money laundering and the Foreign Account Tax Compliance Act "FATCA" besides risk management, credit, data leakage prevention, documentary credit, legal aspects of banking operations, internal audit, financial products, human resources management, and banking English language learning. Moreover, the Training Department developed during 2013 many subjects related to enhancing personal skills such as leadership, oral communication skills and self and time management. 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 and distributed at the beginning

of the year. It has become a practice for people interested in ABL's activities to communicate with the Training Department through ABL's website: www.abl.org.lb under "Training Department" section, which is regularly updated.

2-2 Distribution of the Training Department activities

The participants are distributed during the period covered by this report, compared to those of 2012, as below.

Participants' distribution by type of training activities during 2012-2013

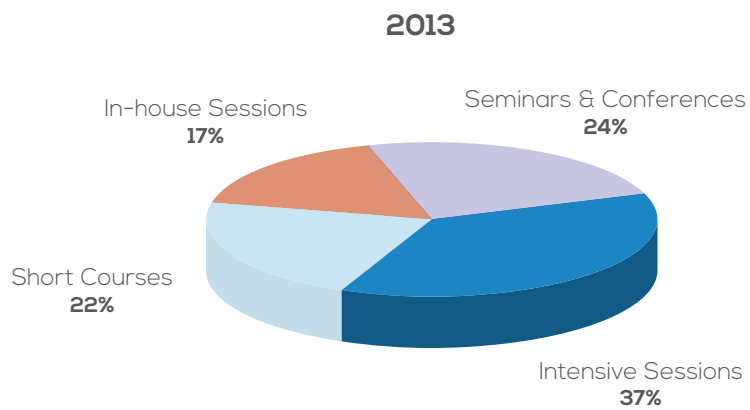
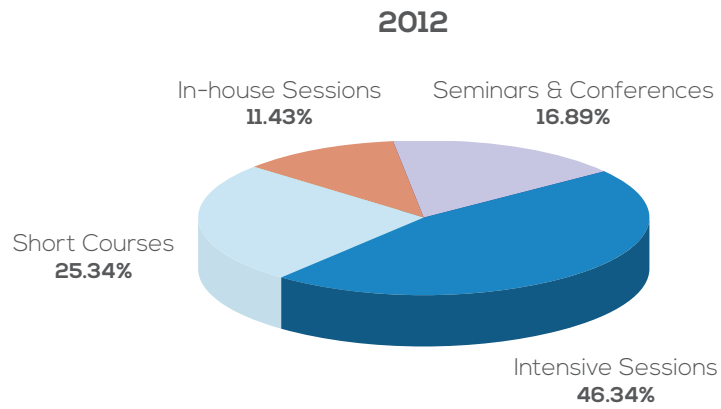


In comparing the distribution of participants by type of training activity, for the years 2012 and 2013, we can notice that the number of participants in the seminars and conferences decreased from 429 to 284 persons (which means a decrease by 34%), while a small decrease appears in the number of participants in the short courses from 393 to 370. Concerning the intensive sessions, the number of participants increased clearly from 663 to 953 participants (which means 44%). Finally, the number of participants in the in-house sessions reached 531 i.e. an increase by 70% compared to the participants in this same type in previous year.

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HUMAN RESSOURCES IN THE LEBANESE BANKING SECTOR

The graph below shows the distribution of participants in the various training activities in 2012 and 2013:



Hereafter, the details concerning the content of the different types of training activities for the year 2013:

a-Seminars and conferences

These activities attracted 284 participants, of whom 231 persons participated in the conference on "Compliance to United States Acts and Regulations", among them the importance of complying to these regulations when the banks deal with correspondent banks, Foreign Account Tax Compliance Act "FATCA" and Sanctions Acts. Also, 53 persons participated in the conference about "Out of Court Debt Restructuring Workout (OCW) Guidelines" in cooperation with IFC - World Bank Group.

All seminars and conferences were organized in cooperation with international organizations or in relation with specialized local institutions as it is shown in the table below.

| Themes | Nb of persons | Nb of banks |
|---|----------------------|--------------------|
| Out of Court Debt Restructuring Workout (OCW) Guidelines 1* | 53 | 31 |
| Foreign Account Tax Compliance Act - FATCA 2* | 85 | 51 |
| Compliance to International laws & regulations in the relations with correspondent banks 3* | 61 | 40 |
| Compliance to US laws & tax regulations 4* | 85 | 46 |
| Total | 284 | 51 |

1* in cooperation with the "IFC - World Bank"

2* in cooperation with "Deloitte & Touche"

3* in cooperation with Citibank, NA

4* in cooperation with US Ministry of foreign affairs

b-Intensive training sessions and workshops

In 2013, these activities attracted 953 participants compared to 663 in 2012, due to the intense participation of banks in the "Investigation in suspicious operations of money laundering" workshop held in cooperation with Special Investigation Commission (SIC), and as a result of our cooperation with international organizations in many seminars such as the Agence de Transfert de Technologie Financière au Luxembourg "ATTF", The "AFGES" French association for finance training and the Association Franco-libanaise des Professionnels en Informatique "AFPI". All in all, the Training Department organized 35 intensive sessions among which the workshop on "Fighting Money Laundering" was repeated 15 times, and 6 other sessions were repeated twice such as project management, loan grading, Foreign Account Tax Compliance Act - FATCA, Basel III and liquidity management, self and time management, which enhances our confidence that we are choosing subjects that fill the banks' needs. The annex shows the characteristics of participants in the intensive training sessions and their distribution by gender, seniority and grade as well as the number of training hours for each session.

c-Short courses

370 employees participated in these sessions, and this number is similar to last year's number of participants (393 employees). 62% of them attended the Banking English Training Program that is scheduled for three sessions a year as shown in the annex. Two other subjects among the four subjects treated were repeated twice.

d-In-house sessions

25 in-house sessions were organized during 2013 and attended by 531 employees. Three subjects were treated under this type of training activities, and two of them were repeated several times: the workshop on "Investigation in suspicious operations of fighting money laundering" was organized 22 times and attended by 472 employees from 6 banks, and the seminar on "Legal Aspects of Banking Operations" was repeated twice for the employees of the same bank, in addition to a financial specialized session developed for 9 employees in the Lebanese Ministry of Finance. The program of this last session was developed in cooperation with the Institute of Finance.

3-2 Participants' characteristics

The statistical information about the participants in the intensive sessions, short courses and in-house activities during 2013 (annex 1) show that 1854 persons attended these activities and they were distributed by grade as follows: 1372 technicians and 482 cadres among whom 220 middle level cadres and 262 high level cadres. These numbers exclude participants in conferences (284).

As noticed in the above mentioned table, most participants to all types of training were technicians whereas the high level cadres number exceeded the middle level cadres number in both intensive and in-house sessions, meanwhile their participation number was similar in the short courses.

The percentages of participation to the intensive sessions, in-house and short courses, including the banking English language sessions, are shown below by number of years of experience and gender:

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 | 49,4% | 49,5% | 53,3% |
| Male | 50,6% | 50,5% | 46,7% |
| Less than 5 years | 26,1% | 49,2% | 14,1% |
| 5-10 years | 22,6% | 22,4% | 14,3% |
| More than 10 years | 51,3% | 28,4% | 71,6% |
| Total | 100% | 100% | 100% |

The number of male and female numbers is similar in different training activities, with a difference of 6.6% in favor of female in in-house sessions. It can be explained by the increase of female in the number of the new recruits.

4-2 Training evaluation

ABL's General Secretariat follows on the activities of the Training Department with great interest and it is keen that these activities be relevant to the aspirations of both the participants and their banks' management. According to participants responses to training evaluation questionnaire, participants seemed by the end of 2013 to be satisfied with the selected training topics as well as with the parties we cooperated with to deliver the training.

5-2 Other 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". 9 candidates sat for the exam among who 4 succeeded, which brought the number of persons holding this certificate in Lebanon to 91 persons.
- **Follow up of the European Banking Training Network "EBTN" activities:** since ABL joined this network, it follows and participates to most of its activities. In June 2013, ABL participated in June meeting in Brussels about the network's system and the planning of its future activities.
- **Participation to a conference about the importance of training coordination in the public sector:** following the invitation received by the General Secretariat, the Training Department participated in this conference held at the Serail Government Palace, in September 2013, and it was charged of the management of the first panel of this conference.
- **Preparation of the banking population survey:** the concerned parties finished their preparations in cooperation with the Training Department and they were ready to start the collection of statistical information. However, the ABL's Human resources and social affairs Commission asked to postpone this survey till March 2014 and to make some necessary adjustments.

We would like to note in this occasion the importance of the cooperation between the banks management and the General Secretariat at ABL for the choice of training subjects that fulfill their employees' needs. Also, the interaction between human resources departments in banks and the Training Department should be highly appreciated, especially at the level of ABL's Human Resources and Social Affairs Committee, so that the training is 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 (2013)

| 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 |
|--|------------------------|------------------------|------------|---------------------------|------------|--------------------|-----------------------|---------------------|-------------------|-----------------|-------------------------------------|--------------------------------|
| | | Male | Female | Less than 5 years | 5-10 years | More than 10 years | Technicians | Middle Level cadres | High Level Cadres | | | |
| Intensives Sessions | | | | | | | | | | | | |
| Project Management (2 sessions) | 32 | 16 | 16 | 13 | 7 | 12 | 28 | 1 | 3 | 14 | 12 | 384 |
| Human Resources Management | 18 | 4 | 14 | 4 | 5 | 9 | 8 | 4 | 6 | 15 | 24 | 432 |
| Loan Grading (2 sessions) | 99 | 48 | 51 | 24 | 28 | 47 | 75 | 8 | 16 | 31 | 10 | 990 |
| Problem Loans & Remedial Solutions | 45 | 25 | 20 | 6 | 17 | 22 | 35 | 6 | 4 | 19 | 10 | 450 |
| Foreign Account Tax Compliance Act - FATCA (2 sessions) | 101 | 52 | 49 | 17 | 21 | 63 | 51 | 19 | 31 | 43 | 6 | 606 |
| International Standard | 41 | 14 | 27 | 5 | 5 | 31 | 27 | 10 | 4 | 28 | 14 | 574 |
| Data Leakage Prevention (2 sessions) | 71 | 50 | 21 | 21 | 21 | 29 | 45 | 10 | 16 | 32 | 6 | 426 |
| Fixed income products and swaps | 23 | 14 | 9 | 10 | 7 | 6 | 17 | 2 | 4 | 13 | 14 | 322 |
| Investigation in suspicious operations of money laundering (15 sessions) | 293 | 132 | 161 | 104 | 49 | 140 | 211 | 51 | 31 | 53 | 4 | 1172 |
| Situational Leadership | 20 | 12 | 8 | 2 | 7 | 11 | 11 | 3 | 6 | 6 | 14 | 280 |
| Basel 3 and liquidity risk (2 sessions) | 70 | 38 | 32 | 20 | 16 | 34 | 49 | 3 | 18 | 31 | 7 | 490 |
| Improving IT projects: from business requirements to implementation | 36 | 21 | 15 | 6 | 11 | 19 | 23 | 6 | 7 | 15 | 14 | 504 |
| Risk Based Internal Audit | 36 | 24 | 12 | 9 | 10 | 17 | 24 | 3 | 9 | 22 | 14 | 504 |
| Self & time management (2 sessions) | 34 | 13 | 21 | 6 | 4 | 24 | 21 | 10 | 3 | 9 | 7 | 238 |
| Cash money: definition and management | 34 | 19 | 15 | 2 | 7 | 25 | 25 | 7 | 2 | 17 | 4 | 136 |
| Sub-Total | 953 | 482 | 471 | 249 | 215 | 489 | 650 | 143 | 160 | 53 | 160 | 7508 |

| 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 |
|--|------------------------|------------------------|------------|---------------------------|------------|--------------------|-----------------------|---------------------|-------------------|-----------------|-------------------------------------|--------------------------------|
| | | Male | Female | Less than 5 years | 5-10 years | More than 10 years | Technicians | Middle Level cadres | High Level Cadres | | | |
| Short Courses | | | | | | | | | | | | |
| Legal Aspects of Banking Operations | 29 | 15 | 14 | 20 | 5 | 4 | 28 | 1 | 0 | 9 | 21 | 609 |
| Communication and speaking skills (2 sessions) | 33 | 11 | 22 | 10 | 9 | 14 | 27 | 5 | 1 | 11 | 12 | 396 |
| Credit : contract, guarantees and bank's responsibility (2 sessions) | 60 | 27 | 33 | 22 | 23 | 15 | 52 | 3 | 5 | 21 | 18 | 1080 |
| Effective business writing | 20 | 3 | 17 | 11 | 2 | 7 | 19 | 1 | 0 | 13 | 16 | 320 |
| Developing English Language Skills (3 sessions) | 228 | 131 | 97 | 119 | 44 | 65 | 215 | 8 | 5 | 19 | 55 | 12540 |
| Sub-Total | 370 | 187 | 183 | 182 | 83 | 105 | 341 | 18 | 11 | 21 | 122 | 14945 |

| 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 |
|--|------------------------|------------------------|------------|---------------------------|------------|--------------------|-----------------------|---------------------|-------------------|-----------------|-------------------------------------|--------------------------------|
| | | Male | Female | Less than 5 years | 5-10 years | More than 10 years | Technicians | Middle Level cadres | High Level Cadres | | | |
| In-house sessions | | | | | | | | | | | | |
| Legal Aspects of Banking Operations (2 sessions) | 50 | 26 | 24 | 27 | 12 | 11 | 50 | 0 | 0 | 1 | 21 | 1050 |
| Investigation in suspicious operations of money laundering (22 sessions) | 472 | 220 | 252 | 43 | 64 | 365 | 331 | 50 | 91 | 6 | 4 | 1888 |
| Financial Markets | 9 | 2 | 7 | 5 | 0 | 4 | 0 | 9 | 0 | 1 | 9 | 81 |
| Sub-Total | 531 | 248 | 283 | 75 | 76 | 380 | 381 | 59 | 91 | 8 | 34 | 3019 |
| Total | 1854 | 937 | 917 | 506 | 374 | 974 | 1372 | 220 | 262 | 8 | 316 | 25742 |

III – Activities of The Centre for Banking Studies – Academic Year 2012 – 2013

Under the partnership between the Association of Banks in Lebanon (ABL) and the Saint-Joseph University (USJ), the Centre for Banking Studies (CEB) has continued to offer its services and know-how during the 2012-2013 academic year along with banks needs.

It is worth mentioning that just after the issuance of the ministerial decree n° 9749 on the establishment of the Higher institute for banking studies (ISEB), the President and Vice President had stated in a conference press on July 2nd, 2013 that the ISEB would start preparing students for obtaining the bachelor and the specialized master degrees in banking studies, knowing that the Institute continues to respect all the past commitments in the activities that were initiated by the Centre for banking studies (CEB).

Additionally, the Central Bank Governor, Mr. Riad Salame delivered the inauguration speech in the ISEB in the afternoon of October 21st, 2013, in the presence of the Presidents of ABL & USJ and a high level audience of bankers & academics. The number of the new registered students for the first year in Bachelor degree was seven students and some forty four other students with specialized Diploma in Banking studies were registered to pursue their Bachelor studies. It was decided to launch the Master degree in September 2014.

For further information on the new institute, please visit our web site: www.iseb.usj.edu.lb. We summarize here below, the Centre's activities during the academic year 2012 / 2013 as well the current and future projects for the Higher institute for banking studies (ISEB).

1-3 **1- Specialized Diploma in Banking Studies, known in French as Diplôme d'Études Spécialisées de Banque (DESB).**

a- The objective of 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 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 would continue the pre-set program during the academic years 2013-2014 and 2014-2015 under the ISEB supervision.

b- Registration

The number of registered students at the CEB for the academic year 2012/2013, during the three years of the curriculum, amounted to 96 employees distributed as shown in the following table:

Registration 2013-2012

| Year | Section | Nbr. of registered | Nbr. of accepted |
|--------------|--------------------|--------------------|------------------|
| Preparatory | Arabic – French | 14 | 12 |
| | Arabic – English | 09 | 08 |
| First | Arabic – French | 19 | 18 |
| | Arabic – English | 19 | 17 |
| Second | Arabic – French | 19 | 19 |
| | Arabic – English | 16 | 16 |
| Total | A/E and A/F | 96 | 90 |

We can notice that the number of registered students in the Specialized Diploma in Banking Studies was lesser than the two previous years, from 140 in 2010/2011 to 111 in 2011/2012 to stand at 96 in 2012/2013.

c- Holders of the Specialized Diploma in Banking Studies

35 students have become holders of this diploma at the end of the 2012/2013 academic year.

The total number of students holding the DESB since 1998 / 1999 has been 757 students.

2-3 **Advanced Diploma in Bank Management, known in French as Diplôme Supérieur en Gestion Bancaire (DSGB).**

a- The objective of 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.

b- Program follow-up for the 2012-2013 registered students

Thirty one students in both French & English sections had pursued their studies and passed successfully the writing exams and were interviewed by a specialized committee of top Bankers and academic professors highly experienced. Then, it will remain for those students to prepare a brief research paper on a banking subject in relation with their jobs for obtaining the Advanced Diploma in Bank Management. Among the research topics "Role & Importance of «Correspondent Banking» applied by Lebanese banks", "Customer retention, Bank AUDI-AUDI SARADAR Group SAL case", "The S&P500 and the Economy, a highlight of the importance of the overall market on economic environment ", "The integration of new employees in the bank Byblos Bank case". The Institute is not allowed to publish any research paper containing private data or information without a formal permission from the concerned banking institution.

c- Entrance exam for the academic year 2013/2014

The entrance exam for the DSGB program for the academic year 2013/2014 was held on December 06, 2012. Twenty-five candidates were selected to start studying on January 1st, 2013.

The total number of students that followed that program had reached 379 from year 2001 until end of December 2012.

3-3 Program of Specialized Certificates

a- The Financial Markets Authority Certificate in France

After signing a cooperation agreement between the Association of Banks in Lebanon (ABL) and the "Centre de Formation de la Profession Bancaire, Paris" (CFPB), the ABL had requested the possibility to offer the AMF Certificate in securities for the Lebanese banks candidates along with the Central Bank circular 103. Those candidates would be prepared to the exam through the internet e-learning methods during a 3-month period and they would be provided by a detailed book on the program. The exam would take place in the CEB location, once every two months.

Since May 2012 till September 2013, some 13 candidates from 5 banks and 4 independent students from USJ were also motivated to present the exam due to the special low cost of registration.

b- The "Credit" Certificate

Because of the success of the previous Credit sessions organized since 2005, the Centre for Banking Studies launched a similar session in 2013 after adding some modifications suggested by the supervision authorities along with international standards.

This certificate consists of 2 separate certificates:

1) Credit for Individuals and SME (46 hours).

This certificate is composed of 2 parts:

- a) Credit for Individuals and SME (34 hours)
- b) Bad debt recovery (12 hours)

2) Credit for corporations (36 hours)

The participants of the 2013 session were segregated according to the following:

| Part | Date | Registered Number | Admitted Number |
|------------------------------------|---|-------------------|-----------------|
| 1-a Credit for Individuals and SME | March 13 th – April 24 th | 30 | 23* |
| 1-b Bad debt recovery | May 10 th – May 23 rd | 24 | 15* |
| 2 - Credit for corporations | June 5 th – July 22 nd | 13 | 09* |

*That number includes candidates that presented exams without following courses during 2013.

c- Preparing candidates for “Lebanese Financial Regulations” exam

The Centre for Banking Studies had organized a series of specialized sessions on “Lebanese Financial Regulations” along with the Central Bank circular #103. Some 651 candidates from the banking sector were registered during the period September 1, 2012 till end of September 2013; they were segregated into 27 groups, each of those composed of 20 to 25 candidates.

Current and future projects

The academic year 2013/2014 is full of new projects at the Centre, starting by the inauguration of the first year program of Bachelor degree in Banking studies as well the special curriculum for the Specialized Diploma in Banking Studies candidates willing to obtain the Bachelor degree.

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 would be launched in September 2014, mainly for those interested in banking sector jobs.

