



AL MAJMOUA
المجموعة

ANNUAL

REPORT 2016

www.almajmoua.org



LETTER FROM THE EXECUTIVE DIRECTOR



Dr. Youssef Fawaz
Executive Director of Al Majmoua

Al Majmoua continues its steady journey towards advancing financial inclusion in Lebanon. Maintaining our position as the largest MFI in the country in terms of outreach and geographical presence, we grew our client base by 12% and our outstanding portfolio by 17%.

As part of our expansion, we opened two new branches in Jadra (South Lebanon) and Halba (North Lebanon) bringing the total number of branches to 27 and reaching more than 60,000 active borrowers by the end of the year, 57% of them women.

Achieving larger scale and maintaining close relations with customers has been challenging and we have put in place many processes to reinforce our client service. We created two new departments Product Development and Marketing and Customer Service who work hand in hand with our field teams to ensure that clients' feedback is integrated in our product design. We launched this year two new loan products, one targeting refugees and an individual loan for women without a guarantor. We have also started working on a brand review and uplifting to ensure that our brand identity remains solid and in line with the changes in the organization and the sector.

On the non-financial services side of our work, six projects were completed serving 1,605 beneficiaries on various topics ranging from training on establishing a project, awareness sessions on financial inclusion and vocational trainings.

We also contributed in an exchange of experiences project between Lebanon and Egypt through which eight women were able to share their work and meet more established businessmen and women to benefit from their experiences.

After creating the Risk and Audit Committee in 2015, we set up an independent Risk Management Department in 2016.

The institution intends to continue striving to achieve its vision of leading the creation of an inclusive financial system in Lebanon. I thank all of our clients, partners and staff for their great contribution and trust.

تواصل المجموعة مسيرتها الثابتة من أجل تحسين الشمول المالي في لبنان. وقد نجحت في تنمية قاعدة زبائنها بنسبة 12% والمحفظة القائمة بمعدل 17% من خلال محافظتها على مركزها كأكبر مؤسسة للتمويل الأصغر في لبنان من ناحية الانتشار والتواجد الجغرافي.

هذا وقد تم إنشاء فرعين جديدين في جدرا (جنوب لبنان) وحلبا (شمال لبنان) كجزء من توسعنا ليصل مجموع فروعنا إلى 27 فرع، مما أتاح لنا الوصول إلى أكثر من 60,000 مقترض في نهاية العام 2016، 57% منهم من النساء.

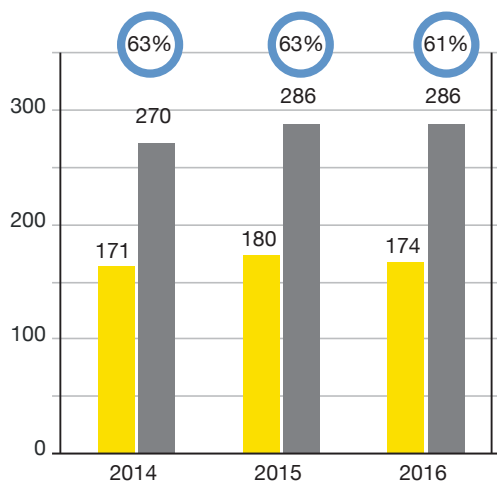
كان التوسع بهذا الشكل أمراً صعباً بالطبع، كما أننا واجهنا تحديات عديدة في سبيل الحفاظ على علاقات وطيدة مع مقترضينا وقمنا بوضع عدة مناهج من أجل تعزيز خدمتهم. في هذا السياق، قامت المجموعة بإنشاء قسم تطوير البرامج وقسم التسويق وخدمة الزبائن حيث يعمل القسمان يداً بيد مع الفرق الميدانية لضمان توافق آراء الزبائن مع منتجاتنا وإدماجهما معاً. هذا العام، أطلقت المجموعة قرضين جديدين، قرض يستهدف اللاجئين وقرض فردي خاص بالنساء من دون كفيل. كما بدأنا بالعمل على تطوير وتحسين العلامة التجارية لضمان قوة هويتنا التجارية وقدرتها على مجاراة التغييرات في المؤسسة والقطاع بشكل عام.

أما فيما يخص الجانب المتعلق بالخدمات غير-المالية في عملنا، تم إنجاز ستة مشاريع تخدم 1,605 مستفيد متضمنة مواضيع تبدأ من التدريب على إنشاء المشاريع ودورات توعية حول الشمول المالي وصولاً إلى التدريب المهني والكثير غيرها. كما ساهمت المجموعة في مشروع لتبادل الخبرات بين لبنان ومصر حيث استطاعت ثمانية نساء مشاركة أعمالهن ومقابلة رجال ونساء أعمال أكثر تمرساً للاستفادة من خبراتهم. وقد استطاعت المجموعة إنشاء قسم إدارة المخاطر في العام 2016 وذلك بعد تأسيس لجنة المخاطر والتدقيق في العام 2015.

تعتزم المؤسسة مواصلة السعي لتحقيق رؤيتها المتمثلة في قيادة وريادة إنشاء نظام مالي شامل في لبنان. وأخيراً، أتقدم بالشكر الجزيل لكل من زبائنا وشركائنا وموظفينا لمساهماتهم الفعالة وثقتهم بنا.

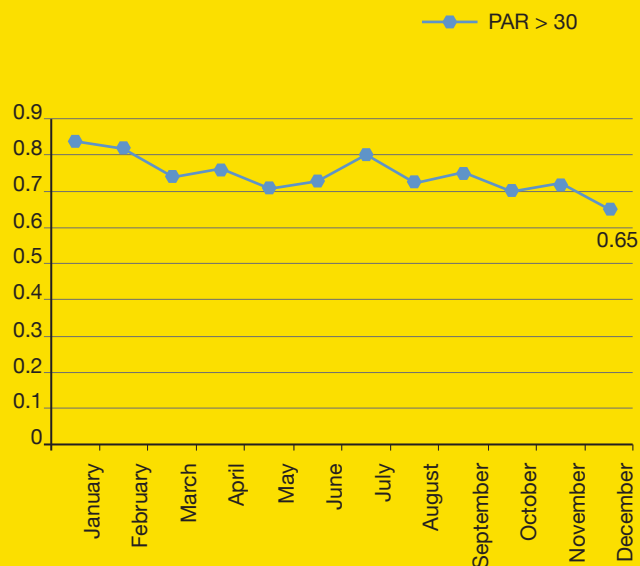
SOCIALLY RESPONSIBLE LENDING

► EFFICIENT OPERATIONS



- Client per staff
- Client per Loan Analyst
- Loan Analyst per staff ratio

► **HIGH PORTFOLIO QUALITY**



► SOCIAL AND ENVIRONMENTAL RESPONSIBILITY



"In collaboration with the Lebanese NGO "l'Ecoute", Al Majmoua is sorting and recycling paper, plastic, cans and electronic waste. 500,000 plastic bottle caps provide a wheelchair and 150,000 cans bestow a hearing aid. Al Majmoua helped 23 families in 2016.

► DOUBLE BOTTOM LINE RESULTS

SOCIAL PERFORMANCE	ENVIRONMENTAL PERFORMANCE
Small sized loans* 79%	CO2 emissions* 10%
Loans with small installments* 7%	CO2 emissions** 10%
Percentage of data error*** <1%	CO2 emissions*** 10%
Number of repayment outlets 1453	CO2 emissions*** 10%

*Small loans are those $\leq 20\%$ of GNI per capita
 **Small installments are those $< 0.5\%$ GNI per capita
 ***Percentage of data errors= number of errors/ number of data fields

AUDITOR'S REPORT

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 USD	2015 USD
INCOME		
Interest income	16,053,686	13,103,544
Revenue from service fees and penalties	997,587	814,556
Funds from donors	957,535	1,638,521
	18,008,808	15,556,621
EXPENSES		
Employee Benefit Expenses	6,774,716	6,009,643
Depreciation and Amortization	61,346	60,207
Professional Fees and Consultancy	443,707	501,891
Other external services	153,654	160,601
Transportation, PTT, Electricity and Water	168,722	148,808
Consumables	228,035	237,035
Rent	244,767	214,311
Field expenses, lodging and travel expenses	232,578	229,834
Impairment on loans to customers	437,123	443,937
Reversal of Impairment on loans to staff	-	-
Other operating expenses	522,416	506,446
	9,267,062	8,512,713
Profit from operations	8,741,745	7,043,908
Finance costs – net	-1,189,324	-918,113
Profit for the year	7,552,421	6,125,795
Other comprehensive income		
Total comprehensive income for the year	7,552,421	6,125,795

BALANCE SHEET AS AT 31 DECEMBER 2016

	2016 USD	2015 USD
ASSETS		
Non-current assets		
Property and Equipment	237,679	196,771
Intangible assets	19,683	19,674
Loans to customers	6,082,293	4,624,608
Staff loans	125,187	126,681
Total non-current assets	6,464,842	4,967,734
Current assets		
Prepayments and other receivables	581,788	480,941
Loans to customers	53,089,566	45,696,710
Staff loans	231,526	177,667
Cash and cash equivalents	6,596,445	3,812,864
Bank deposit	3,000,000	1,105,932
Total current assets	63,499,325	51,274,114
Total assets	69,964,167	56,241,848
NET ASSETS		
Funds from donors	12,578,883	11,621,348
Accumulated surplus	28,325,430	21,730,543
Total net assets	40,904,313	33,351,891
LIABILITIES		
Non-current liabilities		
Borrowings	19,139,407	14,727,663
Retirement benefit obligations	1,171,063	1,025,842
Total non-current liabilities	20,310,470	15,753,505
Current liabilities		
Trade and other payables	1,955,821	1,623,672
Deferred revenue	401,044	847,314
Borrowings	6,392,519	4,665,466
Total current liabilities	8,749,384	7,136,452
Total liabilities	29,059,854	22,889,957
Total net assets and liabilities	69,964,167	56,241,848

*The complete financial statements including the notes are available upon request.



NEW PARTNERS



All partners and awards can be found on our website



HOUDA | OWNER OF A BAKERY, FROM MARJAYOUN, SOUTH LEBANON

“Thanks to the small loans provided by Al Majmoua, I was able to improve my working environment, increase productivity, enhance the quality of my products and increase the number of employees. Within few years, my business has grown significantly and I expanded my services to reach nearby cities and even Beirut. This step encouraged my husband to leave his work and start working with me. He now helps me in delivering my products to my customers in various cities and villages.”

“تمكنت بفضل عدة قروض صغيرة منحتها لي المجموعة من تطوير مصلحتي حيث تمكنت من تحسين مكان عملي ونتاجيته بالإضافة إلى زيادة عدد الموظفين فيه. في غضون سنوات، تطورت مصلحتي بشكل كبير إذ توسع نطاق عملي ليشمل المدن المجاورة و بيروت، الأمر الذي شجع زوجي على مساندتي فترك عمله وبدأ بتوسيع المصلحة معي ليعمل في توزيع المنتجات إلى كافة الزبائن.”

Since 2014, Houda has a cumulative borrowing history of USD 4000 through 2 loans that were used to expand and improve her business.

TAILORING SOLUTIONS, IMPROVING ACCESS



PALESTINE INVESTMENT FUND GROUP LOAN

Offered to Palestinian women who want to start a new business or develop an existing one.



INDIVIDUAL LOAN FOR WOMEN WITHOUT A GUARANTOR

Directed to Lebanese and Palestinian women who benefited from group or individual loans for at least two cycles with good credit history.



REFUGEE LOAN

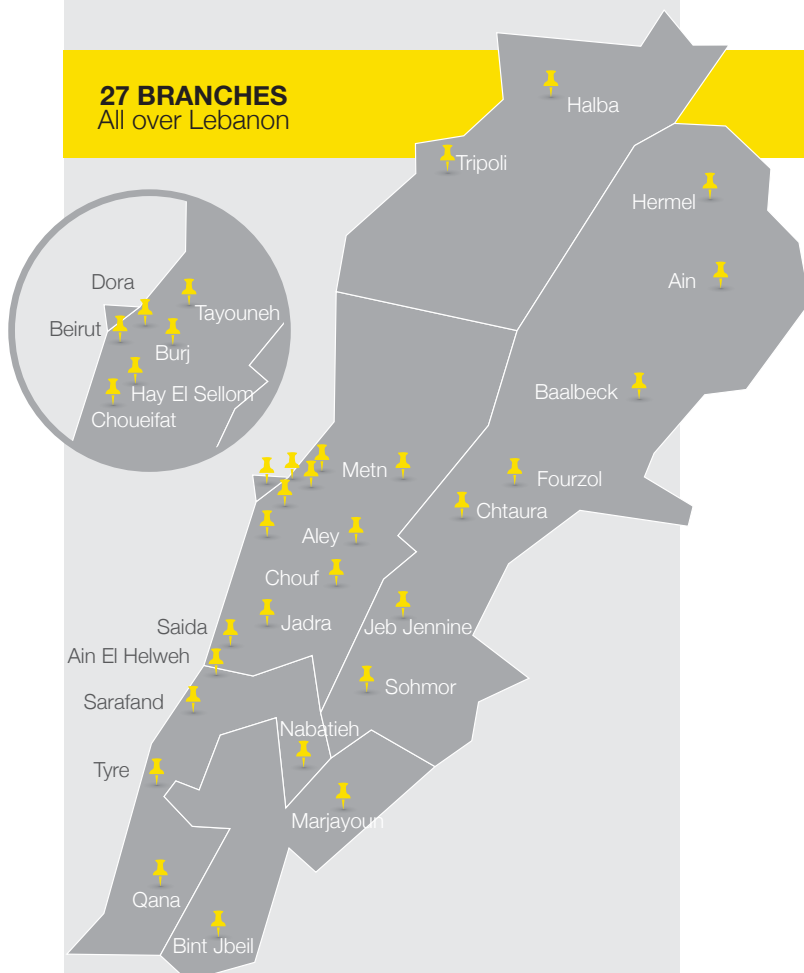
Directed to Syrian refugees to improve their living conditions. Individual loans are offered to workers and entrepreneurs, while group loans are specifically designed for women.



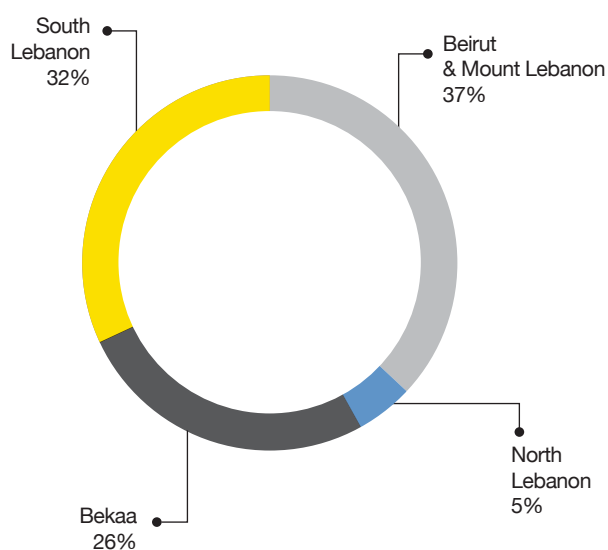
DISBURSEMENTS THROUGH OMT AGENTS

In order to facilitate disbursement services to our borrowers, Al Majmoua increased its total disbursement outlets to more than 650 through launching this service with 365 OMT agents.

27 BRANCHES All over Lebanon



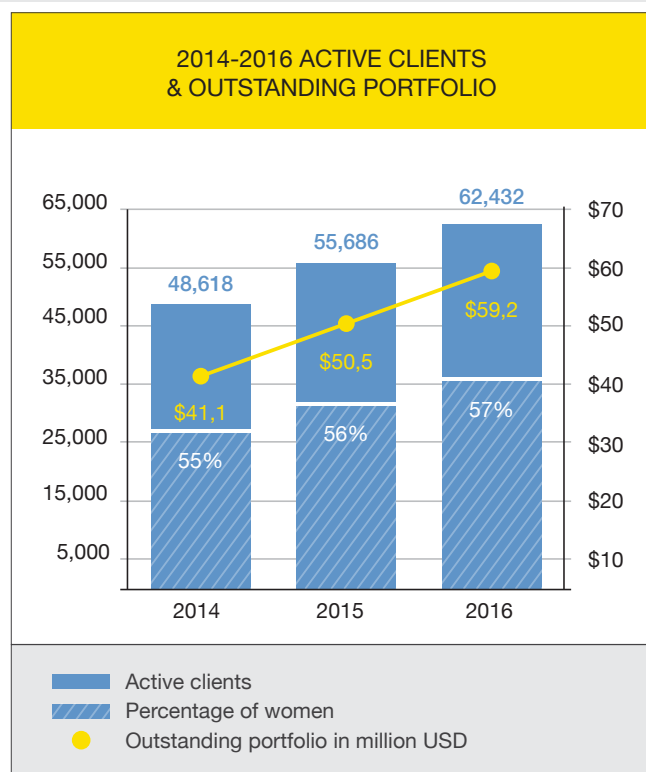
2016 GEOGRAPHIC DISTRIBUTION OF AL MAJMOUA'S CLIENTS



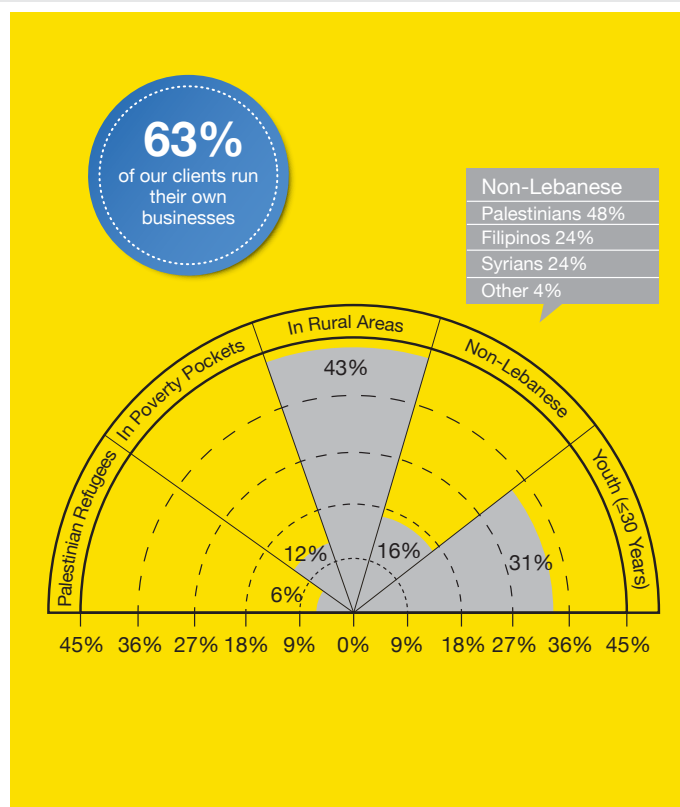


ADVANCING FINANCIAL INCLUSION

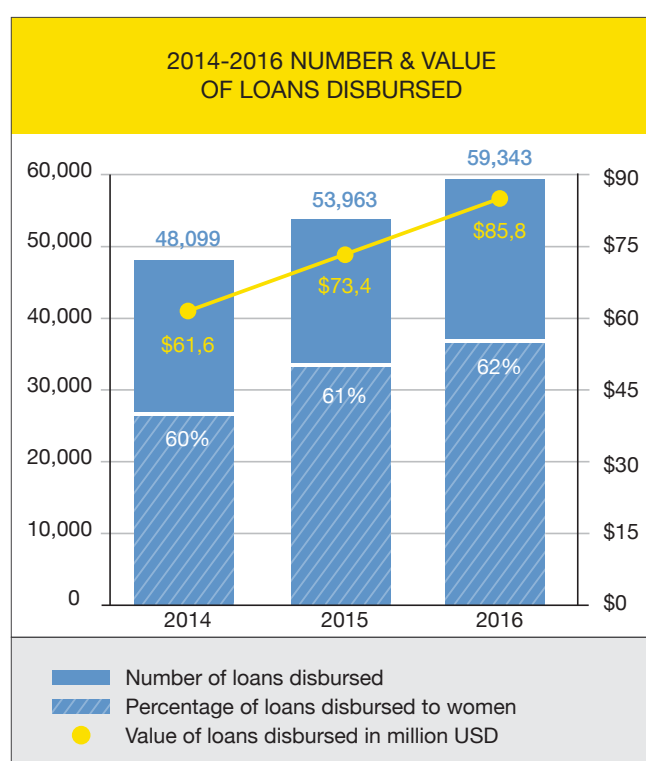
► EXPANDED OUTREACH



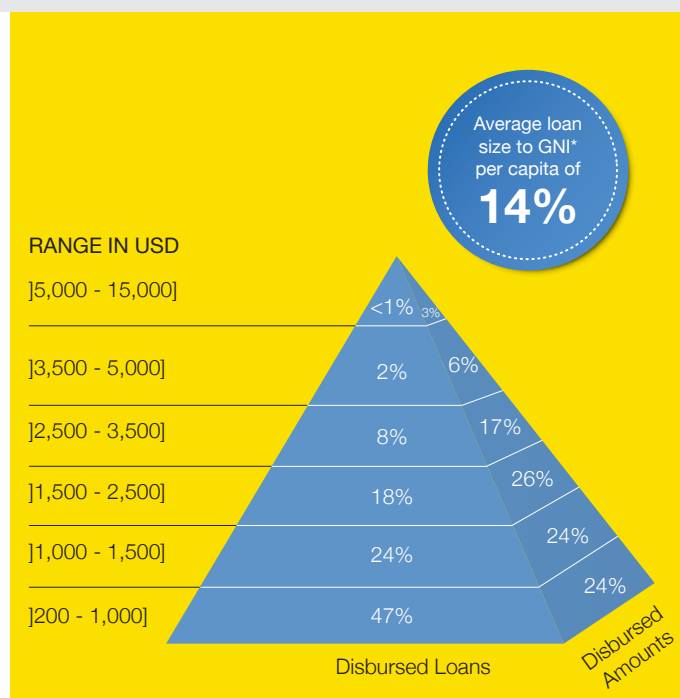
► VULNERABLE CLIENTS' SEGMENTS



► FINANCIAL INCLUSION



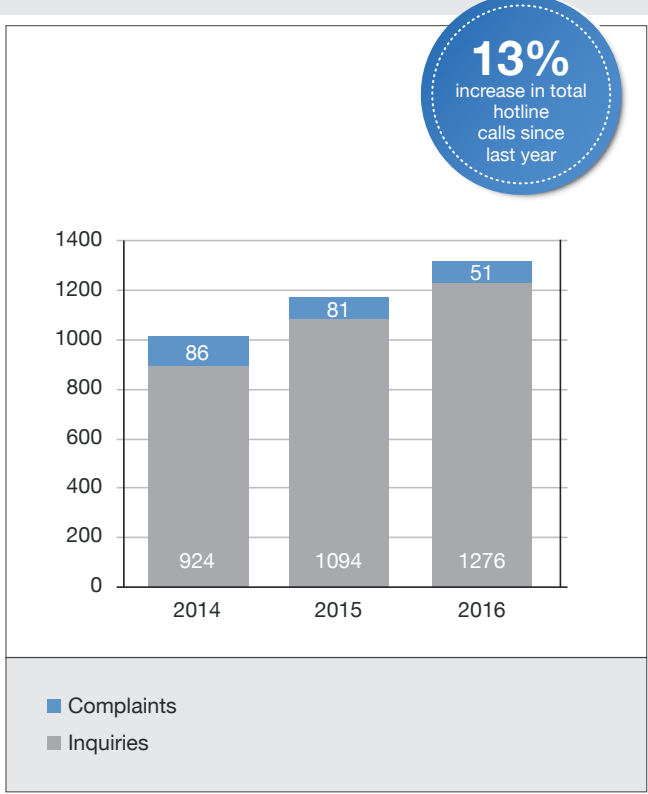
► BOTTOM OF THE PYRAMID FOCUS



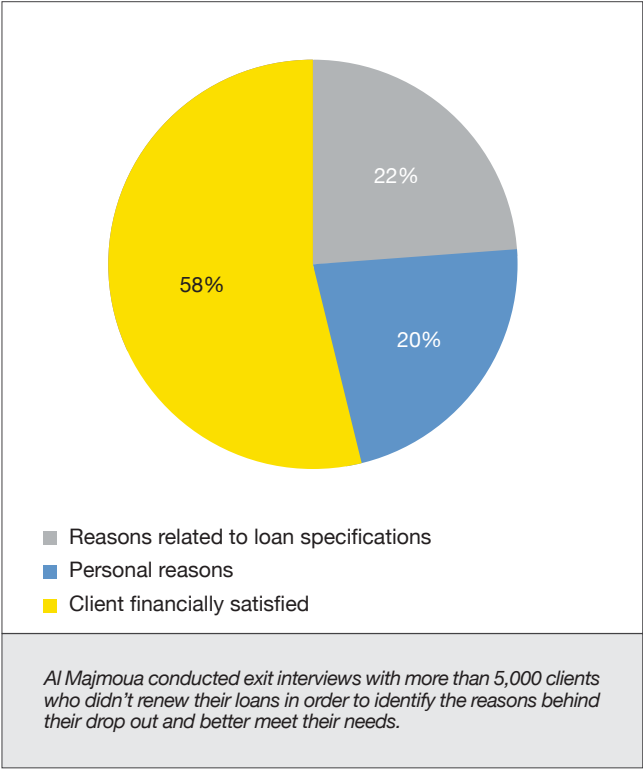
*GNI per capita = gross national income divided by mid-year population

LISTENING TO OUR CLIENTS

▶ CUSTOMER CARE HOTLINE



▶ CUSTOMER EXIT INTERVIEWS





Lina benefited from Al Majmoua's training and coaching programs to develop good branding and packaging, create her marketing plan and improve her distribution strategy while better understanding the competition.

Lina also received training sessions in risk management, HR management and business rights counseling that lead to the intellectual property business registration at the Ministry of Economy: "Le2me W Rif"- West Bekaa - Kherbit Anafar.

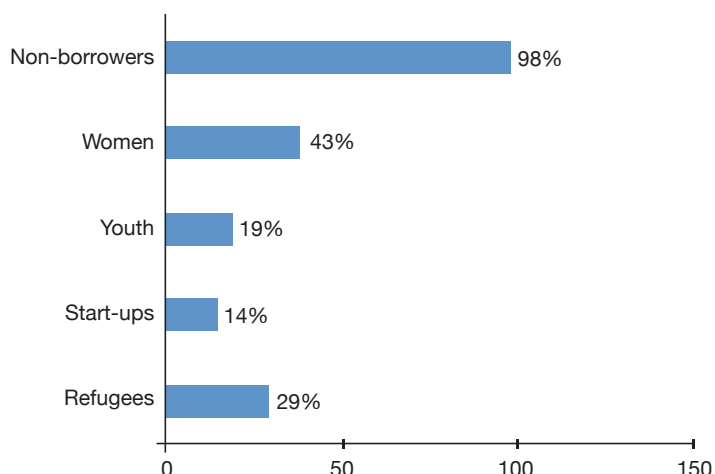
"Through the intensive training sessions offered to women entrepreneurs and the individual business coaching, Al Majmoua is allowing us to succeed and develop to overcome any challenge that we may face."

"عبر التوجيه العملي والدورات التدريبية المكثفة المقدمة من المجموعة إلى صاحبات المشاريع، تقوم المجموعة بمنحنا أجنحة تعلق بنا إلى السماء لنتمكن عبرها من تخطي كافة العوائق والتحديات التي قد نواجهها."

SOCIOECONOMIC EMPOWERMENT

2016 NON-FINANCIAL SERVICES (NFS)	BENEFICIARIES	HIGHLIGHTS
BUSINESS DEVELOPMENT SERVICES	1,361	<ul style="list-style-type: none"> • Business Management trainings: Entrepreneurship, basic accounting and bookkeeping • Financial education: household budget, insurance, savings and debt management • Technical skills trainings • Apprenticeship trainings • Provision of toolkit • Individual business coaching and business planning • Legal counseling and support for business registration (i.e. Brand registration, trade license, fiscal number at the Ministry of Finance)
PRODUCT IMPROVEMENT, MARKETING AND NETWORKING	224	<ul style="list-style-type: none"> • Development of marketing plans to identify and analyze the market positioning of the beneficiaries' business • Development of business branding and marketing tools (i.e. business cards, labeling, stickers) • Hold local events to provide marketing and networking opportunities for beneficiaries • Registration of business trade identities for the entrepreneurs at the Ministry of Economy and Trade for national and international market • Access to Al Majmoua's mobile application allowing the borrowers to have online access to their loan account and allowing all beneficiaries to understand their business rights
PERSONAL DEVELOPMENT	38	<ul style="list-style-type: none"> • Awareness sessions on gender, training sessions about self-confidence and the development of soft skills, economic rights and decision making • Male engagement through networking events in presence of the female entrepreneurs
TOTAL	1,623	

DISTRIBUTION OF 2016 NFS BENEFICIARIES BY CATEGORY



DISTRIBUTION OF 2016 NFS BENEFICIARIES BY SOCIAL TOPIC



2016 TIMELINE OF ACTIVITIES

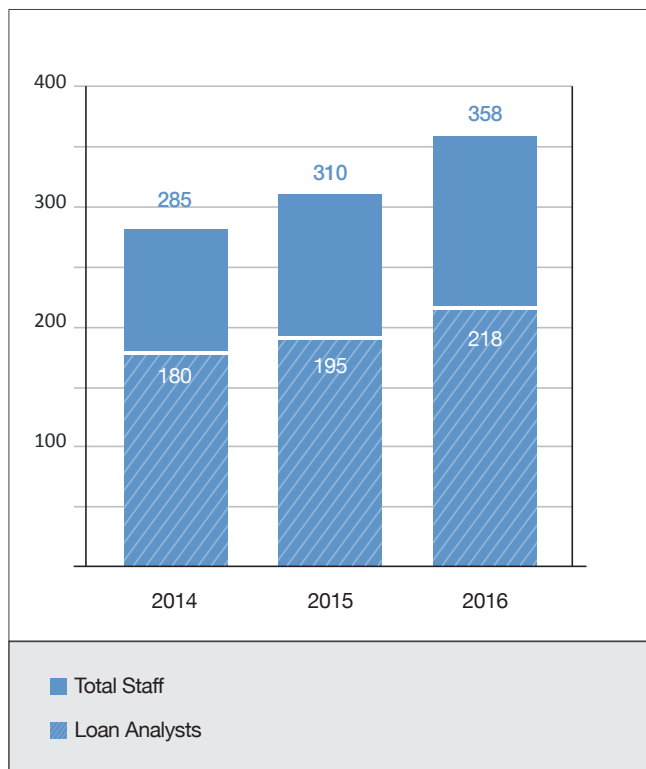
- Crossing the 60,000 active clients mark
- Opening two branches in Halba and Jadra
- Establishing three new departments:
 - Product Development
 - Marketing and Customer Service
 - Risk Management
- Launching new products:
 - Refugee loan
 - Group loan for Palestinians
 - Individual loan for women without a guarantor
- Signing new partnership agreements with:
 - Safadi Foundation
 - UNDP
 - UNIFIL
 - UNFPA
 - Dar Al Amal Association
 - The Blessing Foundation
 - UN Women
- Signing new loan agreements with:
 - Planis Responsibility
 - Triple Jump
 - CoopMed
 - Whole Planet
 - Habitat Microbuild
 - Palestine Investment Fund
- Brand uplifting
- Organizing a series of events:
 - Conference about the status of women entrepreneurship in Lebanon and the challenges of legal business registration
 - Open day about access to finance for micro-entrepreneurs at the Chamber of Commerce in Bekaa
 - Regional exchange of experience for women entrepreneurs in Egypt
 - Networking events for female micro-entrepreneurs targeting male engagement
- Providing legal counseling to female micro entrepreneurs and supporting trade name registration at the Ministry of Economy
- Participating in the Citi Microentrepreneurship Awards where four of Al Majmoua's clients won valuable prizes



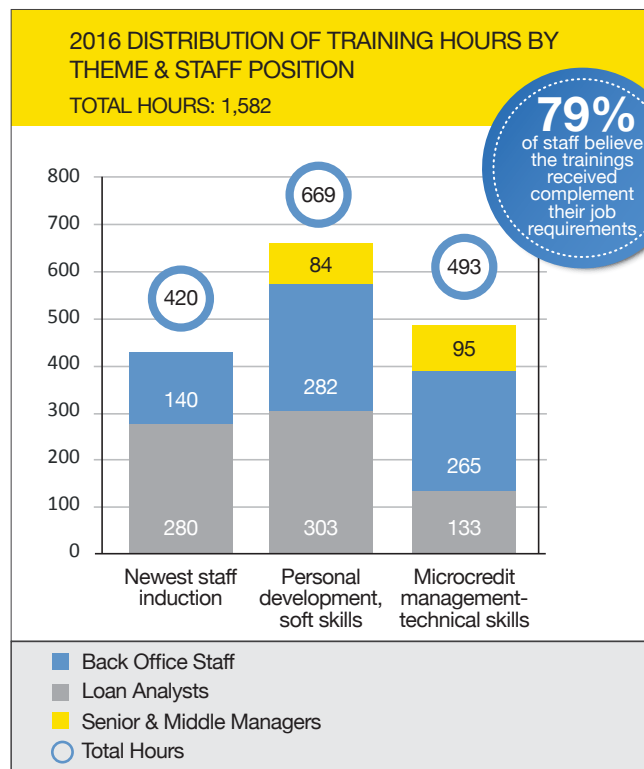
Photo Credit: Mitri Soujaa, IT Support Technician
(Main Office)

HUMAN CAPITAL DEVELOPMENT

► NEW STAFF INDUCTION

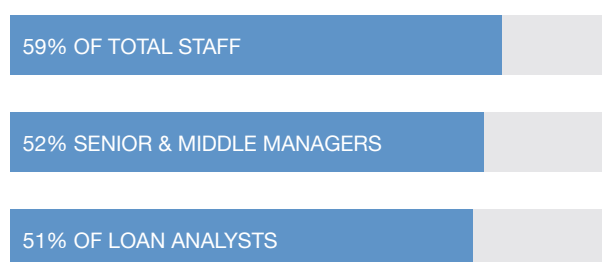


► CAPACITY BUILDING

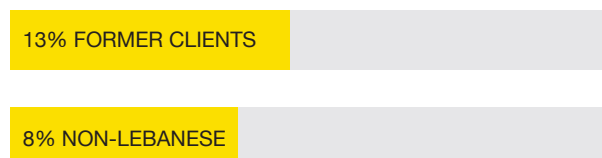


► EQUAL EMPLOYMENT OPPORTUNITY

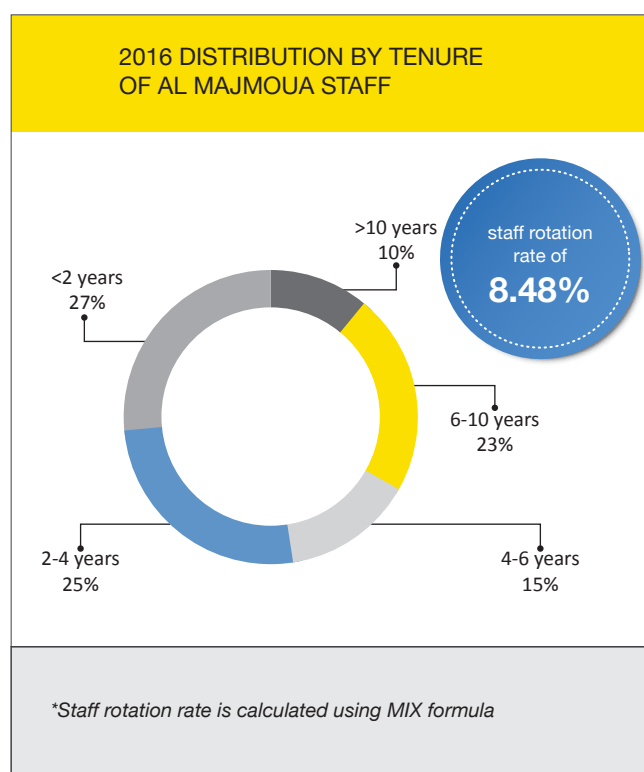
WITH WOMEN CONSTITUTING



AND A DIVERSE STAFF OF



► HIGH EMPLOYEE LOYALTY



TEAM SPIRIT

NABATIEH BRANCH, South | Best Performing Branch for 2016

"When I was asked to write about my emotions of victory and success, I was overwhelmed with a feeling of great joy and satisfaction that no words can express. This remarkable achievement has been a constructive challenge for every single one of us in this team preceded with great determination and passion to reach the 1st rank and make our dream a reality. Such success would not have been possible without a complementary and collaborative team work where members are solely dedicated to one another and to their jobs and duties. We have proudly invested every possible strength point, including our productive capacity and the art of constructive communication to reach our goal and succeed".

Amale Hallal, Branch Manager
(Nabatieh, Sarafand, Sohmar, Marjayoun)

فرع النبطية، الجنوب | أفضل مكتب لعام 2016

"عندما طلب مني أن أخط شعوري حول هذا النجاح على الورق، اعترتني غبطة وسعادة عارمة لا يمكن أن توجزها الكلمات أو أن تتسع لها السطور، وما ذلك إلا لأن هذا الانجاز الرائع كان بمثابة تحدٍّ لنا جميعاً كفريق ولكن كان تحدياً إيجابياً سبقه إصرار وشغف كبير للوصول إلى هذه المرتبة وجعلها واقعاً حقيقياً على الأرض. وما لا يمكن اغفاله مطلقاً أن هذا النجاح لم يكن ليتحقق من دون عمل فريقي متكامل ومتعاون فيما بينه ومحبة لبعضه ومخلص لعمله. حيث استثمرنا فيه كل نقاط القوة من طاقات انتاجية بما أوتينا سبيلاً متسلحين فيه بأهم وسيلة وهي فن التواصل البناء حتى وصلنا إلى ما وصلنا عليه وحققنا المرتبة الأولى بين المكاتب جميعها."

آمال حلال، مديرة فرع
(النبطية، الصرند، سحر، مرجعيون)

During 2016, the Nabatieh branch disbursed a cumulative value of 6.5 million USD through more than 4,000 loans.

Photo Credit: Mitri Soujaa, IT Support Technician
(Main Office)



Al Majmoua

The Lebanese Association for Development

Abdel Kader St., Green Building, Ground Floor
P.O. Box: 11-3483, Beirut - Lebanon

Phone +961 1 360 916, Fax +961 1 369 269
Hotline +961 3 621 616

www.almajmoua.org



Printed on recycled paper

*Cover Photo Credit: Ali Awada, Branch Manager
(Tayouneh, Tripoli, Koura)*