



Al Majmoua

annual report

2013





Our Responsibility مىسۋولىتنا



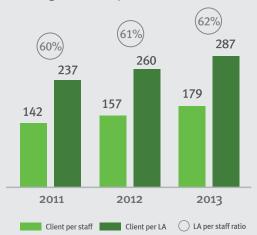
Dr. Youssef Fawaz, the Executive Director of Al Majmoua

"Al Majmoua continued its steady growth during 2013, expanding its client base by 21% and its portfolio by 16%, while maintaining its commitment to Social Performance Management. In addition to the persistent political and security instability, Lebanon witnessed this year changes to its economic and social environment. This was mainly due to the influx of Syrian refugees which directly affected many of our clients on the household, community and business levels. Nevertheless, we were able to reinforce our operations through risk mitigation plans without jeopardizing our clients' interests. We, at Al Majmoua, believe that our diverse clients, dedicated staff and supportive partners remain key to our achievement of balanced performance, client-driven expansion and responsible growth year after year."

تابعت المجموعة نموّها المنتظم خلال العام ٢٠١٣ بزيادة عدد المقترضين بنسبة ٢١٪ وحجم المحفظة بنسبة ٢١٪، مع الحفاظ على إلتزامها بإدارة الأداء الإجتماعي. بالإضافة إلى إستمرار الأوضاع السياسية والأمنية الغير مستقرة، شهد لبنان هذا العام تغيّرات في البيئة الإقتصادية والإجتماعية. السبب الرئيسي لذلك كان تدفق اللاجئين السوريين، مما أثر بشكل مباشر على العديد من مقترضينا على مستوى الأسرة، المجتمع المحلي والعمل. مع ذلك، إستطعنا تعزيز عملياتنا من خلال خطط الحد من المخاطر، مع مراعاة مصلحة مقترضينا. نوّمن في المجموعة أن تنوّع مقترضينا، تفاني موظفينا ودعم شركائنا يبقى الأساس لتحقيقنا الأداء المتوازن، التوسّع القائم على إحتياجات المقترض، والنمو المسؤول عامًا بعد عام.

Socially responsible lending...

...through efficient operations

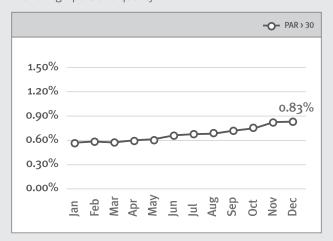


...recognized through external review*



* AL MAJMOUA IS THE **FIRST MFI IN THE MENA REGION** TO UNDERGO THE SOCIAL PERFORMANCE DESK REVIEW AND RECEIVE THE SOCIALLY TRANSPARENT AND RESPONSIBLE (S.T.A.R.) RECOGNITION FROM THE MIX.

...and high portfolio quality



...and double bottom line results



Auditor's report



Independent auditor's report to the directors of The Lebanese Association for Development

Al Majmoua

Report on the financial statement

We have malified the accompanying financial statements of The Lebanese Association for Development — All Mejorious ('the Organisation'), which comprise the balance sheet as at 31 Dovember 2013, the statements of comprehensive income, changes in one assets and each flows for the year the model and a summary of significant accounting policies and other englamency some.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IRSS, and for such internal control as measurement determines in accessary to enable the preparations of financial statements that are free from material misstaneous, whether due to fraud or error.

Auditor's research life

Our responsibility is to express an opinion on these financial statements based on our molit. We conducted our sadd in accordance with International Standards on Auditing. Those standards require that we comply with orbical requirements and plan and perform the audit to obtain transcendin assurance about whether the financial statements are five from material miscanteness.

material ministenesses.

As mall involves performing procedures to obtain andia evidence about the amounts and disclosures in the financial strengers. The procedures selected depend on the auditorial pagement, including their strengers. The procedures selected depend on the auditorial pagement, including their strengers, the select statements, whether the to thoud or error. In making those risk assessments, the making considers instants control relevants to the entirity's preparation and the presentation of the financial statements in enter to design and procedures that are appropriate in the constantance, but not for the purpose of expressing an opinion on the effectiveness of the entiry's internal countrol. An audit also includes evaluating the appropriateness and concenting positions used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the sudit evidence we have obtained is sufficient and appropriate to provide a basis for our sudit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organisation as at 31 December 2003, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (TURS*).

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P.O. Box 10 2005, Bahrut, Lebonou, Telephone syste (g) quiriou, Faccinaise syste (g) 929795, usus, June, June, June, ann, 'middle enal

Statement of Comprehensive Income for the year ended 31 December 2013

	2013 USD	2012 USD
INCOME		
INTEREST INCOME	10,287,256	8,232,039
INCOME FROM SERVICE FEES AND PENALTIES	488,563	383,708
Funds from donors	457,917	86,906
	11,233,736	8,702,653
EXPENSES		
EMPLOYEE BENEFIT EXPENSES	(4,266,163)	(3,933,255
DEPRECIATION AND AMORTIZATION	(56,510)	(56,198
PROFESSIONAL FEES AND CONSULTANCY	(324,874)	(302,820)
OTHER EXTERNAL SERVICES	(252,013)	(247,965
TRANSPORTATION, PTT, ELECTRICITY AND WATER	(118,776)	(108,092
CONSUMABLES	(167,920)	(175,667
RENT	(181,979)	(127,723)
FIELD EXPENSES, LODGING AND TRAVEL EXPENSES	(125,459)	(126,185
IMPAIRMENT ON LOANS TO CUSTOMERS	(385,895)	(377,775
IMPAIRMENT ON LOANS TO STAFF	(1,699)	
OTHER OPERATING EXPENSES	(405,815)	(283,005
	(6,287,103)	(5,738,694
PROFIT FROM OPERATIONS	4,946,633	2,963,959
FINANCE COSTS – NET	(888,700)	(665,797)
PROFIT FOR THE YEAR	4,057,933	2,298,162
OTHER COMPREHENSIVE INCOME	-	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4,057,933	2,298,162

Balance Sheet as at 31 Decem	ber 2013	
	2013 USD	2012 USD
ASSETS		
NON-CURRENT ASSETS		
PROPERTY AND EQUIPMENT	155,200	140,175
INTANGIBLE ASSETS	52,466	52,890
LOANS TO CUSTOMERS	11,866,575	10,792,371
STAFF LOANS	64,544	52,674
TOTAL NON-CURRENT ASSETS	12,138,785	11,038,110
CURRENT ASSETS		
PREPAYMENTS & OTHER RECEIVABLE	s 142,642	152,844
LOANS TO CUSTOMERS	23,551,616	19,669,023
STAFF LOANS	143,932	124,879
CASH AND CASH EQUIVALENTS	3,930,492	1,442,076
BANK DEPOSIT	1,500,000	1,000,000
TOTAL CURRENT ASSETS	29,268,682	22,388,822
TOTAL ASSETS	41,407,467	33,426,932
NET ASSETS		
FUNDS FROM DONORS	9,006,906	8,548,989
ACCUMULATED SURPLUS	13,248,230	9,648,214
TOTAL NET ASSETS	22,255,136	18,197,203
LIABILITIES		
NON-CURRENT LIABILITIES		
BORROWINGS	11,450,534	8,900,222
RETIREMENT BENEFIT OBLIGATIONS	564,615	528,343
TOTAL NON CURRENT LIABILITIES	12,015,149	9,428,565
TOTAL NON-CURRENT LIABILITIES		
CURRENT LIABILITIES		
	989,923	797,027
CURRENT LIABILITIES	989,923 1,309,888	· · · · · ·
CURRENT LIABILITIES TRADE AND OTHER PAYABLES		789,303
CURRENT LIABILITIES TRADE AND OTHER PAYABLES DEFERRED REVENUE	1,309,888	789,303 4,214,834
CURRENT LIABILITIES TRADE AND OTHER PAYABLES DEFERRED REVENUE BORROWINGS	1,309,888 4,837,371	797,027 789,303 4,214,834 5,801,164 15,229,729

 $^{{\}it *THE \, complete \, financial \, statements \, including \, the \, notes \, are \, available \, upon \, request.}$

New partners















New network memberships



2013 awards & certificates



Citigroup Micro-Entrepreneurship Awards (CMA)

S.T.A.R. Recognition from the Mix



Mostafa, owner of a chicken farm for organic egg production from Akkar, North Lebanon

"I only have nice things to say about Al Majmoua. I am very thankful to this institution and its kind staff who supported and helped me a lot. To date, I have taken two loans with which I improved and developed my business. I recently planned to divide the egg production over two seasons to enhance my business's sustainability. With the Citigroup award I won through Al Majmoua, I was able to begin setting up my plan."

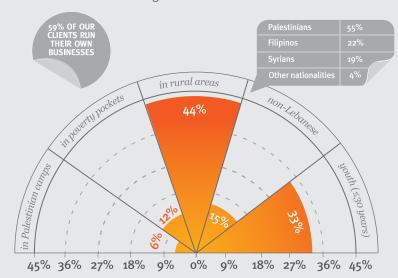
شكر كبير وكل الأشياء الحلوة بقولا للمجموعة وشبابها الطيبين اللي وقفوا حدّي وساعدوني كتير. لهلق صرت آخذ قرضين وإستعملتن لحسّن وطوّر شغلي. حاليًا عم نفذ خطتي بتقسيم إنتاج البيض على موسمين حتى ما يوقف الشغل؛ جايزة سيتي غروب اللي ربحتها من خلال المجموعة دعمتني لىلش بتنفيذ الخطة.

Since 2011, Mostafa has a cumulative borrowing history of USD 4,300 through 2 micro-entrepreneur loans. He is also a winner of the Citigroup Micro-Entrepreneurship Award (CMA) in 2013.

Expanded outreach...

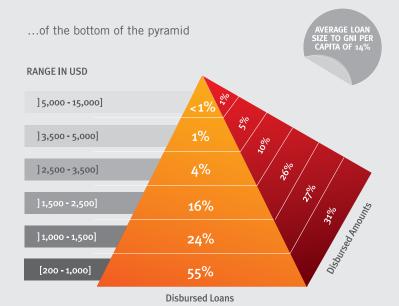


...to the vulnerable & marginalized



Financial inclusion...





Expanded Outreach...

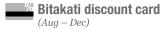
...through appropriate product design & delivery



directed to disabled individuals, workers or owners of existing or start-up micro-businesses, or to their parents on condition of their benefit. USD 68,250 disbursed to 45 clients of which 27% were women.



with reduced interest rates, directed to groups of 3-10 women.
USD 2.9 million disbursed to
4,664 clients.



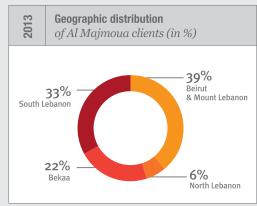
valid in around 70 shops, clinics, pharmacies, beauty salons, supermarkets etc... directed to new & existing women clients in Mount Lebanon as a start.

1,256 cards were distributed to clients at loan disbursal.



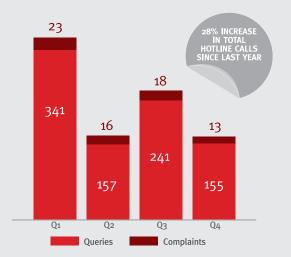
as an additional option to clients, increasing the number of available repayment outlets to more than 1,300.

TRIPOLI 20 BRANCHES HEAD OFFICE BARBIR TAYOUNEH METN CHOUEIFAT ALEY CHOUF JEB JENNIN SAIDA AIN EL HELWE NABATIEH TYRE MARJAYOUN QANA BINT JBEIL



Listening to them...

...through the customer care hotline



...and focus group discussions



Socio-economic empowerment



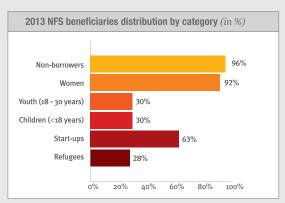
Sana, beneficiary of a business management training & a vocational training on mouneh (food storage) from Burj Rahhal, South Lebanon

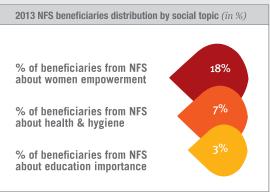
"My participation in the trainings improved my skills and increased my self-confidence. Because of the certificate I obtained, people were more encouraged to buy my products. Also, with the growth of my business, I finally earned the support of my husband who previously did not accept that I run my own business."

مشاركتي بالتدريبات حسنتلي مهاراتي وزادتلي ثقتي بنفسي. الشهادة اللي حصلت عليها شجعت الناس أكثر إنو تشتري منتجاتي. كمان مع نمو شغلي، قدرت أخيرًا إكسب دعم زوجي، وهوّي بالسابق ما كان متقبّل الفكرة إنو يكون عندى شغلى الخاص.

Since 2013, Sana has a cumulative borrowing history of USD 500 through 1 micro-entrepreneur loan.

2013 Non-Financial Services (NFS)	Beneficiaries	Highlights
Business Development Services	1,881	Child and Youth Finance International's financial management for children project targeting secondary-level students from Lebanese schools who were trained by volunteering staff on financial & business management, to develop a social project proposal. The projects submitted by the five schools (150 students) trained by Al Majmoua earned 5 out of 11 ranks in the national contest.
PRODUCT IMPROVEMENT, MARKETING AND NETWORKING	99	Marketing & commercialization support to 8 borrowers by engaging them in two national exhibitions to promote & sell their products.
Personal Development	1,392	Educational & recreational activities in collaboration with UNHCR involving over 1,000 children from the displaced Syrians & the Lebanese host community. The activities comprised environmental & social awareness concerts & plays, a Christmas theater, and the distribution of gifts by Al Majmoua's NFS staff.
TOTAL	3,372	





Timeline of Activities

- Crossing the 40,000 active clients mark
- Expanding the Head Office; opening of a 20th branch in Choueifat (Mount Lebanon) and 3 Regional Livelihoods, Training And Employment Centers under the UNHCR project in Anfeh (North Lebanon), Baysour (Mount Lebanon) & Ferzol (Bekaa)
- Launching the Damej (inclusion) loan & Bitakati (my card) discount card
- Loan agreement with EIB, responsAbility & SANAD
- Joining the SPTF network; Al Majmoua's client satisfaction & exit surveys were included in SPTF's Resource Center & in the Universal Standards for Social Performance Management Implementation Guide
- Partnership with the Lebanese American University (LAU); granted the status of Associate of the LAU Headquarters and Academic Center in New York
- Partnership with the Lebanese Physical Handicapped Union (LPHU)
- Partnership with Online Money Transfer (OMT)
- Launching a recycling program in collaboration with Association L'Ecoute
- Completing the Social Performance Desk Review by the MIX & earning the Socially Transparent And Responsible (S.T.A.R.) Recognition

2013



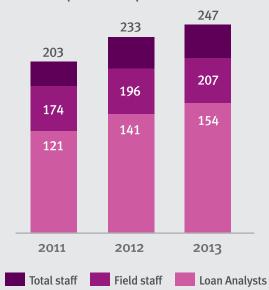
"We can't describe our happiness for winning the best branch award despite the difficult security situation. It is said that staying in the first place is harder than initially achieving it. We reached the top last year and aimed to maintain it. By believing in our abilities as a team, we overcame the challenges and fulfilled our goal."

Burj branch, best performing branch for 2013

فرحتنا ما بتنوصف لأنو حصلنا على جائزة أفضل فرع بالرغم من الظروف الأمنية الصعبة اللي مرقنا فيها. بقولوا إنو الحفاظ على القمة أصعب من الوصول إليها. ونحنا وصلنا للقمة وتحدّينا الصعوبات لنوصل لهدفنا بالحفاظ عليها لأننا فريق ما بيعرف معنى «الصعب».

During 2013, the Burj branch disbursed a cumulative value of USD 4.4 million through more than 3,500 loans.

Human Capital Development...

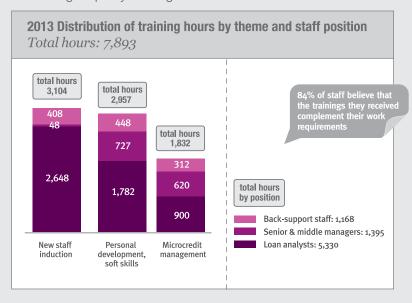


Equal opportunity employment...

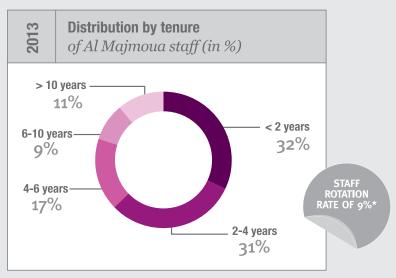
...with women constituting



...through capacity building



Staff dedication and loyalty



^{*} Staff rotation rate is calculated using the MIX formula

AL MAJMOUA LEBANESE ASSOCIATION FOR DEVELOPMENT





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