



AL MAJMOUA
المجموعة

ANNUAL REPORT

2022



LETTER FROM THE EXECUTIVE DIRECTOR



The economic challenges, political instability, and currency devaluation ushered in 2019 by the financial crisis have continued throughout 2022, affecting the lives of individuals and businesses across the country. As an institution committed to promoting financial inclusion, we continued to be proactively engaged during the crisis, understanding our clients evolving needs and reevaluating our strategies to ensure we remained a reliable partner, able to provide them with support in their time of need.

We worked hard to maintain the accessibility of financial services and offered flexible repayment terms to those affected by economic hardship. More importantly, we re-introduced USD denominated loans to business owners. We also introduced the Green Energy Loan in response to borrowers' needs to generate renewable energy and use clean energy sources, thus securing sustainable energy and reducing fuel consumption and cost, as well as, promoting the societal transformation to the use of environmentally friendly systems and tools.

Since the beginning of the crisis, Al Majmoua has been keen on exploring Agri-financing. A MoU was signed with Berytech under the WE4F project to develop a product supporting solar drip irrigation and solar pumping system. Also, in partnership with the French Development Agency (AFD), Al Majmoua started working on two agriculture related tracks:

the Tarik Al Akhdar project, a product targeting the agriculture and food transformation cooperatives, and the BASATINE project, an Agri-financing product which supports farmers and other actors in the production chain of grains and vegetables in the Beqaa and Akkar.

Under the PROSPECTS program, Al Majmoua and the ILO worked together to design a credit scheme targeting 135 farmers to help them install multi-span greenhouses or for any other business investment as a mean to increase their productivity.

In December 2020, the World Bank established a multi-donor trust fund "The Building Beirut Businesses Back and Better (B5) Fund" to support MSMEs that were impacted by the Port of Beirut explosion of August 4, 2020 and to help them resume their business activities. Al Majmoua was selected as on the implementing MFI partner. As of date, 747 beneficiaries were approved by Al Majmoua's grant committee for an amount of USD 2,038,478; 22.3% of whom are women.

Under the branchless model Technical Assistance financed by the EIB and supported by the Frankfurt School, Al Majmoua has successfully implemented "Argos" a standalone scoring module with the assistance of Stachanov, a provider of credit assessment solutions. The implementation of the Argos scoring module marks a significant milestone in Al Majmoua's efforts to enhance its lending operations, particularly in the branchless model.

Our commitment to positively impact the environment, our clients, our staff and the community at large remained strong. In 2022, Corporate Social Responsibility was officially included as part of Al Majmoua's core values alongside inclusiveness, professionalism, high ethics and being client driven. We aim to align our ESG approach with our strategic goals and the experience we seek to offer all our stakeholders. This is an area of heightened focus and investment for us and has changed our outlook towards our operations.

Last, but not least, we signed a Standstill Agreement with all our lenders who renewed their commitment to see al Majmoua remain a going concern. This is a milestone which will help Al Majmoua regain its sustainability and scale up its operations.

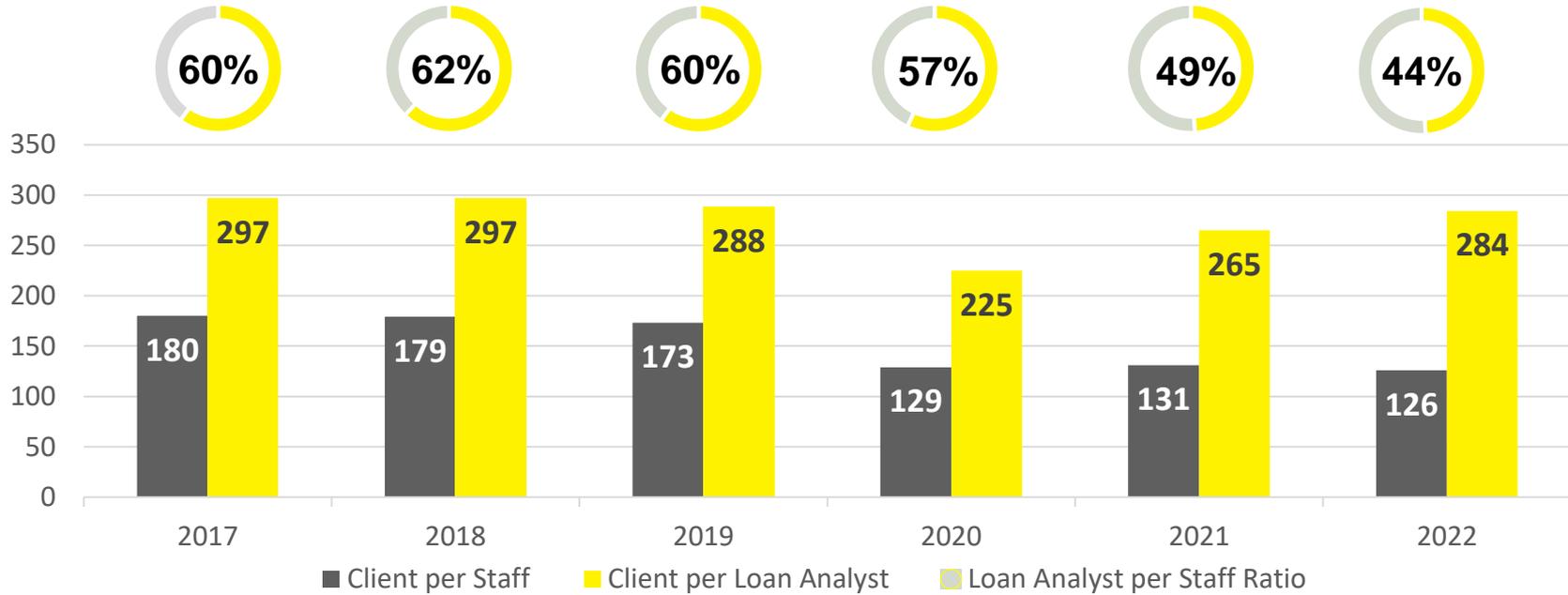
As we move forward, we remain committed to our mission of empowering individuals and businesses, supporting local communities and contributing to Lebanon's recovery. We will continue to work closely with regulatory bodies, stakeholders and international organizations to promote policies that foster financial inclusion.

I extend my heartfelt gratitude to our Board members, staff, clients and partners for their unwavering support during these trying times. It is your trust and belief in our vision that inspires us to push beyond boundaries and make a positive impact on the lives of countless people in Lebanon.

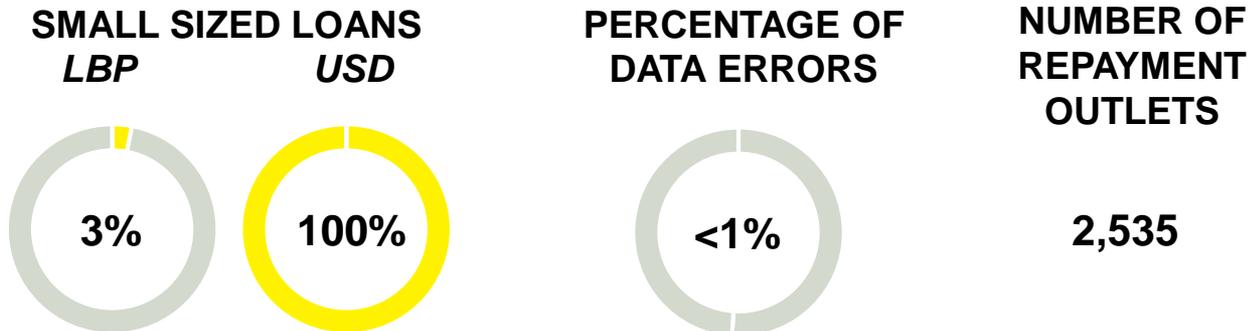
SOCIALLY RESPONSIBLE LENDING



EFFICIENT OPERATIONS



BOTTOM-LINE RESULTS SOCIAL PERFORMANCE



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

SUCCESS STORY

Name: Jean Nakhle Al-Taweel

Business: Blacksmith

Location: Beirut Port

Jean Taweel, a blacksmith's shop opposite the silos (explosion site) was completely destroyed by the explosion.



He communicated with Al Majmoua and, through the B5 project, was provided with assistance in obtaining a sum of money that enabled him to purchase new equipment and improve his workplace as much as possible to re-continue his work.

He aspires to obtain further assistance to complete the rehabilitation of his business to how it was before.

TAILORING SOLUTIONS & IMPROVING ACCESS



NEW PRODUCTS & SERVICES

Financial Services

GL – Group Loan (USD)

Al Majmoua launched its new USD loan to respond to the needs of borrowers, whether to support their businesses or meet the living and social needs of them and their families.

IL – Micro Loan (USD)

Al Majmoua launched its new USD loan to respond to the needs of borrowers in USD, whether to support their businesses or meet the living and social needs of them and their families.

IL – Green Energy Loan (USD)

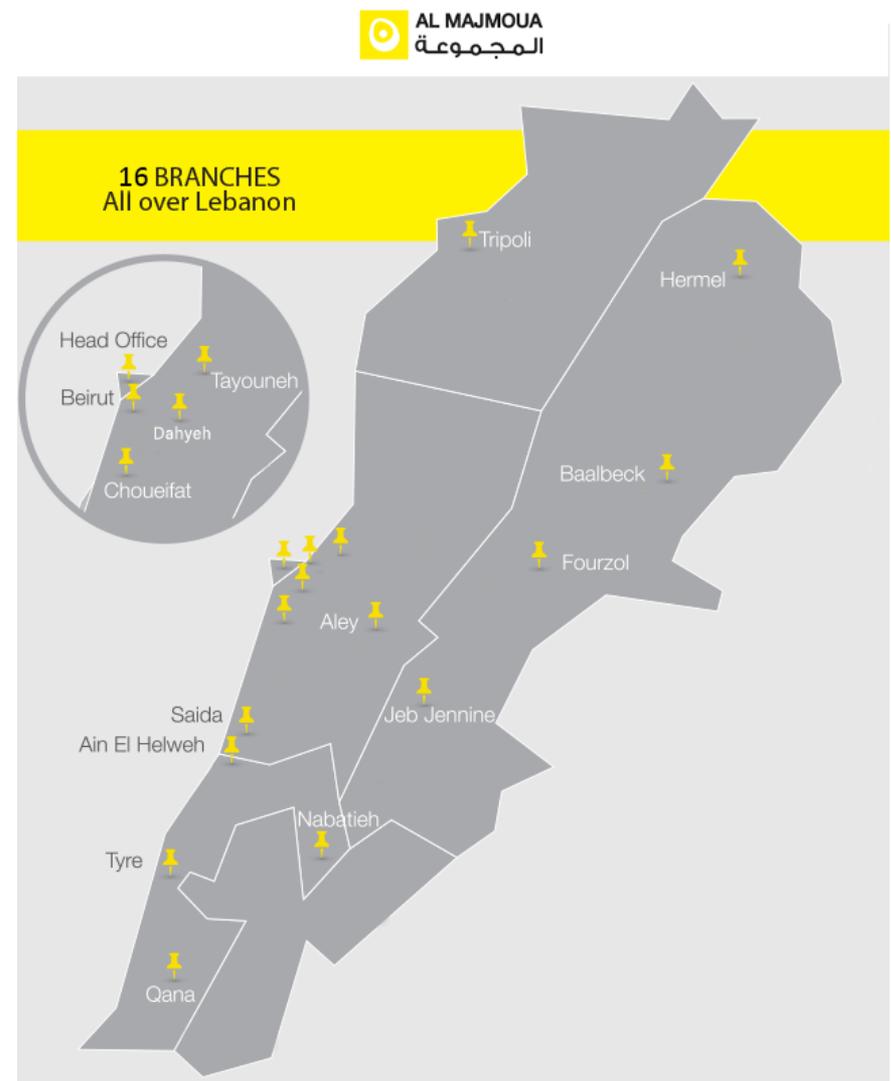
Al Majmoua launched its new USD Green Energy loan to respond to the borrowers' needs to generate renewable energy, use clean transportation and/or install energy conservation and efficiency products, whether at their businesses or homes.

Non-Financial Services

There was a substantial increase in the number of participants. The NFS department delivered non financial services to a total of 6,269 beneficiaries.

AL MAJMOUA'S BRANCHES

16 Branches All Over Lebanon



AL MAJMOUA OFFERS FINANCIAL SERVICES TO LOW-INCOME INDIVIDUALS

- Women & Men
- Entrepreneurs (Micro, Micro Plus)
- Workers with/out NSSF

- Contractual employees with NGOs
- Cooperatives
- Vulnerable Populations (Palestinians, Poverty Pockets, Disabled...etc.)

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INDIVIDUAL GREEN ENERGY LOAN

القرض الفردي للطاقة الخضراء

Purpose of the Loan

Respond to the borrowers' needs to generate renewable energy, use clean transportation and/or install energy conservation and efficiency products, whether at their businesses or homes. The aim is to improve individuals' living standards by securing sustainable energy and reducing fuel consumption and cost, as well as, promoting the societal transformation to the use of environmentally friendly systems and tools.

Who Can Benefit From This Loan?

- Females & Males
- Of all nationalities, legally residing in Lebanon for at least 12 months (6 months for females)
- Owners of micro enterprises that have been in existence for at least 12 months (6 months for females)
- Employees (with or without NSSF) for at least 12 months (6 months for females)

Advantages of the Loan

- In USD
- No fees
- Up to \$7,000
- Disbursement in 24 hours (if applicant's file is complete)

Other Loans

- Individual Micro Loan
- Individual NANO Loan
- Group NANO Loan
- Group Loan
- Individual Agriculture Loan

هدف القرض

الاستجابة لإحتياجات ذوي الدخل المحدود لتوليد الطاقة المتجددة أو استخدام ايات النقل النظيف أو تركيب منتجات حفظ وكفاءة الطاقة سواء في المشروع أو المنزل، بهدف المنح إلى تحسين المستوى المعيشي للأفراد من خلال تأمين طاقة مستدامة وخفض استهلاك وتكلفة الوقود وكذلك تعزيز التحول المجتمعي إلى استخدام أنظمة وأدوات صديقة للبيئة.

من يستطيع الاستفادة من هذا القرض؟

- للنساء والرجال
- من مختلف الجنسيات، المقيمين بصفة شرعية على الأراضي اللبنانية منذ 12 شهر على الأقل (منذ 6 أشهر للنساء)
- أصحاب المشاريع الصغيرة القائمة منذ 12 شهراً على الأقل (منذ 6 أشهر للنساء)
- الموظفين (مع أو بدون ضمان إجتماعي) منذ 12 شهراً على الأقل (منذ 6 أشهر للنساء)

مواصفات القرض

- بالدولار
- دون رسوم
- لغاية 7,000 دولار
- القرض خلال 24 ساعة (بعد استكمال مقدمه/ة الطلب للملف)

قروضنا الأخرى

- القرض الفردي الصغير
- القرض الفردي المجهرى
- القرض الجماعي المجهرى
- القرض الجماعي
- القرض الفردي الزراعي

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GROUP LOAN

القرض الجماعي

Purpose of the Loan

Respond to the needs of Filipino borrowers for financing in Dollars, whether to support their businesses or meet the living and social needs of themselves and their families.

Who Can Benefit From This Loan?

- Filipino women who have been legally residing in Lebanon for at least 6 months
- Female owners of micro enterprises who have been in existence for at least 6 months
- Female employees (with or without NSSF) for at least 6 months

Advantages of the Loan

- In USD
- No fees
- Up to \$700
- Disbursement in 24 hours (if applicant's file is complete)

Other Loans

- Individual Micro Loan
- Individual NANO Loan
- Group NANO Loan
- Individual Green Energy Loan
- Individual Agriculture Loan

هدف القرض

الاستجابة لإحتياجات المقرضات الفلبينيات للتمويل بالدولار، سواء لدعم مشاريعهن أو لتلبية الإحتياجات المعيشية والإجتماعية لهن ولأسرهن.

من يستطيع الاستفادة من هذا القرض؟

- للنساء الفلبينيات، المقيمات بصفة شرعية على الأراضي اللبنانية منذ 6 أشهر على الأقل
- صاحبات المشاريع الصغيرة القائمة منذ 6 أشهر على الأقل
- الموظفات (مع أو بدون ضمان إجتماعي) منذ 6 أشهر على الأقل

مواصفات القرض

- بالدولار
- دون رسوم
- لغاية 700 دولار
- القرض خلال 24 ساعة (بعد استكمال مقدمه/ة الطلب للملف)

قروضنا الأخرى

- القرض الفردي الصغير
- القرض الفردي المجهرى
- القرض الجماعي المجهرى
- القرض الفردي للطاقة الخضراء
- القرض الفردي الزراعي

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INDIVIDUAL MICRO LOAN

القرض الفردي الصغير

Purpose of the Loan

Respond to the needs of low-income people for financing in Dollars, whether to support their businesses or meet the living and social needs of themselves and their families.

Who Can Benefit From This Loan?

- Females & Males
- Of all nationalities, legally residing in Lebanon for at least 12 months (6 months for females)
- Owners of micro enterprises that have been in existence for at least 12 months (6 months for females)
- Employees (with or without NSSF) for at least 12 months (6 months for females)

Advantages of the Loan

- In USD
- No fees
- Up to \$1,500
- Disbursement in 24 hours (if applicant's file is complete)

Other Loans

- Individual NANO Loan
- Group NANO Loan
- Group Loan
- Individual Green Energy Loan
- Individual Agriculture Loan

هدف القرض

الاستجابة لإحتياجات ذوي الدخل المحدود للتمويل بالدولار، سواء لدعم مشاريعهم أو لتلبية الإحتياجات المعيشية والإجتماعية لهم ولأسرهم.

من يستطيع الاستفادة من هذا القرض؟

- النساء والرجال
- من مختلف الجنسيات، المقيمين بصفة شرعية على الأراضي اللبنانية منذ 12 شهر على الأقل (منذ 6 أشهر للنساء)
- أصحاب المشاريع الصغيرة القائمة منذ 12 شهراً على الأقل (منذ 6 أشهر للنساء)
- الموظفين (مع أو بدون ضمان إجتماعي) منذ 12 شهراً على الأقل (منذ 6 أشهر للنساء)

مواصفات القرض

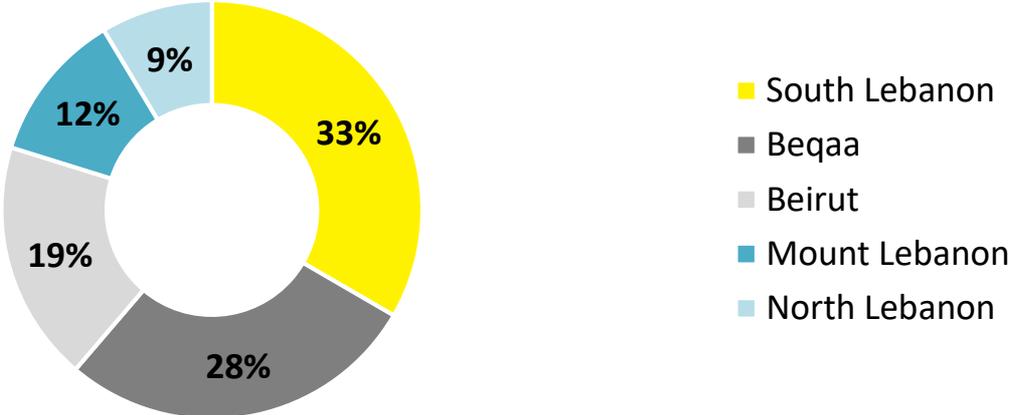
- بالدولار
- دون رسوم
- لغاية 1,500 دولار
- القرض خلال 24 ساعة (بعد استكمال مقدمه/ة الطلب للملف)

قروضنا الأخرى

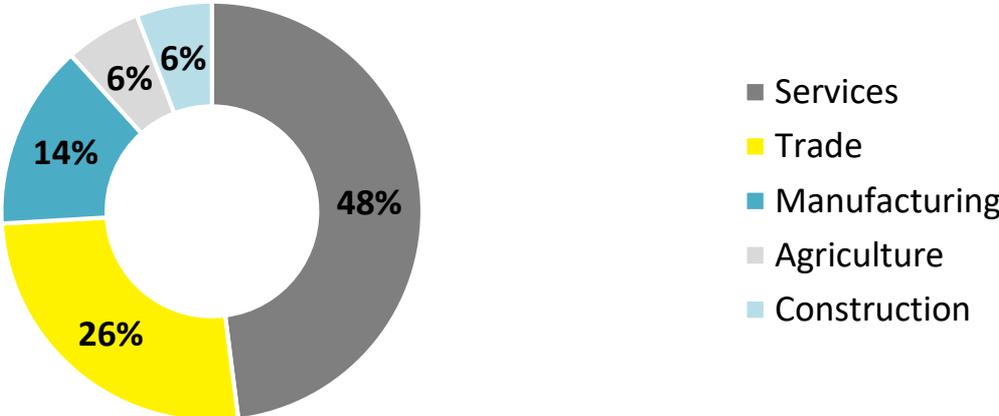
- القرض الفردي المجهرى
- القرض الجماعي المجهرى
- القرض الجماعي
- القرض الفردي للطاقة الخضراء
- القرض الفردي الزراعي

CLIENTS' GEOGRAPHIC & SECTOR DISTRIBUTION

CLIENTS' GEOGRAPHIC DISTRIBUTION

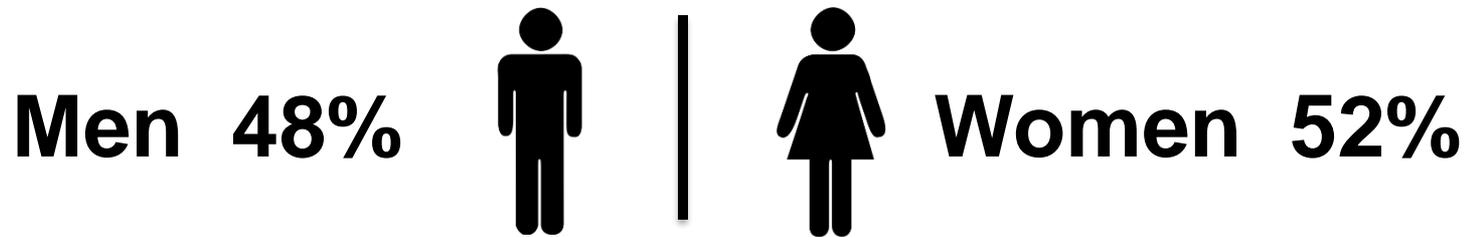


CLIENTS' SECTOR DISTRIBUTION

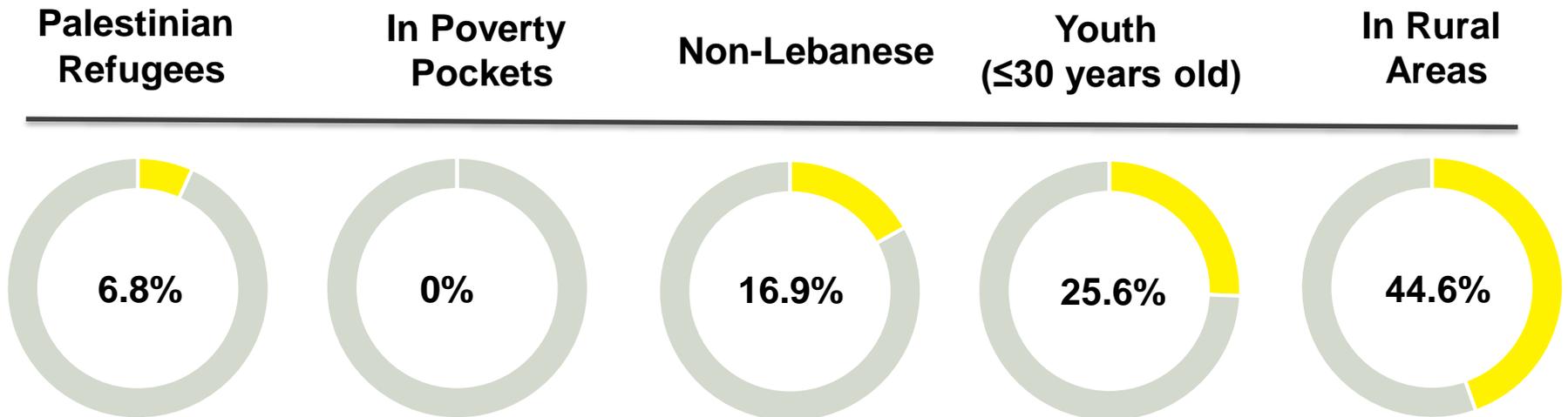


GUIDED BY A STRONG SOCIAL MISSION

CLIENT GENDER DISTRIBUTION



VULNERABLE CLIENTS' SEGMENTS



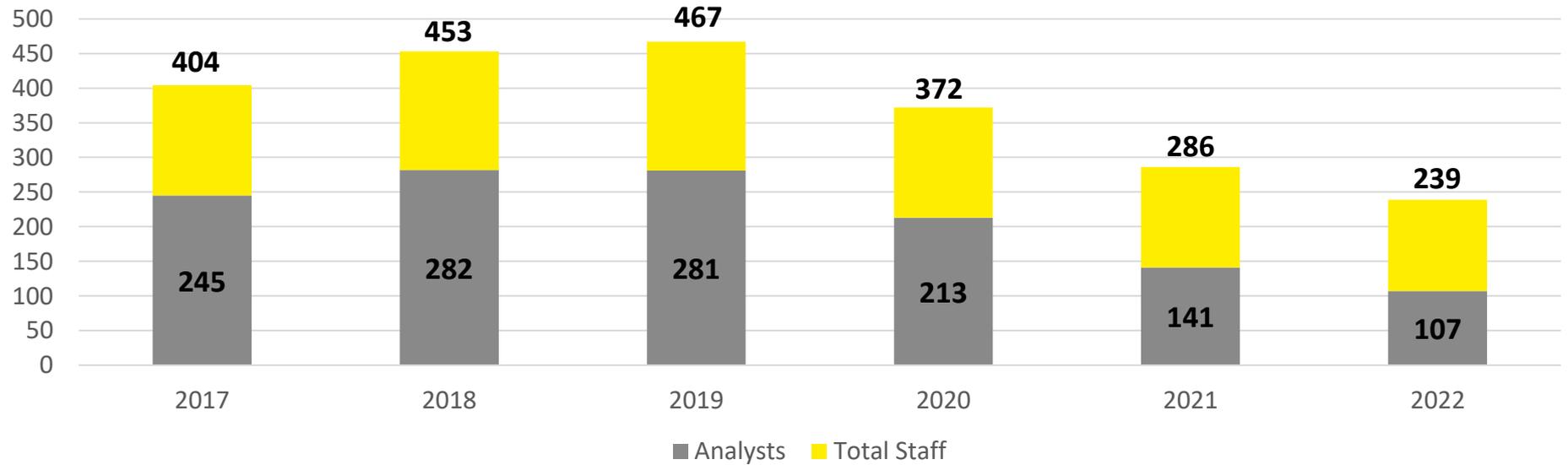
Non-Lebanese include: 7.5% **Syrians**, 6.8% **Palestinians**, 2.1% **Filipinos**, 0.5% **Other**

57.6% OF OUR CLIENTS ARE **MICRO-ENTREPRENEURS**

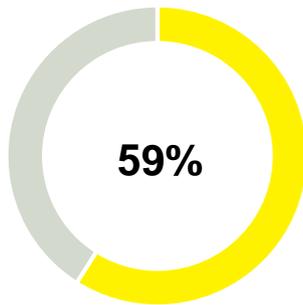
HUMAN CAPITAL DEVELOPMENT



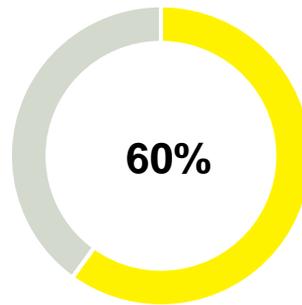
TOTAL NUMBER OF EMPLOYEES



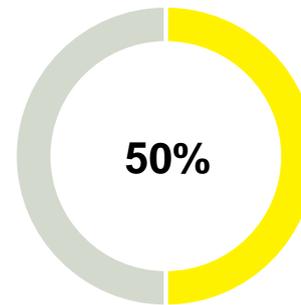
EQUAL EMPLOYMENT OPPORTUNITY



Employees



Loan Analysts

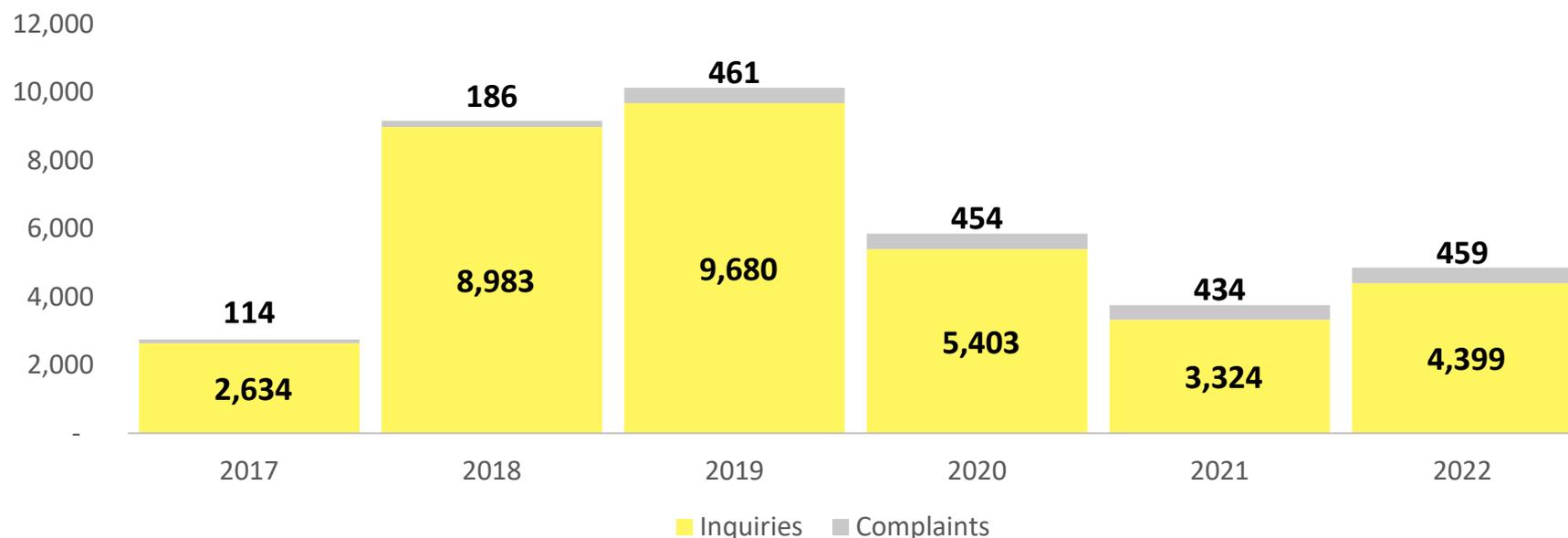


Senior &
Middle
Managers

AL MAJMOUA'S CUSTOMER CARE



CUSTOMER CARE HOTLINE



LISTENING TO OUR CLIENTS - HIGHLIGHTS OF 2022

August 2022: RIMS Platform

The Referral Information Management System (RIMS) was developed by DRC Lebanon in response to the need for more accountable, timely and effective multi-sector referral processes. As an online and offline platform, RIMS enables field staff to facilitate referrals for beneficiaries to the best placed service provider in a systematic manner and track and follow up on the status of the referral after it is initiated.

October 2022: Exit Survey

Conducted surveys with Exit clients to better understand the main reason behind not renewing their loans, taking into consideration clients' comments regarding our products and services.

SOCIO ECONOMIC EMPOWERMENT



AL MAJMOUA OFFERS NON-FINANCIAL SERVICES FOCUSING ON MICRO ENTREPRENEURS, WOMEN & YOUTH

NFS Beneficiaries

Highlights of 2022

6,269

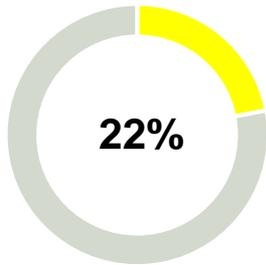
- 27% benefited from Business Management Trainings
- 12% benefited from Mentoring and/or Coaching
- 1% benefited from provision of Toolkits and Equipment
- 44% benefited from Financial Education
- 6% benefited from provision of Cash Assistance – MSMEs grants
- 2% benefited from Product Improvement, Marketing, and Networking
- 1% benefited from Technical Expertise
- 1% benefited from Legal Consultancy
- 5% benefited from Food Parcels

2022 NFS BENEFICIARIES

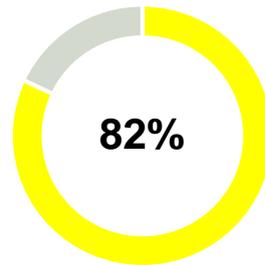
BY CATEGORY

A total of 4,983 NFS beneficiaries benefitted from Business Development Services

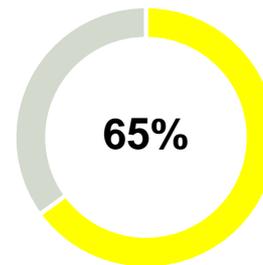
Refugees



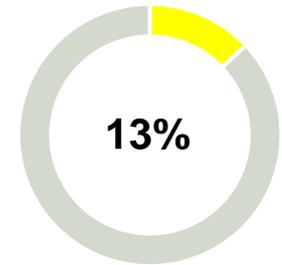
Women



Youth(≤30)



Non-Borrowers



2022 NFS BENEFICIARIES

BY SOCIAL TOPIC

% of beneficiaries from NFS who received
Capacity Development
(includes Business Management, Personal Development, Coaching and Mentoring and Financial Education)

92%

% of beneficiaries from NFS who were granted
Cash or in-Kind
(includes Cash Assistance - MSMEs grants, Cash For Work)

6%

% of beneficiaries from NFS who received
Technical & Legal Assistance

2%

SOCIAL PERFORMANCE MANAGEMENT (SPM)



SOCIAL PERFORMANCE MANAGEMENT (SPM)

Social Performance Management (SPM) is the institutionalized process of effectively translating a microfinance institution's social mission into practice. Therefore, the introduction and implementation of a SPM system refocuses MFIs on their initial reason for existence: the client.

Since its launch in June 2012, Al Majmoua's SPM Committee has completed a variety of tasks that supported the improvement of Al Majmoua's activities & solidified its commitment to SPM.

Al Majmoua pursues double bottom line and its organization has the potential to change the lives of its clients in Lebanon.

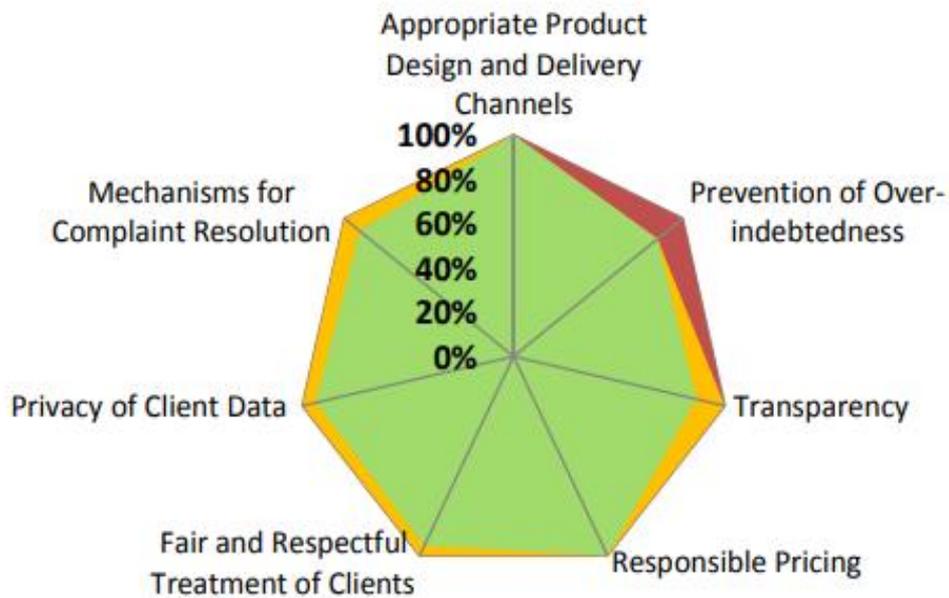
Al Majmoua demonstrates strong commitment on SPM with the formulation of deliberate strategy to define and monitor social goals. Al Majmoua can become a benchmark for its peers in the region given the client-centered distribution model serving low-income population even in rural areas.

UNIVERSAL STANDARDS SCORE BY DIMENSIONS

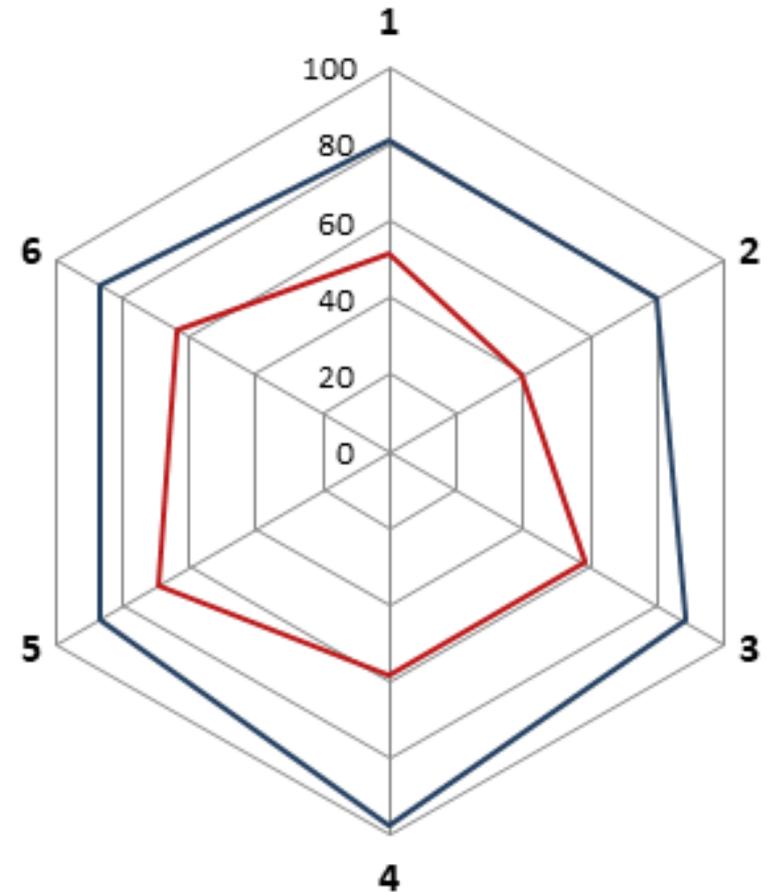


Al Majmoua conducted in 2019 an accompanied self-assessment with a validated SPI-4 auditor. The above results show that Al Majmoua's SPM practices are "strong" (mark range between 0 and 100).

CLIENT PROTECTION STANDARDS



BENCHMARKS BY MENA REGION



— Average of all audits * (N=4)

— Your institution's average score

TIMELINE OF ACTIVITIES 2022



2022 ACTIVITIES AT A GLANCE

- Reintroduced Group and Micro Loans in USD to respond to the needs of borrowers for USD financing, whether to support their projects or to meet the living and social needs of them and their families.
- Launched Green Energy Loan to respond to the borrowers' needs to generate renewable energy, use clean transportation and/or install energy conservation and efficiency products, whether at their businesses or homes. The aim is to improve individuals' living standards by securing sustainable energy and reducing fuel consumption and cost, as well as, promoting the societal transformation to the use of environmentally friendly systems and tools.
- Signed a Standstill Agreement with all our lenders who renewed their commitment to see al Majmoua remain a going concern.
- Successfully implemented "Argos" a standalone scoring module with the assistance of Stachanov, a provider of credit assessment solutions.
- Signed a MoU with Berytech under the WE4F project to develop a product supporting solar drip irrigation and solar pumping system.
- Partnered with the French Development Agency (AFD) to work on two agriculture related tracks: the Tarik Al Akhdar project, a product targeting the agriculture and food transformation cooperatives, and the BASATINE project, an Agri-financing product which supports farmers and other actors in the production chain of grains and vegetables in the Beqaa and Akkar.
- Worked with ILO under the PROSPECTS project to design a credit scheme targeting 135 farmers to help them install multi-span greenhouses or for any other business investment as a mean to increase their productivity.
- Was selected as the implementing MFI partner for the B5 Fund project. As of date, 747 beneficiaries were approved by Al Majmoua's grant committee for an amount of USD 2,038,478; 22.3% of whom are women.
- Signed new partnerships with:
 - Care - Basatine
 - Chase - NNF DRC
 - DRC
 - EuroFins Foundation
 - Frankfurt School
 - ILO
 - Linked
 - Save The Children
 - LHDF
 - Tarik Akhdar - ADIE
 - UNDP
 - World Bank - B5
 - Whole Planet Foundation

2022 NFS ACTIVITIES AT A GLANCE

- Provided business management trainings in topics of entrepreneurship, marketing, basic accounting, pricing, costing and selling skills
- Provided Coaching & Mentoring
- Provided Toolkits
- Provided financial education for household budgeting, financial negotiation, financial services, savings and debt management
- Provided Cash Assistance - MSMEs grants
- Developed networking events
- Provided technical assistance on marketing and legal consultancy
- Distributed of food parcels

المجموعة
الجمعية اللبنانية للتنمية

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