

Our Staff موظفينا



Burj branch, Mount Lebanon,
best performing branch for 2014

"The feeling of success is wonderful but the feeling of renewed success is even more amazing, above all when you see your achievement valued by your management and colleagues, you start realizing that it is Al Majmoua itself that made you successful".

During 2014, the Burj branch disbursed a cumulative value of USD 5 million through more than 3,900 loans.



Baalbek branch, Bekaa,
best performing branch for 2014

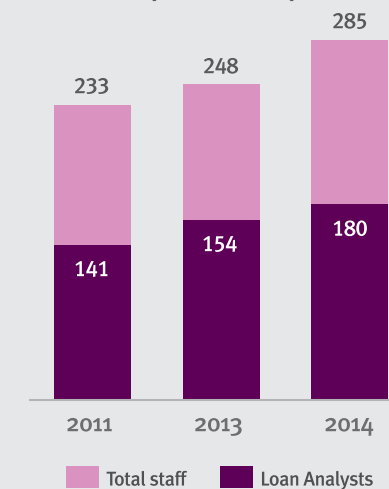
"We send greetings full of giving and love to all those who contributed to our success in obtaining the award of best performing branch in 2014, and to all those who helped us in building our family. We also wish long-lasting success for Al Majmoua".

During 2014, the Baalbek branch disbursed a cumulative value of USD 4.6 million through more than 3,400 loans.

شعور النجاح رائع وشعور المحافظة عليه أروع خصوصاً عندما تجد أن هذا النجاح مقدر من الإدارة ومتابع من الزملاء، عندها تعلم أنك وصلت إلى هنا لأنك تعمل في المجموعة.

تحية مكللة بالحب وال إعطاء لكل من ساهم بنجاحنا وحصولنا على المركز الأول، وكل من ساعدنا على بناء هذه العائلة. كما أننا نتمنى النجاح الدائم لأسرة المجموعة.

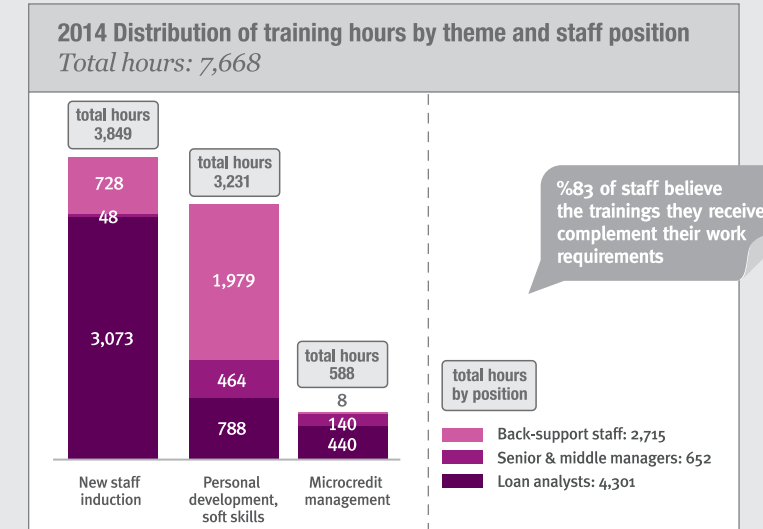
Human Capital Development...



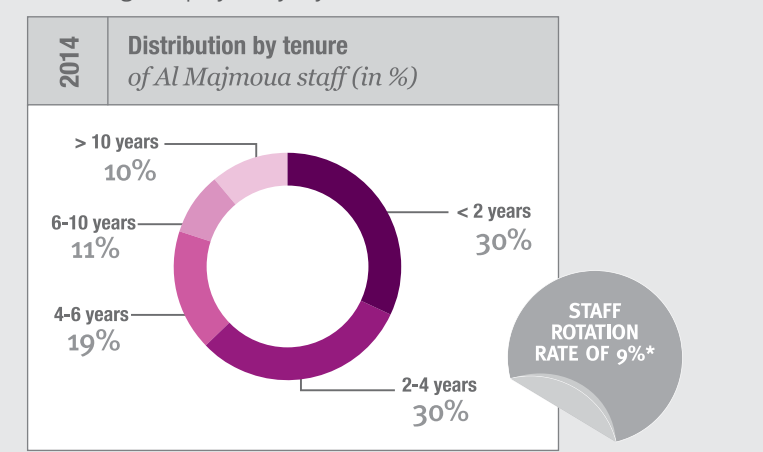
Equal opportunity employment...



...through capacity building



...and high employee loyalty



* STAFF ROTATION RATE IS CALCULATED USING THE MIX FORMULA

Auditor's report

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

Report on the financial statements

We have audited the accompanying financial statements of The Lebanese Association for Development - Al Majmoua ("the Organization"), which comprise the balance sheet as at 31 December 2014, the statement of comprehensive income, changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

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 (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material aspects, the financial position of the Organization as at 31 December 2014, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards ("IFRS").

Beirut, Lebanon
13 June 2015

Balance Sheet as at 31 December 2014

	2014 USD	2013 USD
ASSETS		
NON-CURRENT ASSETS		
PROPERTY AND EQUIPMENT	172,772	155,200
INTANGIBLE ASSETS	36,715	52,466
LOANS TO CUSTOMERS	3,533,568	2,572,033
STAFF LOANS	115,815	64,544
TOTAL NON-CURRENT ASSETS	3,858,870	2,844,243
CURRENT ASSETS		
PREPAYMENTS & OTHER RECEIVABLES	122,818	142,642
LOANS TO CUSTOMERS	37,386,575	32,846,158
STAFF LOANS	190,675	143,932
CASH AND CASH EQUIVALENTS	4,630,667	3,930,492
BANK DEPOSIT	2,640,375	1,500,000
TOTAL CURRENT ASSETS	44,971,110	38,563,224
TOTAL ASSETS	48,829,980	41,407,467
NET ASSETS		
FUNDS FROM DONORS	9,982,827	9,006,906
ACCUMULATED SURPLUS	17,243,269	13,248,230
TOTAL NET ASSETS	27,226,096	22,255,136
LIABILITIES		
NON-CURRENT LIABILITIES		
BORROWINGS	11,736,389	11,450,534
RETIREMENT BENEFIT OBLIGATIONS	675,008	564,615
TOTAL NON-CURRENT LIABILITIES	12,411,397	12,015,149
CURRENT LIABILITIES		
TRADE AND OTHER PAYABLES	1,130,925	989,923
DEFERRED REVENUE	1,784,610	1,309,888
BORROWINGS	6,276,952	4,837,371
TOTAL CURRENT LIABILITIES	9,192,487	7,137,182
TOTAL LIABILITIES	21,603,884	19,152,331
TOTAL NET ASSETS AND LIABILITIES	48,829,980	41,407,467

* THE COMPLETE FINANCIAL STATEMENTS INCLUDING THE NOTES ARE AVAILABLE UPON REQUEST.

Statement of Comprehensive Income for the year ended 31 December 2014

	2014 USD	2013 USD
INCOME		
INTEREST INCOME	11,366,326	10,287,256
INCOME FROM SERVICE FEES AND PENALTIES	643,995	488,563
FUNDS FROM DONORS	975,921	457,917
	12,986,242	11,233,736
EXPENSES		
EMPLOYEE BENEFIT EXPENSES	4,898,931	4,266,163
DEPRECIATION AND AMORTIZATION	62,908	56,510
PROFESSIONAL FEES AND CONSULTANCY	472,212	324,874
OTHER EXTERNAL SERVICES	152,821	252,013
TRANSPORTATION, PTT, ELECTRICITY AND WATER	159,676	118,776
CONSUMABLES	238,114	167,920
RENT	186,240	181,979
FIELD EXPENSES, LODGING AND TRAVEL EXPENSES	187,446	125,459
IMPAIRMENT ON LOANS TO CUSTOMERS	369,176	385,895
IMPAIRMENT ON LOANS TO STAFF	(599)	1,699
OTHER OPERATING EXPENSES	432,024	405,815
	7,158,949	6,287,103
PROFIT FROM OPERATIONS	5,827,293	4,946,633
FINANCE COSTS - NET	(856,333)	(888,700)
PROFIT FOR THE YEAR	4,970,960	4,057,933
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4,970,960	4,057,933

New partners



2014 awards & certificates



AL MAJMOUA LEBANESE ASSOCIATION FOR DEVELOPMENT

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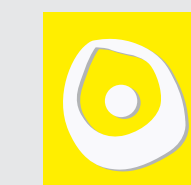
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Al Majmoua
Together we grow



Al Majmoua

annual report

2014





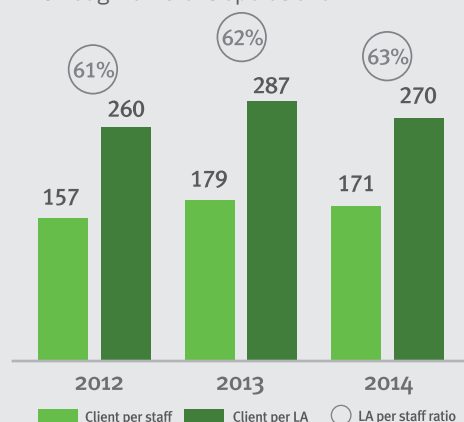
Our Responsibility مسؤوليتنا

Dr. Youssef Fawaz, the Executive Director of Al Majmoua

"Al Majmoua maintained the expansion of both its financial and non-financial programs during 2014. Our client base and portfolio grew by 10% and 15% respectively, and we opened two new branches, bringing the total to 21 branches nationwide. We continued our work with the UNHCR and Syrian refugees, and launched a new project with the Cherie Blair Foundation for Women to extend training and mentoring services to 400 women entrepreneurs. Furthermore, we significantly expanded our advisory role by signing a contract with The World Bank/IFC to assist a Micro-Finance Institution develop and deploy an individual loan product. Internally, Al Majmoua focused on further strengthening its capabilities and enhancing corporate governance. We expanded our internal audit department with the aim of subsequently implementing an integrated and organization-wide risk management process and internal controls. In line with our commitment towards more customer centricity, various initiatives designed to enhance clients' protection and stronger social performance management have been implemented; such as gathering quality client data, developing new products and services for Youth, and conducting satisfaction and exit studies. I believe that all these coordinated efforts within our organization are leading to more adapted financial and non-financial products and services and ultimately greater financial inclusion."

حافظت المجموعة على نموها المنتظم في عام ٢٠١٤، من خلال توسيع برامجها المالية وغير المالية. فقد تم زيادة عدد المقترضين بنسبة 1٠٪، بينما نمت المحفظة بنسبة ١٥ ٪. وتم إفتتاح فرعين جديدين، ليصل المجموع إلى ٢١ فرع على صعيد لبنان. كما واصلنا عملنا مع المفوضية العليا اللاجئين ومع النازحين السوريين. هذا وإطلاقنا مشروعاً جديداً مع مؤسسة شبيري بلير لتقديم خدمات تدريبية إلى ٤٠٠ سيدة يمتلكن مشاريع خاصة. بالإضافة إلى ذلك، قمنا بتوسيع كبير لدورنا الاستشاري من خلال توقيع عقد مع البنك الدولي /مؤسسة التمويل الدولية IFC، لمساعدة مؤسسة التمويل الأصغر على تطوير ونشر برنامج قرض فردي. بالإضافة إلى ذلك، ركزت قدراتها الداخلية كجزء من تعزيز الحوكمة، فأنشأت إدارة للتدقيق الداخلي بهدف خلق وحدة متكاملة لإدارة المخاطر والرقابة الداخلية. ولتأكيد التزامنا نحو المزيد من التركيز على المقترضين، قامت المجموعة بمبادرات مختلفة تهدف إلى تعزيز حماية المقترضين وتفعيل إدارة الأداء الاجتماعي مثل ضبط جودة بيانات المقترضين، وتطوير منتجات وخدمات جديدة للشباب، وإجراء دراسات عن رضا وانسحاب المقترضين. وفي النهاية لمزيد من الشمول المالي. اعتقد ان كل هذه الجهود المنسقة تؤدي إلى تطوير منتجات وخدمات مالية وغير مالية ملائمة للاحتياجات، وفي النهاية لمزيد من الشمول المالي.

Socially responsible lending... ...through efficient operations

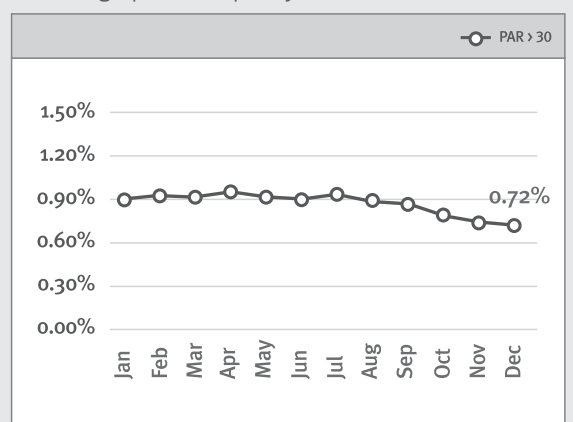


...recognized through environmental performance*

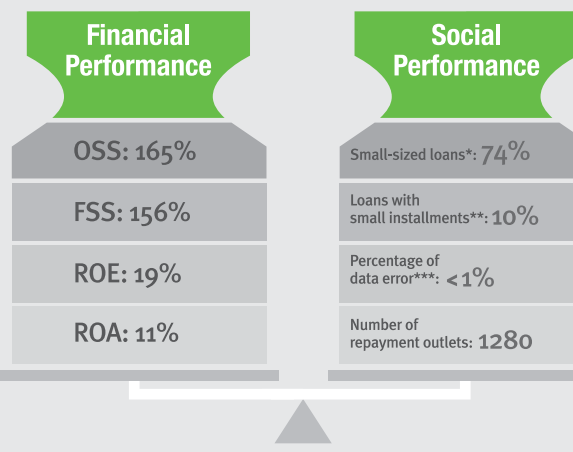


* IN COLLABORATION WITH THE LEBANESE NGO "L'ECOUTE", AL MAJMOUA IS SORTING AND RECYCLING PAPER, PLASTIC, CANS AND ELECTRONIC WASTE. 500,000 PLASTIC BOTTLE CAPS PROVIDE A WHEELCHAIR, 150,000 CANS BESTOW A HEARING AID. AL MAJMOUA HELPED 20 FAMILIES IN 2014.

...and high portfolio quality



...and double bottom line results



**SMALL LOANS ARE THOSE <20% OF GNI PER CAPITA
***PERCENTAGE OF DATA ERRORS= NUMBER OF ERRORS/ NUMBER OF DATA FIELDS

Our Clients مقترضينا



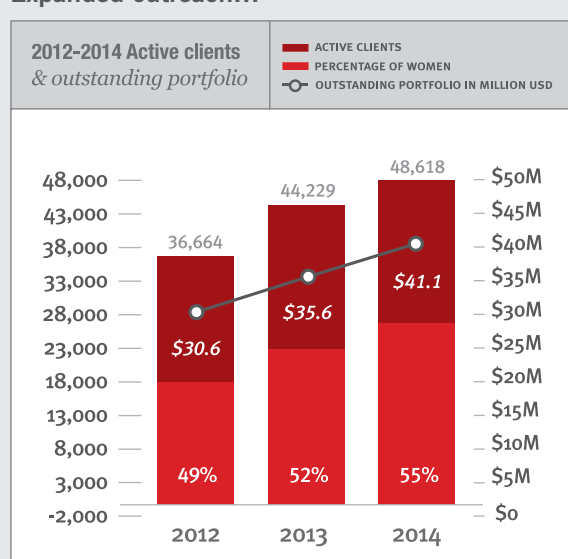
Hourieh, founder and trainer of "Al Koufieh" Palestinian folkloric dance troupe from Ain El Helweh, South Lebanon

"In the name of "Al Koufieh" troupe I want to thank Al Majmoua for its support in helping us achieve our dream. Al Majmoua gave us the opportunity to start the troupe and buy the necessary equipment and costumes in order to make a first proper appearance in front of the public. I also want to thank Al Majmoua for its moral support to women when facing challenges in life. My goal now is to build and develop a cultural center featuring different artistic and cultural creations, in addition to documenting and preserving the Palestinian heritage."

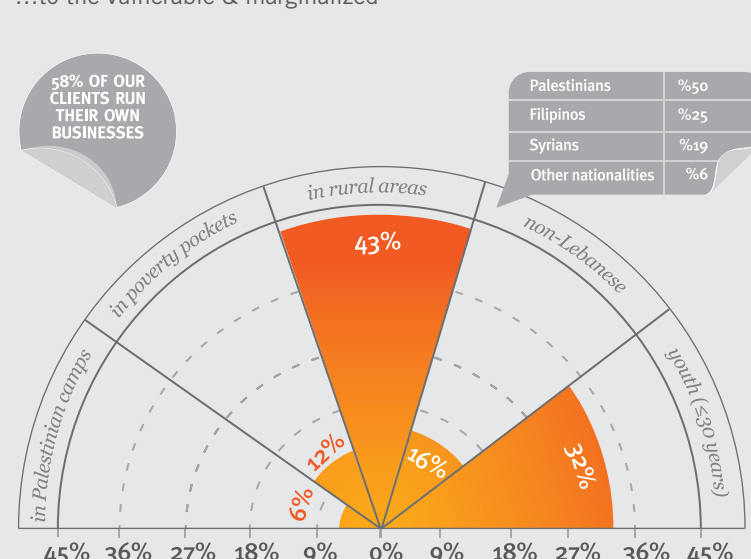
Since 2007, Hourieh has a cumulative borrowing history of USD 8,100 through 5 micro-entrepreneur loans. Her troupe was nominated to "Arabs Got Talent" program, and participated in several international festivals and concerts in 52 countries.

نحن في فرقة «الكوفيه» نشكر المجموعة التي ساندتنا لتحقيق الحلم الذي لطالما حلمنا به، حيث أتاحت لنا الفرصة في بداية تأسيس الفرقة أن نقوم بتجهيز ما يتطلب من ملابس وأحذية وذلك بهدف الظهور للعلن بطريقة لائقة ومدعمة. وأشكر المجموعة التي ساندت المرأة في المجتمع من خلال الدعم المادي والمعنوي لتصبح شخصية قادرة على مواجهة الحياة. هدفي بناء مركز ثقافي مميز يضم معظم الإبداعات الفنية والثقافية المدفونة وتطورها بشكل صحيح، وتوثيق التراث الفلسطيني والحفاظ عليه لتناقله من جيل إلى جيل.

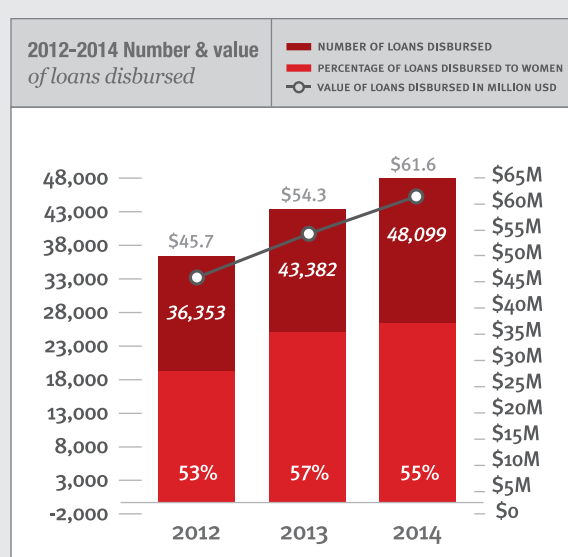
Expanded outreach...



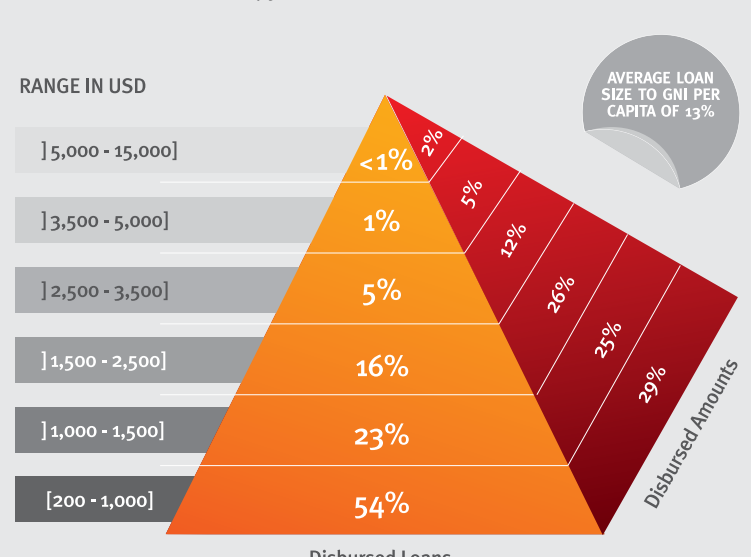
...to the vulnerable & marginalized



Financial inclusion...



...of the bottom of the pyramid



Expanded Outreach...

...through appropriate product design & delivery

Client satisfaction studies

To assess the level of client satisfaction with Al Majmoua products and services. Both quantitative and qualitative research methods are integrated to respond to different objectives.

Exit survey

To identify the reasons behind clients' drop-out and better meet clients needs. Quantitative and qualitative research methods are used.

Bitakati discount card

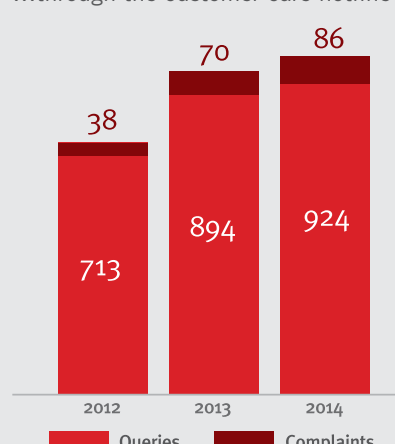
Valid in close to 1600 shops, clinics, pharmacies, beauty salons, supermarkets etc... and delivered to women clients all over Lebanon. 5,564 cards were distributed to clients during the loan disbursement.

Yalla Shabab Loan

Offered to young (18 to 30 years old) micro-entrepreneurs and employees who want to start a new business, and to fresh graduates. "Yalla Shabab" is the Arabic term for "Let's go, youth".

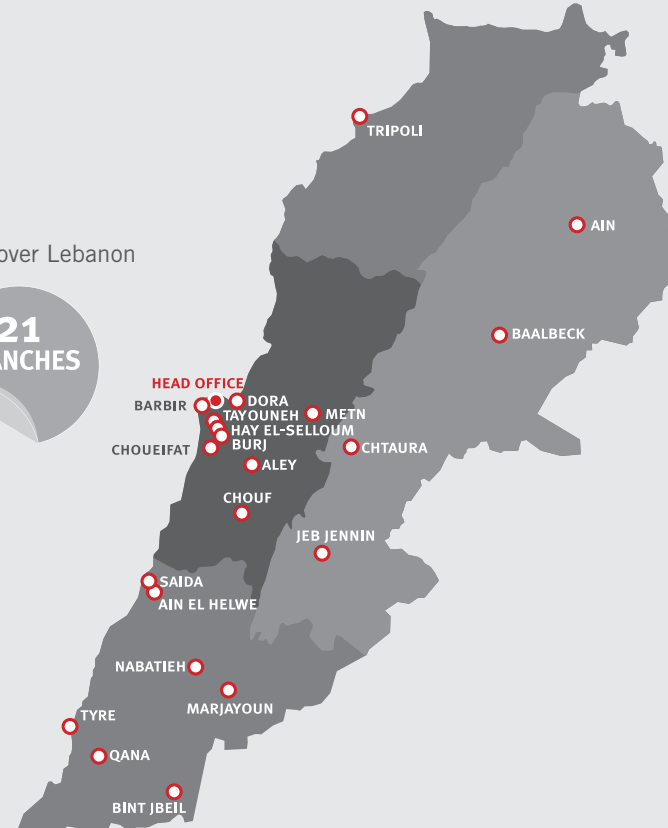
Listening to them...

...through the customer care hotline

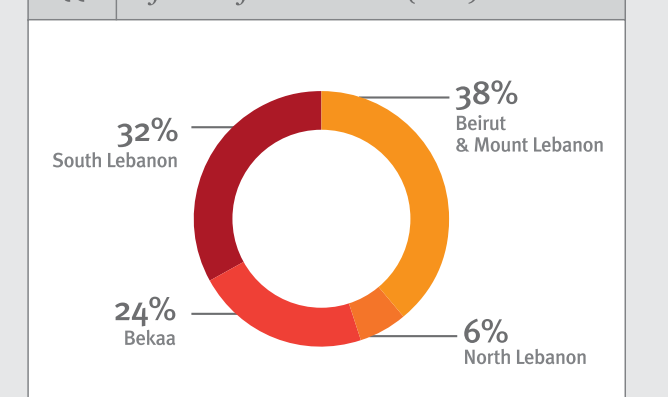


...all over Lebanon

21 BRANCHES



Geographic distribution of Al Majmoua clients (in %)



... and client satisfaction surveys



Socio-economic empowerment



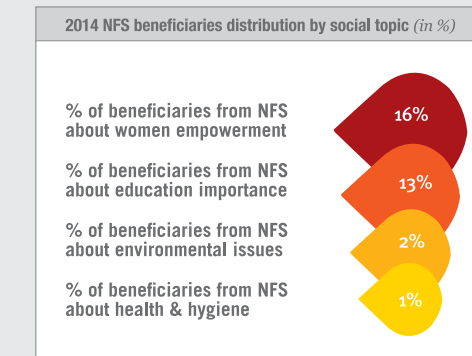
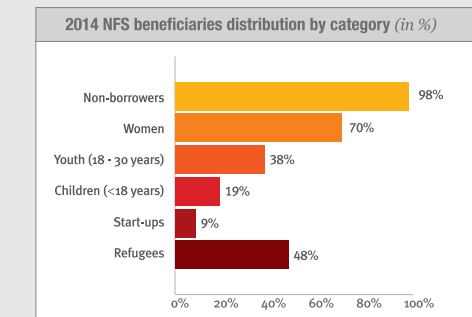
Abir, beneficiary of business development, HR & public speaking, social media & photography trainings from Douris, Bekaa

"Thank you so much Al Majmoua for the trainings you have provided me! I've been able to implement and change many things at work. I began bookkeeping, and this has helped me better estimate my profits, as well as the amount of money I could save. The Public Speaking session was also very beneficial, and I've noticed that I have become more confident when talking about my business to others."

Since 2010, Abir has a cumulative borrowing history of USD 10,500 through 4 loans. She started with a small plant nursery, and now she is often contracted by municipalities to design the landscaping of entrances and roundabouts of many villages.

شكراً جزيلاً للمجموعة على التدريبات التي قدمتها لي! لقد أصبحت قادرة على تنفيذ وتغيير أشياء كثيرة في مكان عملي. لقد بدأت بإدارة حساباتي مما ساعدني على تحديد أرباحي بشكل أفضل، فضلاً عن إمكانية إدخار مبلغ من المال. كما كانت الدورة التدريبية في فن الخطابة والإلقاء مفيدة جداً، فقد لاحظت أنني أصبحت أكثر ثقة عندما أتحدث عن عملي للآخرين.

2013 Non-Financial Services (NFS)	Beneficiaries	Highlights
BUSINESS DEVELOPMENT SERVICES	7,123	Under the PlaNet Finance Project - Youth Entrepreneurship, Al Majmoua signed three agreements with vocational schools across Lebanon to provide students with entrepreneurship training helping them start their own business. Under Save the children project, Al Majmoua provided employments, apprenticeship, and career guidance services for 245 unemployed Lebanese and Syrian youth in the Bekaa, Mount Lebanon, and Beirut. Under the UNHCR project, 133 beneficiaries, of both Lebanese and Syrian nationalities, received equipment and business toolkits either to start or develop their businesses.
PRODUCT IMPROVEMENT, MARKETING AND NETWORKING	2	Two exhibition events took place in Lebasa', South of Lebanon, in coordination with the Ministry of Social Affairs center and the municipality. The women beneficiaries who participated were able to generate profits amounting to USD 2000.
PERSONAL DEVELOPMENT	5,841	Under the Cherie Blair Foundation for Women project, Al Majmoua provided 347 women with awareness training on gender issues and women economic rights. Similar trainings were also offered under the partnerships with the UNHCR and IRC.
TOTAL	12,966	



Timeline of Activities

- Crossing the 48,000 active clients mark
- Expanding the Head Office, opening of a 21st branch in Hay El-Selloum (Mount Lebanon) & 3 units in Sarafand, Selmour, and Hermel
- Launching the Yalla Shabab loan (for Youth)
- Loan agreements with the International Finance Corporation (IFC), the Rotary Club of Byblos Jbeil, and the Palestine Investment Fund (PIF)
- Signing agreements with National Commission for Lebanese Women (NCLW), International Rescue Committee "IRC", Save the Children, L'Artisan du Liban and Action Aid
- Extending previous grant with UNHCR
- Signing a Technical Assistance contract with The World Bank/ International Finance Corporation (IFC) and Al Tadamun microfinance institution in Egypt to build Al Tadamun capacities and help them launch an individual loan program
- Revising and expanding the social and environmental exclusion list
- Participating in the Citigroup awards where five of Al Majmoua clients won valuable prizes
- Participating in the International Microentrepreneurship Award where one of our non-financial services beneficiaries won the prize
- Honoring of Al Majmoua and its borrower the fashion designer Layla Mourad by PlaNet Finance