CELEBRATING 20 YEARS OF ADVANCING FINANCIAL INCLUSION
ANNUAL REPORT 2017
“This year marks an important milestone as we celebrate Al Majmoua’s 20th anniversary!

In 1994, Save the Children launched a pilot project of Group Guaranteed Lending in Lebanon. Three years later, and in order to ensure long-term, locally-driven sustainability, Save the Children initiated the program’s spinoff into a local microfinance institution.

In 1997, Al Majmoua was born as an independent entity, non-profit, non-partisan NGO with a mission and vision to lead the creation of an inclusive financial system in Lebanon.

Balancing our dual objectives of social and financial goals, our founding principles since inception remain to keep the client at the center of our strategies and decisions while adopting the best practices and the highest standards of governance through transparency, business ethics and accountability to all.

Since 1997, we have worked all over the country with low-income Lebanese and non-Lebanese having no access to the formal banking sector. Cumulatively, we have disbursed more than 490,000 loans amounting to over $600 million. We were able to adapt to challenges and crisis, including a devastating war in July 2006 which led to the internal displacement of a third of our clients, while continuing to meet their needs to rebuild their lives and work. The quality of the portfolio, with a PAR 30 below 1%, has remained steady throughout.

In these 20 years, we have grown from a small team of 25 serving some 2,000 clients to more than 404 staff members serving 70,000 clients and 2,000 NFS beneficiaries, through a network of 28 field offices. We were able to achieve and maintain the leading position in the market by focusing on the development of four pillars:

1- Human capital development and collaborative partnerships: we have extensively and continuously enhanced the skills of our staff, always keeping them acquainted with the latest industry developments. Al Majmoua grew into a leading microfinance player in the region, working with international partners as well as regional and local organizations alike on establishing strong microfinance networks and promoting best practices.

2- Readily available access points: to provide our clients with increasingly easy and convenient access to financial products, we developed a wide network of branches and agents through partnerships with banks, the post office and money transfer agents.

3- Holistic skills building and financial literacy: recognizing that financial support alone cannot help the poor, Al Majmoua developed parallel programs that focused on vocational skills, livelihood, financial literacy and business management to improve borrowers’ and non-borrowers’ capacities to develop sustainable income-generating activities.

4- Technology usage and efficiency: we have drawn extensively on technological advancements to automate processes, digitize data and use mobile technologies to increase access, improve service and reduce organizational costs. Thanks to improved efficiencies, Al Majmoua was able to regularly reduce the interest rates on all its loan products.

As the industry evolves from microfinance to financial inclusion, Al Majmoua enters its third decade strengthened by its achievements, technologies, skills and extensive partnerships to fully support a broader array of services and a much deeper focus on the client.

None of this would have been possible without the dedication and commitment of our board members, management team and all the staff who have worked tirelessly to steadily expand our outreach to reach the unbanked all over the country, build new partnerships and gain the trust and loyalty of our clients.

Congratulations to Al Majmoua on reaching the 20 years' mark!"
تحتفل هذا العام بالذكرى السنوية العشرين على تأسيس المجموعة وتكرار هذه المناسبة محطةً مفصليةً في تاريخنا!

أطلق "أحد عوائد الأولاد" عام 1994 للفريق الشمالي في لبنان كمشروع تنموي، وبعد ثلاث سنوات، ومن أجل تحقيق إستدامة محلية طولية الأمد، بدأ الاتحاد إلى فعل البرنامج وتحويله إلى مؤسسة تمويل أصغر محلية.

هكذا، تأسست المجموعة عام 1997 كمنظمة مستقلة غير حكومية وغير حزبية لا تبقى في الربح وتسعى لتطبيق رؤيتها وهميتها بالمساهمة الرائدة في إنشاء نظام مالي شامل في لبنان.

شاكرًا لتحقيق التوازن بين أهدافنا الاجتماعية والمالية، فكانت مبادئنا وما زال تتم مقتضبنا في وقائنا الاستراتيجية، وقرائنا مع تبني أفضل الممارسات وأعلى معايير الحوكمة من خلال الشفافية، وإخلاصات العمل والمساءلة للجميع.

ومنذ التأسيس، عملنا وما زالنا نعمل مع ذوي الدخل المحدود والمهمشين من النظام المصري، من اللبنانيين وغير اللبنانيين.

وهكذا، تلخص المجموعة في 20 عاماً، أكثر عملاً الصغير والمكون من 25 موظفة يخدمون حوالي 2,000 مفترض يعيش اليوم أكثر من 404 موظفة يخدمون 70,000 مفترض و2,000 مستفيد من الخدمات غير المالية، من خلال شبكة مكونة من 28 مكتباً ميدانياً. كما تمكننا من تحقيق الازدهار في السوق والحفاظ عليها من خلال التركيز على تطوير أربع ركائز:

1. التنمية رأس المال البشري، خلق الشراكات: شعبنا وإمبرار لتعزيز مهارات موظفينا وإطلاقهم دائمًا في حل التحديات في هذا القطاع. كما تطورت المجموعة لتنمو موظفنا رابطًا في نظام التمييز الأصغر على العمق الإقليمي من خلال العمل على إنشاء شركات متميزة في التمويل الأصغر والتسويق المتقدم، والتعاون مع الشركاء المحليين والمنظمات الإقليمية والدولية.

2. سحبة التمويل إلى حدثنا: فلنا تطورت شبكة واسعة من الترومبو والوكال بواسطة الشراكات مع البنوك، ومكتب البريد، ووكالات التمويل للأموال، وتحقيق إمكانية الوصول إلى خدماتنا المالية بسهولة.

3. بناء الممارسات الشاملة والشفافية: لا شك أن الدعم المالي وحده غير كافٍ لمساعدة الفقراء. لذلك، قامت المجموعة بتطوير رابط خاص بالمサポート الموحد الأمثلية وتدريب الأعمال لتحسين مدى الفقراء وغير المفترضين على تنمية أعمالهم المدرّة للدخل بطريقة مثلى.

4. استخدام التكنولوجيا بطريقة فعالة: اعتمادنا في السنوات الأخيرة على التقدم التكنولوجي لمكتبة الممارسة والتضمن الرقمي لليزدات واستخدام تقنيات الهاتف المتحول لزيادة فرض الوصول وتحسين الخدمات وخفض التكاليف التشغيلية. فضلاً عن تحسين الأداء، تمكنت المجموعة من خفض الفائدة بشكل ملحوظ على جميع مزاداتها.

ومع تطور القطاع من التمويل الأصغر إلى الشمول العالمي، تدخل المجموعة عقدها الثالثة لتجاوزاتها وهميتها وما تحتاجها من التكنولوجيا والشراكات لتقديم مجموعة واسعة من الخدمات والتركيز على المفترض بشكل أكثر عمقة.

نتمنى أن تستمر هذه الإحترامات معروفًا بالثقة والالتزام أصحاب الفائزات الإدارية والفريق الإداري لدينا وجميع الموظفين الذين عملوا أياً كل تتوسع انتشاراً على جميع الأراضي اللبنانية، وبناء شراكات جديدة والحصول على ثقة وواع ملتزم.

"مبوط للمجموعة عامها العشرين!"
BOARD OF DIRECTORS

Mr. Ramzi El Hafez  
President  
General Manager of InfoPro

Mr. Hussein Rifai  
Accountant  
Founder/CEO of Management and Development International Company (MDIC)

Dr. Hanin Abdallah  
Treasurer  
Senior Lecturer Management, Marketing and Entrepreneurship, Olayan School of Business, American University of Beirut

Dr. Ghassan Hamadeh  
Vice President  
MD, CPE  
Professor & Chair, Family Medicine  
CMIO, American University of Beirut Medical Center  
American University of Beirut Health for Integrated Patient Centered Care

Mr. Gabriel Deek  
Secretary  
General Manager of OmniSystems

Mr. Roland Tok  
Member  
Legal Advisor  
Attorney-at-Law (Member of Beirut Bar Association)
Over the past 20 years, Al Majmoua has introduced a variety of loans designed to answer the needs of a diverse pool of clients in Lebanon’s ever-evolving socio-economic climate. Starting off by exclusively serving groups of women, we later expanded to serve individual men and women by 2000, and since then have sought to provide loans to individuals with specific needs and preferences including youth and recent graduates, parents burdened with education costs, Syrian and Palestinian refugees, persons with disabilities as well as migrant workers.

**VARIETY OF LOAN PRODUCTS**

- **2000** Entrepreneur Loan
- **2008** Home Improvement Loan
- **2009** Information and Communication Technology Loan
- **1997** Group Loan for Women Only
- **2007** Loan for Employees
- **2008** Start-Up Loan for Micro Entrepreneurs
- **2012** Back To School Loan for Parents Burdened with Education Costs
- **2014** Yalla Chabab Loan for Youth
- **2016** Loans to Refugees
- **2011** Loan for VSE (Very Small Enterprises)
- **2013** Damej Loan for People with Disabilities
- **2015** Unguaranteed Loan for Women
- **2017** Alternative Energy Loan

**LOANS DISBURSED TO**

- **Entrepreneurs**: >290,000
- **Women**: >275,000
- **Youth**: >154,000
- **Refugees**: >44,000
- **Rural & Remote**: >210,000
- **Migrants**: >24,500
- **With Disabilities**: >1,300
ACCOUNTABILITY TO ALL

Organizational commitment to responsible financing and micro-finance’s best practices is integral to a positive and ever improving client experience. For years, Al Majmoua has acted to implement modern accountability and transparency by establishing feedback channels and performance management procedures for full accountability. To ensure effectiveness in achieving our social goals and creating value for clients, we have since 2013 set out in aligning our policies and procedures with the SPTF’s Universal Standards for Social Performance Management.

SOCIAL PERFORMANCE MANAGEMENT

- Submitting to a social performance assessment by Triple Jump. Al Majmoua ranked “Excellent” with a “Green Traffic Light” mark on gender
- Earning 5 out of the 7 social performance badges assigned by KIVA to its field partners
- Joining the SPTF network; Al Majmoua’s client satisfaction & exit surveys were included in SPTF’s Resource Center & Implementation Guide
- Launching a recycling program in collaboration with L’Ecoute association
- Completing the Social Performance Desk Review by the MIX & earning the Socially Transparent And Responsible (S.T.A.R) Recognition
- Endorsing the SMART campaign
- Grading Al Majmoua 4- on a (0, 5+) Social Performance scale by Planet Rating and B+ on GIRAFE
- Attaining all five MIX Market Diamonds
- Auditing Al Majmoua by Kiva using the CERISE SPI tool showed an exceptional strength in social responsibility
- Launching the SPM committee
- Completing the CERISE SPI Audit by Planet Finance
- Revising and expanding the social and environmental exclusion list
- Completing an SPI-4 audit with a validated auditor that showed that Al Majmoua’s SPM practices are “Strong”

CLIENTS’ ENGAGEMENT (STATISTICS SINCE 2012)

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inquiries Answered</td>
<td>&gt;7,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Complaints Solved</td>
<td></td>
<td>&gt;400</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction Surveys</td>
<td></td>
<td></td>
<td>&gt;2,200</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Exit Surveys</td>
<td></td>
<td></td>
<td></td>
<td>&gt;7,500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfied Clients</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>97%</td>
<td></td>
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</tr>
<tr>
<td>Clients Who Won a Prize Thanks to Al Majmoua</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>47</td>
<td></td>
</tr>
</tbody>
</table>
Since the beginning, we have been committed to creating an inclusive work environment and culture of excellence. We believe financial inclusion begins with establishing the same values with our staff which is trained using up-to-date tools to best serve clients. We use a combination of classroom trainings and on the job experience designed to enhance the technical knowledge and skills of our team. Finally, our training and capacity building department is regionally known to offer trainings to staff of other microfinance institutions.

**HUMAN CAPITAL DEVELOPMENT AND COLLABORATIVE PARTNERSHIPS**

WOMEN EMPLOYED

ORGANIZATIONS TRAINED BY AL MAJMOUA

OTHER COUNTRIES WHERE WE PROVIDED TECHNICAL ASSISTANCE

<table>
<thead>
<tr>
<th>Training Area</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Inclusion</td>
<td>1063</td>
</tr>
<tr>
<td>Customer Service</td>
<td>1016</td>
</tr>
<tr>
<td>Risk Management</td>
<td>937</td>
</tr>
<tr>
<td>Selling Skills</td>
<td>876</td>
</tr>
<tr>
<td>Debt Management</td>
<td>634</td>
</tr>
<tr>
<td>Professional Attitude</td>
<td>129</td>
</tr>
</tbody>
</table>

IN 2015, AL MAJMOUA WON THE WOMEN’S WORLD BANKING “AWARD FOR EXCELLENCE IN LEADERSHIP” HONORING OUR COMMITMENT TO PROMOTING GENDER DIVERSITY

Photo Credit: George Lteif, IT Manager
In 2001, Al Majmoua opened seven new self-governing offices across Lebanon marking the beginning of our geographical expansion in pursuit of widespread access of all our services. Currently, Al Majmoua has 28 offices across the country serving clients that would have been previously hard to reach. We have progressively developed a network of over 1500 agents through various partnerships, offering our clients the widest network and helping us to greatly expand our outreach to rural and remote areas.
Knowing that true financial inclusion is not achieved solely by micro-credit, Al Majmoua began providing Non-Financial Services (NFS) in 2006 that include provision of toolkits, vocational and financial trainings, women’s empowerment discussions, apprenticeship, coaching and mentorships, legal counselling and support for business registration and branding, marketing and market development for products distribution.

**BENEFICIARIES OF NON-FINANCIAL SERVICES**

<table>
<thead>
<tr>
<th>PERIOD</th>
<th>PERSONAL DEVELOPMENT TRAININGS</th>
<th>BUSINESS MANAGEMENT TRAININGS</th>
<th>VOCATIONAL TRAININGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-2009</td>
<td>&gt;1000</td>
<td>&gt;8,500</td>
<td>&gt;2,200</td>
</tr>
<tr>
<td>2008-2010</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2009-2010</td>
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<td></td>
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<tr>
<td>2013-2014</td>
<td></td>
<td></td>
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<tr>
<td>2013-2017</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2014-2015</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2017 - ongoing</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**MAJOR NFS PROJECTS**

- **2006-2009**: Femmes Entrepreneuses en Mediterranee (FEM)
  - Partner: EU
- **2008-2010**: Women Empowerment: Peaceful Action for Security & Stability (WEPASS)
  - Partner: NCLW
- **2009-2010**: Siraj: Youth Leadership in the Arab World
  - Partner: Save The Children
- **2013-2014**: Livelihoods and Employability Centers for Syrian Refugees and the Lebanese Host Community
  - Partner: UNHCR
  - Partner: Cherie Blair Foundation
- **2014-2015**: “Youth Entrepreneurship Program” YEP
  - Partner: PlaNet Finance
- **2017 - ongoing**: Enabling Entrepreneurship and Access to Finance for Refugees and the Host Community
  - Partner: IRC
Since 2010, Al Majmoua has taken various steps to embrace technological innovations in order to improve our clients’ experience, increase their access and reduce costs. Our tech driven R&D team have automated many processes, digitized data and developed geographic information systems for better customer insight and analysis. We are also leveraging mobile technology with the development of two mobile apps, one for clients and one for loan agents.

**TECHNOLOGY USAGE AND EFFICIENCY**

**INTRODUCTION OF TECH CHANGES**

- Adoption of MIFOS an open source MIS
- Beta version of the loan officer mobile application
- Migration to MIFOS X a free open source technology platform
- Starting the development of the clients’ mobile application
- Optimization of the data landscape, digitization of data and data quality
- Business Intelligence Reporting System
- Automation of the main business processes
- Implementation of Geographic Information Systems
- Development of organizational systems (Hotline, HR, Audit, etc.)
Loans disbursed >490,000
of which 59% to entrepreneurs
of which 56% to women

Total staff 404
of which 60% women

Financially sustainable since 2004

ACTIVE CLIENTS

20 YEARS OF ADVANCING FINANCIAL INCLUSION

Partnership with Bank Audi (80 branches)
5,000 active clients
80% women
69 staff
7 branches

Founding Member of Sanabel

Loans disbursed >490,000
of which 59% to entrepreneurs
of which 56% to women

Total staff 404
of which 60% women

Financially sustainable since 2004
Al Majmoua and CoopMed have commissioned a study over 12 months to assess how Al Majmoua’s loans to Syrian refugees impacted their livelihoods. In 2017, 150 Syrian borrowers who fled Syria to Lebanon between 2010 and 2017 were interviewed at length. The final results are expected for the end of 2018 after completion of the second round of interviews.

Preliminary results: % of respondents

- Took their first loan in Lebanon from Al Majmoua: 96%
- Had taken a loan in Syria: 5%
- Good housing condition: 72%
- Food satisfaction: 51%

Financial performance:
- OSS: 153%
- FSS: 130%
- ROE: 16.23%
- ROA: 9.5%

Social performance:
- Small sized loans*: 63%
- Loans with small installments*: 5%
- Percentage of data error**: <1%
- Number of repayment outlets: 1518

*Small loans are those ≤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 2017**

<table>
<thead>
<tr>
<th>2016</th>
<th>USD</th>
<th>2017</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>16,053,687</td>
<td>18,727,374</td>
<td></td>
</tr>
<tr>
<td>Revenue from service fees and penalties</td>
<td>997,587</td>
<td>1,223,498</td>
<td></td>
</tr>
<tr>
<td>Funds from donors</td>
<td>957,535</td>
<td>2,123,411</td>
<td></td>
</tr>
<tr>
<td>Income from prof trng</td>
<td>10,600</td>
<td>175,068</td>
<td></td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Benefit Expenses</td>
<td>6,774,716</td>
<td>8,525,724</td>
<td></td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>61,346</td>
<td>80,930</td>
<td></td>
</tr>
<tr>
<td>Professional Fees and Consultancy</td>
<td>443,707</td>
<td>790,771</td>
<td></td>
</tr>
<tr>
<td>Other external services</td>
<td>153,654</td>
<td>178,728</td>
<td></td>
</tr>
<tr>
<td>Transportation, PTT, Electricity and Water</td>
<td>168,722</td>
<td>182,890</td>
<td></td>
</tr>
<tr>
<td>Consumables</td>
<td>228,035</td>
<td>269,463</td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td>244,767</td>
<td>271,865</td>
<td></td>
</tr>
<tr>
<td>Training Expenses</td>
<td>70,101</td>
<td>727,622</td>
<td></td>
</tr>
<tr>
<td>Field expenses, lodging and travel expenses</td>
<td>162,477</td>
<td>144,103</td>
<td></td>
</tr>
<tr>
<td>Impairment on loans to customers</td>
<td>437,123</td>
<td>574,094</td>
<td></td>
</tr>
<tr>
<td>Reversal of Impairment on loans to staff</td>
<td>-</td>
<td>(197,299)</td>
<td></td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>533,018</td>
<td>479,600</td>
<td></td>
</tr>
<tr>
<td></td>
<td>9,277,664</td>
<td>12,028,491</td>
<td></td>
</tr>
<tr>
<td>Profit from operations</td>
<td>8,741,744</td>
<td>10,220,860</td>
<td></td>
</tr>
<tr>
<td>Finance costs – net</td>
<td>(1,189,324)</td>
<td>(1,468,754)</td>
<td></td>
</tr>
<tr>
<td>Profit for the year</td>
<td>7,552,420</td>
<td>8,752,106</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>7,552,420</td>
<td>8,752,106</td>
<td></td>
</tr>
</tbody>
</table>

**BALANCE SHEET AS AT 31 DECEMBER 2017**

<table>
<thead>
<tr>
<th>2016</th>
<th>USD</th>
<th>2017</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and Equipment</td>
<td>237,679</td>
<td>365,437</td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>19,683</td>
<td>34,164</td>
<td></td>
</tr>
<tr>
<td>Loans to customers</td>
<td>6,082,293</td>
<td>8,121,305</td>
<td></td>
</tr>
<tr>
<td>Staff loans</td>
<td>125,187</td>
<td>133,587</td>
<td></td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>6,464,842</td>
<td>8,654,493</td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepayments and other receivables</td>
<td>581,789</td>
<td>1,212,940</td>
<td></td>
</tr>
<tr>
<td>Loans to customers</td>
<td>53,089,192</td>
<td>63,641,977</td>
<td></td>
</tr>
<tr>
<td>Staff loans</td>
<td>231,526</td>
<td>231,306</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>8,565,160</td>
<td>10,202,630</td>
<td></td>
</tr>
<tr>
<td>Bank deposit</td>
<td>1,031,285</td>
<td>3,030,480</td>
<td></td>
</tr>
<tr>
<td>Total current assets</td>
<td>63,498,953</td>
<td>76,219,333</td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>69,963,795</td>
<td>84,873,826</td>
<td></td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funds from donors</td>
<td>12,578,883</td>
<td>14,702,294</td>
<td></td>
</tr>
<tr>
<td>Accumulated surplus</td>
<td>28,325,430</td>
<td>35,217,409</td>
<td></td>
</tr>
<tr>
<td>Total net assets</td>
<td>40,904,313</td>
<td>49,656,417</td>
<td></td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>19,139,407</td>
<td>19,918,020</td>
<td></td>
</tr>
<tr>
<td>Retirement benefit obligations</td>
<td>1,171,063</td>
<td>1,486,438</td>
<td></td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td>20,310,470</td>
<td>21,404,458</td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>1,955,821</td>
<td>1,880,725</td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>401,044</td>
<td>482,463</td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>6,392,519</td>
<td>11,449,763</td>
<td></td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>8,749,384</td>
<td>13,812,951</td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>29,059,854</td>
<td>35,217,409</td>
<td></td>
</tr>
<tr>
<td>Total net assets and liabilities</td>
<td>69,964,167</td>
<td>84,873,826</td>
<td></td>
</tr>
</tbody>
</table>

*The complete financial statements including the notes are available upon request.*
“Al Majmoua loans helped me diversify my products and develop my business. I believe that these loans are the reason behind my business success. I consider myself a member of Al Majmoua family, as I would like to thank them for their support and help.”

Since 2014, Fatima has a cumulative borrowing history of USD 11,000 through five loans that were used to expand and improve her business. Fatima was nominated by Al Majmoua for the Citi Microentrepreneurship Awards program and was able to win a valuable prize.

Photo Credit: Sanad
TAILORING SOLUTIONS, IMPROVING ACCESS

ALTERNATIVE ENERGY PRODUCT
Tailored to finance the purchase of alternative energy system equipment.

GROUP LENDING
Reviewing and adapting to the terms and conditions of this product: introduction of the “Groups of 2 Participants”.

DISTRIBUTION OF PRODUCTIVE EQUIPMENT TO LEBANESE COOPERATIVES
Supplying 19 cooperatives with necessary productive gear and tools in collaboration with Fair Trade Lebanon.

2017 GEOGRAPHIC DISTRIBUTION OF AL MAJMOUA’S CLIENTS

- Beirut & Mount Lebanon 37%
- North Lebanon 6%
- Bekaa 26%
- South Lebanon 31%

28 BRANCHES
All over Lebanon
EXPANDED OUTREACH

2015-2017 ACTIVE CLIENTS & OUTSTANDING PORTFOLIO

- Active clients
- Percentage of women
- Outstanding portfolio in million USD

VULNERABLE CLIENTS' SEGMENTS

- Non-Lebanese
- Syrians 45.5%
- Palestinians 34%
- Filipinos 17.5%
- Other 3%

FINANCIAL INCLUSION

2015-2017 NUMBER & VALUE OF LOANS DISBURSED

- Number of loans disbursed
- Percentage of loans disbursed to women
- Value of loans disbursed in million USD

BOTTOM OF THE PYRAMID FOCUS

- Average loan size to GNI*
- per capita of 23%

DISBURSED AMOUNTS

- Disbursed Loans
- Disbursed Amounts

RANGE IN USD

- $5,000 - $20,000
- $3,500 - $5,000
- $2,500 - $3,500
- $1,500 - $2,500
- $1,000 - $1,500
- $200 - $1,000

*GNI per capita = gross national income divided by mid-year population
LISTENING TO OUR CLIENTS

CUSTOMER CARE HOTLINE

- Complaints
- Inquiries

CUSTOMER EXIT INTERVIEWS

107% increase in total hotline calls since last year

Al Majmoua conducted exit interviews with more than 3,176 clients who didn’t renew their loans in order to identify the reasons behind their drop out and better meet their needs.

Photo credit: KIVA
Jowairiya, a Syrian refugee living in Saadneyal-Bekaa, benefited from Al Majmoua’s vocational training on makeup and hairdressing, personal mentorship, and business management training. She received from Al Majmoua her first business toolkit to start her home-based business and is thinking of benefiting from Al Majmoua’s financial services to develop her business.

“When I knew about the make-up and hairdressing vocational training, I regained the lost hope of having a new start that might provide my husband and I with a better living. I was honored to benefit from Al Majmoua’s training program which was the rope of salvation.”
## Socioeconomic Empowerment

### Distribution of 2017 NFS Beneficiaries by Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Beneficiaries</th>
<th>Highlights</th>
</tr>
</thead>
</table>
| Business Development Services   | 4,286         | • Business management trainings: Entrepreneurship, basic accounting and bookkeeping, business English
|                                 |               | • Financial education: household budget, insurance, savings and debt management
|                                 |               | • Technical skills trainings                                               |
|                                 |               | • Apprenticeship trainings                                                |
|                                 |               | • Provision of toolkit                                                     |
|                                 |               | • Individual business coaching and business planning                        |
|                                 |               | • Mentorship                                                              |
|                                 |               | • 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 | 649 | • Development of business branding and marketing tools (i.e. business cards, labeling, stickers) |
|                                 |               | • Provision of marketing and networking opportunities for MENA women entrepreneurs in Spain - Barcelona |
|                                 |               | • Registration of business trade identities for the entrepreneurs at the Ministry of Economy and Trade for national & international market |
| Personal Development            | 120           | • Awareness sessions on gender, training sessions about self-confidence and the development of soft skills, economic rights and decision making |

### Total

| Total | 5,055 |

### Distribution of 2017 NFS Beneficiaries by Social Topic

<table>
<thead>
<tr>
<th>Social Topic</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-borrowers</td>
<td>99%</td>
</tr>
<tr>
<td>Women</td>
<td>66%</td>
</tr>
<tr>
<td>Youth</td>
<td>66%</td>
</tr>
<tr>
<td>Refugees</td>
<td>37%</td>
</tr>
</tbody>
</table>

- 6% attended women empowerment trainings
- 57% received personal development trainings (includes soft skills, individual business coaching & mentoring)
- 26% received household budgeting trainings
- 1% attended networking events
- 3% took apprenticeship/internship/job placement trainings
2017
TIMELINE OF ACTIVITIES

• Crossing the 70,000 active clients mark

• Opening a new branch in Koura

• Launching the Alternative Energy Loan

• Signing new partnership agreements with:
  - UNICEF
  - Cherie Blair 2 - WEE
  - UNIDO
  - UNFPA
  - UNDP
  - UN WOMEN
  - ACTED
  - Danish Refugee Council
  - Right to Play
  - IRC
  - OXFAM
  - AVSI
  - Dar Al Amal Association
  - Safadi Foundation
  - COSV
  - Fair Trade Lebanon

• Signing new loan agreements with:
  - Whole Planet
  - PIF
  - Microbuild
  - Triodos
  - IFC

• Non-Financial Services activities:
  - Legal counseling for 60 beneficiaries and trade name registration for two businesses
  - Apprenticeship of 153 beneficiaries at the businesses of SMEs borrowers
  - Networking opportunities for MENA women entrepreneurs in Barcelona-Spain
  - Global Money week for 65 youth on financial education
  - Provision of equipment for 79 women beneficiaries
  - Testimonial of three women beneficiaries in “Enhancement of the Business Environment in the Southern Mediterranean” workshop

• Supplying 19 cooperatives with necessary productive gear and tools in collaboration with Fair Trade Lebanon

• Reaching the finals at the MetLife Competition on financial inclusion for the development of a mobile app that targets the unbanked in Lebanon

• Developing Al Majmoua’s brand book that explains the brand’s identity and standards

• Participating in the Citi Microentrepreneurship Awards where four of Al Majmoua clients won valuable prizes
### NEW STAFF INDUCTION

#### 2017 DISTRIBUTION OF TRAINING HOURS BY THEME & STAFF POSITION

- **Total Staff:** 864 hours
- **Newest staff induction:** 309 hours
- **Personal development, soft skills:** 139 hours
- **Microcredit management-technical skills:** 292 hours

- **Back Office Staff:**
  - 2015: 195 hours
  - 2016: 218 hours
  - 2017: 245 hours

- **Loan Analysts:**
  - 2015: 310 hours
  - 2016: 358 hours
  - 2017: 404 hours

- **Senior & Middle Managers:**
  - 2015: 250 hours
  - 2016: 300 hours
  - 2017: 350 hours

### CAPACITY BUILDING

- **43%** Senior & Middle Managers
- **60%** of total staff
- **13%** Former clients
- **11%** Non-Lebanese

- **53%** of Loan Analysts

- And a diverse staff of women constituting:
  - **60%** of total staff
  - **43%** Senior & Middle Managers
  - **53%** of Loan Analysts

- **13%** Former clients
- **11%** Non-Lebanese

### EQUAL EMPLOYMENT OPPORTUNITY

- **95%** of staff believe the trainings received complement their job requirements.

### HIGH EMPLOYEE LOYALTY

- **2017 DISTRIBUTION BY TENURE OF AL MAJMOUA STAFF (in%)**

- **<2 years:** 37%
- **2-4 years:** 20%
- **4-6 years:** 12%
- **6-10 years:** 21%
- **>10 years:** 10%

- **Staff rotation rate of 8.75%**

*Staff rotation rate is calculated using MIX formula*
I would like to thank the team of Baalbeck who worked hard to achieve Al Majmoua’s mission reaching the highest results. We are also very grateful for the support, good spirit, and fair competition between the branches, which helped us progress and develop. We are proud of Al Majmoua for its commitment to its social mission and business ethics.

Abdallah El Masri
Baalbek Branch Manager

During 2017, Baalbek branch disbursed a cumulative value of 4.8 million USD through more than 2,800 loans.