OPENING MARKETS THROUGH STRATEGIC PARTNERSHIPS

THE ALLIANCE BETWEEN AMEEN SAL AND THREE LEBANESE COMMERCIAL BANKS

microREPORT #40

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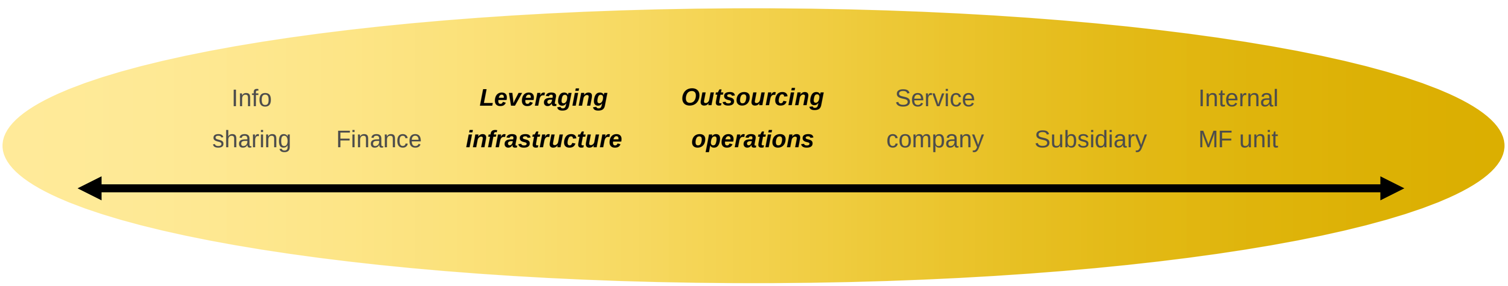
ABBREVIATIONS

ADR	Association d'Aide au Développement Rural
AMEEN	Access to Microfinance and Enhanced Enterprise Niches
CA	Cooperative Agreement
CL	Crédit Libanais
CHF	Cooperative Housing Foundation International
DAI	Development Alternatives, Inc.
JTB	Jammal Trust Bank
LBP	Lebanese pound
LCB	Lebanese Canadian Bank
MF	microfinance
MFI	microfinance institution
MIS	management information system
MSME	micro, small, and medium-sized enterprise
PAR	portfolio at risk
ROA	return on assets
ROE	return on equity
USAID	United States Agency for International Development

FOREWORD

Finance institutions in developing countries are implementing a wide range to linkages to reach new and more remote markets and clients. These linkages often occur between more informal, unregulated entities, such as nongovernmental microfinance institutions (MFIs) serving low-income clients, and regulated financial institutions, including banks, finance companies, and regulated cooperatives. The diagram below illustrates a continuum of common linkages observed. Linkages on the left side of the spectrum depict less formal or more one-off relationships; linkages on the right side may involve more formalized contractual or ownership arrangements. Nonetheless, the continuum represents important advancements in service provision to the low-income market, and presents possibilities for providing more sophisticated or expansive financial services. Moreover, these linkages serve to overcome institutional or operational obstacles faced by financial institutions, as well as obstacles related to physical infrastructure, geography, limited population density, or regulation.

FIGURE 1: TYPOLOGY OF LINKAGES



As part of the Accelerated Microenterprise Advancement Project Financial Services Knowledge Generation project, Development Alternatives, Inc. is undertaking research to document innovative and replicable types of linkages. Specifically, this research is focused predominantly on linkages in the middle of the continuum, where banks or nongovernmental organizations are able to leverage the infrastructure of their allies or where a bank has been able to outsource its services and operations for low-income services to an unregulated entity.

The Access to Microfinance and Enhanced Enterprise Niches (AMEEN) linkage described in this case study presents an interesting demonstration of how local commercial banks are able to outsource client mobilization, analysis, and follow-up to an MFI, while funding the credits themselves. Through this linkage, AMEEN is able to expand outreach without building new branches and has secured a stable source of funding for on-lending to microenterprises, while the commercial banks are able to enter a new market without the heavy upfront investment requirements in staffing and technologies.

To investigate this hypothesis, Colleen Green and Ignacio Estévez of Development Alternatives Inc. reviewed key reports and documents on strategic alliances and other linkage agreement/cases and conducted interviews in Lebanon with a wide array of key players and clients.

The authors would like to thank friends and colleagues in the Lebanese microfinance industry who gave of their time and expertise, especially Ziad Halaby, the General Manager of AMEEN, and his staff, who were exceptionally welcoming and forthcoming with information, and Elissa McCarter of CHF International who provided background and information about the program.

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EXECUTIVE SUMMARY

THE AMEEN SERVICE COMPANY PARTNERSHIP MODEL

The microfinance market in Lebanon is, by most standards, small and limited in competition. Generally speaking, banking institutions lack interest in the sector given its size, its perceived risk, the up-front investment required to enter the market, and the availability of other investment options with less risk, such as high-yielding treasury bonds. A small number of unregulated microfinance institutions operate with limited donor funding and lack the equity and commercial financing required to grow their portfolio and outreach. Despite the small market and limited competition, Access to Microfinance and Enhanced Enterprise Niches (AMEEN), a for-profit commercial services company set up to provide microenterprise loans through commercial banks, has proven to be an interesting model of a partnership or linkage with multiple commercial banks that can bring greater financing and potentially a wider range of products to low-income clients in Lebanon. It is a model that can be widely replicated in other countries.

Since its start, AMEEN has developed a partnership model using commercial banks to on-lend to microentrepreneurs, a market that banks had not entered on their own. AMEEN entered into its first partnership with Jammal Trust Bank in 1998 and then expanded its reach in the banking sector by forming partnerships with Crédit Libanais in 2001 and Lebanese Canadian Bank in 2004. The partnerships with the three commercial banks were crucial in ensuring that ongoing funding was available to increase outreach to new clients and maintain continued portfolio growth.

AMEEN essentially works as a service company for the banks; AMEEN handles the up-front loan origination and the banks book the loans. An AMEEN loan officer is based at the selected partner bank's branch and is responsible for marketing and promoting the product to the local community and microentrepreneurs, conducting analyses of the businesses to be financed, participating jointly with bank staff in the credit decision making, and ensuring prompt repayment of the loan. Credit decisions are made jointly by AMEEN and the partner bank. All payments and disbursement take place at the bank. The bank generates the loan agreement and makes the disbursement using funds from the bank or, in some cases, from the bank and AMEEN, based on the terms of the partnership agreement. In the event that the loan goes into default, AMEEN is responsible for managing delinquency until the point at which the loan is deemed not collectable, at which point the bank's legal department takes over.

This structure takes advantage of existing bank infrastructure to exploit AMEEN's market expertise. AMEEN is able to leverage from the banks:

- A sizeable, nationwide branch network for which additional investment in infrastructure is not required;
- Management information systems (MIS) used by the banking systems that have the capacity to make adjustments for new products, such as microloans;
- A lower cost of funds/access to capital because the banks' cost of funds is lower through their ability to mobilize deposits and borrow, if needed, on the interbank market; and
- The ability to lend without legal and regulatory hurdles because the loans are made in the name of the bank and, therefore, are subject to the regulations of the Central Bank.

AMEEN contributes:

- Market and client knowledge;

- Policies and procedures aimed at the microfinance sector;
- The ability to properly analyze the business of low-income clients; and
- Hands-on loan officers who work directly with clients in their places of businesses and households, a practice with which traditional bankers are uncomfortable.

Developing a solid and renegotiable partnership agreement was critical to the success of the bank partnerships with AMEEN. The agreements with the banks laid out the following key points:

- Terms and conditions of the loans to be made, including pricing and currencies.
- Risk and funding sharing, which stated the amount of funding that the bank and AMEEN would provide toward each loan, as well as the risk assumed by each party in the event of nonpayment of the loan. Initially, the portfolio was funded by a combination of AMEEN's own fund and the bank partners'. As AMEEN has expanded its program with other banks, the new partners have increasingly funded a larger percentage (in some cases 100 percent) of the loans made to microenterprise clients.
- Responsibilities for joint marketing of the AMEEN program and products.
- Underwriting criteria, process, and responsibilities of loan origination, loan funding, disbursements and collection, and loan servicing.
- Targets for lending and expansion, portfolio quality and default.
- Compensation for the two partners, including how interest and fees are split.
- Nonexclusivity, which allows AMEEN to engage in microfinance lending with other financial institutions. This clause allowed AMEEN to expand beyond its initial partner, Jammal Trust Bank, to begin lending with Crédit Libanais and Lebanese Canadian Bank.

AMEEN has also been able to renegotiate the terms of the agreements as the portfolios have grown and have shown themselves to be of high quality (low portfolio at risk). This renegotiation has brought in new funding from the banks for on-lending, improved the risk-sharing arrangements between AMEEN and the banks, and allowed AMEEN to adjust the pricing of the product, ultimately making it cheaper for clients. This partnership model has also allowed AMEEN to be operationally and financially sustainable in less than four years.

INITIAL AND ONGOING CHALLENGES TO IMPLEMENTATION

This partnership model is not without its challenges, which can be addressed with thorough planning and continued evaluation. These challenges include:

- Misunderstanding in the beginning by bank staff as to the purpose of the program;
- Adjustments in compatibility of AMEEN's and the banks' MIS;
- Changes in branch locations in which the AMEEN products are offered; and
- Low client retention (approximately 60 percent), which continues to plague the program.

Going forward, AMEEN may also face other challenges as the microfinance market in Lebanon changes. These challenges include maintaining good risk- and revenue-sharing arrangements with the banks in the event of a serious economic downturn; continued centralized loan decision making, which limits efficiency and speed of lending; continued buy-in from branch management; exploiting opportunities for cross-selling other products; maintaining a strong brand and high visibility in the marketplace; and potential competition from other banks wishing to enterer the microfinance market

This case study offers insight into structural options available to donors/financial institutions entering the microfinance market and considers the importance of establishing clear guidelines for and expectations of the various parties, benefits, cost implications, and efficiencies gained through the structure. The primary conclusion of the study is that the structure can be replicated under the right conditions and that it is an interesting way for commercial banks to become involved in a sector that, although perceived as risky and lacking profitability potential, can be both profitable and socially rewarding.

INTRODUCTION

As elsewhere in the Middle East, the microfinance market in Lebanon is small, with a limited number of players—microfinance institutions (MFIs) and banks—and, although it is growing, it is doing so at a slower pace than in other regions of the world. MFIs provide a narrow range of financial products and services. Most provide loans using group guarantees and are working to serve the very poor.

Donor investment in microfinance has also been sparse, presumably because Lebanon has a small population that is perceived as middle income; it has received only limited overall development funding. In the late 1990s, the U.S. Agency for International Development (USAID) provided seed capital to begin a number of new programs, including the Access to Microfinance and Enhanced Enterprise Niches (AMEEN) (Cooperative Housing Foundation [CHF]), Al Majmoua (Save the Children), and the local Catholic Relief Services affiliate. Other microfinance institutions working in Lebanon include the Association d'Enraide Professionelle, Cooperation for Development, the United Nations Relief and Works Agency, Association d'Aide au Développement Rural (ADR), and Caritas. The European Union, working through the ADR and Social Fund for Development, has tried to build the market by providing loan capital to institutions agreeing to interest rate ceilings and it plans to provide technical assistance to MFIs.

A survey conducted by the World Bank and presented at the SANABEL conference in late 2004 suggests that MFIs in Lebanon served about 11,000 clients and had an estimated combined portfolio size of approximately $8.16 million. Estimates of the potential size of the microfinance market vary greatly, from 200,000 according to a 2000 World Bank study to a much smaller pool of 70,000. Estimating the size of the market is difficult because official statistics on the population do not exist. As a result of the delicate sectarian arrangement in the political arena in Lebanon, the government has purposely avoided conducting an update of the 1932 census because it might indicate a shift in population between Christian and Muslim groups.[1]

In contrast, the Lebanese banking system since the end of the civil war has focused primarily on money investments, which have been yielding high returns. Lending operations have focused on the retail and large corporate sectors, with loan policies in place requiring substantial collateral from borrowers. As is the case throughout the world, the banks' lending requirements tend to be onerous, especially for the small and microentrepreneurs. Banks have a propensity to stay away from the micro, small, and medium-sized enterprise (MSME) sector, which they tend to consider a risky and potentially unprofitable sector. As a result, Lebanese banks generally manage high liquidity and low loan-to-deposit ratios.

It is in this context that—with limited competition and an unknown market size—CHF founded the AMEEN program that, from its start, has worked through Lebanese commercial banks to provide loans to small clients and the working poor. AMEEN, in its current structure, would not exist without its partnerships with and operations through the banks. Its first partnership was with Jammal Trust Bank (JTB), a small, family-owned commercial bank. AMEEN quickly entered into partnerships with other commercial banks: Crédit Libanais (CL) and Lebanese Canadian Bank (LCB). In its partnerships, AMEEN handles all of the up-front marketing, client identification, and credit analysis; the banks book the loans (that is, the loan agreement is between the borrower and the partner bank). The basic arrangements AMEEN has with the three banks are similar but vary somewhat on issues such as percentage of loans funded, risk sharing (loan loss percentages assigned to each party), and fees.

[1] A shift in the population would effectively mean a shift in the political representation of different religious groups in government. Thus, the government avoids a census for fear of disruption of the current political balance.

Through the course of AMEEN's work with the three commercial banks, the regulatory environment in which microfinance operates in Lebanon has changed as well. Specifically, in 2004, the Central Bank of Lebanon passed a regulation allowing banks that so choose to invest up to 5 percent of their non-interest-earning reserves in microfinance, presuming the banks work with an accredited microfinance partner of the Central Bank. The intent of this regulation is to allow greater capital to flow from the commercial banking sector into microfinance. It appears that this change been positively received by the banks, enticing them into further evaluating the potential of the microfinance sector and analyzing the various options to better service the sector.

THE LINKAGE AND THE INSTITUTIONS INVOLVED

THE FIRST PARTNERSHIP

AMEEN AND JAMMAL TRUST BANK

In September 1998, CHF International was awarded a $1.2 million cooperative agreement by USAID to begin the AMEEN program. From its beginnings, the institution was intended to work through bank partnerships to on-lend to the microenterprise sector; AMEEN originates the loan and banks book the loans. The program was also intended to ensure that banks invested in the program. To partner with AMEEN, banks needed to commit to providing some funding for on-lending (generally a percentage of AMEEN/CHF's donated equity), sharing the risk as well as the reward (interest and fees). The goal of the program was threefold: 1) to increase access to credit for microentrepreneurs and the economically active poor; 2) to enhance the institutional capacity of local, private commercial banks to provide retail financial services to the working poor; and 3) to establish AMEEN as a sustainable finance company by the end of the cooperative agreement.

An experienced microfinance practitioner was hired as general manager to run the AMEEN program and, under her leadership, the program was set up quickly; AMEEN began to provide individual loans to micro and small clients in March 1999 through its partnership with Jammal Trust Bank. JTB, a small but high-quality private commercial bank operating since 1963 and covering Lebanon, Egypt, the Mediterranean countries, and Africa, maintains a small branch network of 21 branches in Lebanon (including eight branches in greater Beirut, 10 branches in the south, two branches in the Beqaa Valley, and one branch in the north).

TABLE 1: JAMMAL TRUST BANK—PERFORMANCE INDICATORS AS OF DECEMBER 31, 2003

	Lebanese Pounds (LBP millions)	U.S. Dollars ($ millions)
Assets	LBP 464,883	$308.38
Customer deposits	LBP 343,137	$227.62
Loans	LBP 113,304	$75.16
T-bills	LBP 134,424	$89.17
Net profit	LBP 2,849	$1.89
Return on assets (ROA)	0.61	0.61
Return on equity (ROE)	4.37	4.37
Portfolio under AMEEN management	LBP 2,713.50	$1.80

JTB was selected as AMEEN's partner because of its market orientation and because its vision was in line with AMEEN's; it was already serving the middle market, and it became increasingly interested in working with lower-middle-income and poorer clients. Having conducted its own market survey in

1997, it found it could successfully serve some of these clients with loans and deposit services. In 1998, CHF approached JTB about being its bank partner and, despite initial skepticism by JTB's management (for example, on the use of a moral guarantee rather than a mortgage-backed guarantee and on offering loans at a higher interest rate than corporate loans), it was willing to begin working with AMEEN on a pilot basis.

Initially, loans ranged from $300 to $3,000 with terms of up to one year. The loan amount ceiling has since been increased to $5,000 and terms to 18 months (in general, personal loans are limited to $3,000 and 12 months). AMEEN and the banks require the client to pledge collateral, generally in the form of a personal guarantee from a salaried individual, or in some cases other "collateral substitutes" (furniture, equipment, vehicles). These terms seemed compatible with JTB's program, which offers consumer loans from $1,000 to $15,000 for up to three years backed by a salary guarantee that is directly deposited by the employer in the bank.

At the initial stages, AMEEN's lending was restricted to business loans for microenterprises. It has since expanded its product line to include personal and home improvement loans for microentrepreneurs. Although the purposes for the loans have been expanded, product terms for all of these products have remained identical. The method by which these loans are analyzed, however, varies slightly.

AMEEN essentially works as a service company for the bank; AMEEN does the upfront loan origination but the bank books the loans. Operating from a base located within the branches of the partner bank, AMEEN's loan officers solicit new clients. This is done primarily by marketing the program in poorer neighborhoods and regions where more informal businesses operate. Printed promotional material is also available in the bank branches. However, the majority of AMEEN clients were not previously clients of the bank.

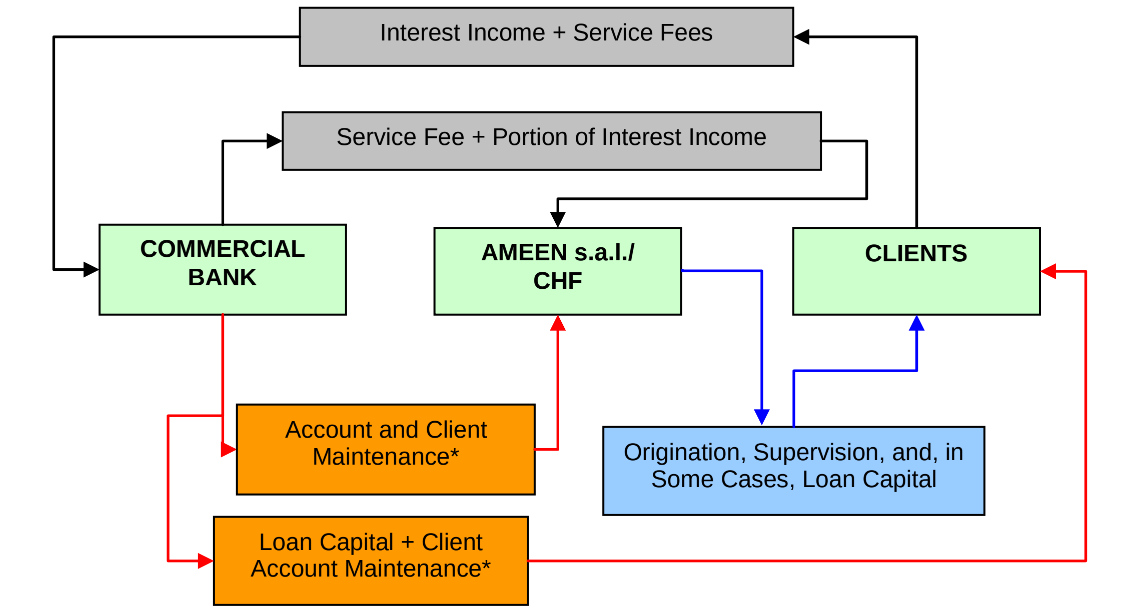
Potential clients are screened through a process whereby the AMEEN loan officer visits the business and home of the potential borrower and analyzes the character of the borrower, the capacity of the borrower to repay, and the growth potential of the business. Credit decisions are made in three stages. AMEEN loan officers complete an analysis of the loan and make a positive recommendation to the branch manager of the bank (stage one). The branch manager ensures that the client and guarantor are reputable and provides his recommendation (stage two). The final, formal loan decision (stage three) is made at a weekly credit committee meeting of members of AMEEN's senior management team and members of the bank's retail lending division in Beirut. Thus, loan decisions are only made once per week and are based on unanimous decisions of both AMEEN and the bank.

All payments and disbursements take place at the bank. The bank generates a loan agreement and signs it with the client. The bank then disburses the loan from bank funds or, in cases where a capital share arrangement exists with AMEEN, from the corresponding AMEEN account. When a client makes a loan payment, the bank is responsible for crediting the corresponding AMEEN operating account with AMEEN's share of the capital, interest, and any applicable fees.

The bank provides AMEEN with duplicates of all copies of transaction documents and the credit file for internal tracking purposes. Credit files and all original loan documentation are stored in the head office of the bank, not in branches. In addition, the bank prepares weekly reports on the portfolio showing disbursements made, disbursements anticipated, and repayments, as well as a daily report of overdue loans. At the request of loan officers, the bank can and does provide more timely, daily reports on delinquency.

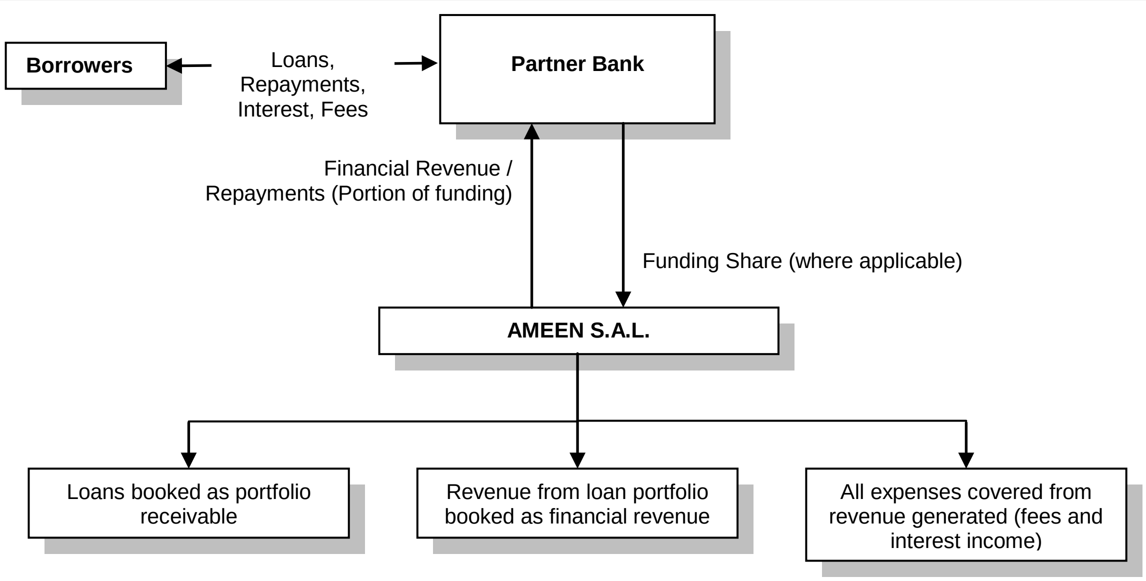
Crucial to the success of the program has been the development of AMEEN's management information system (MIS) and its ability to integrate data from the banks. The system was custom designed to meet the program's needs, allowing for tracking of the various types of financial data and reconciliation of loan tracking information against reports generated by the partner banks. The system is composed of three modules: accounting, human resources, and loan tracking. The accounting module generates the financial reports required for management and reporting. The human resource module tracks payroll, incentive plans, and other benefits. The loan tracking module enables AMEEN to generate comprehensive portfolio management data. Although client information in entered both at AMEEN and at the partner bank, information downloaded from the bank is then used to update the portfolio information in AMEEN's MIS.

FIGURE 2: DIAGRAM OF THE PARTNERSHIP



*Includes, among others, accepting borrowers' payments, maintaining accurate records, preparing daily/weekly/monthly reports for AMEEN, sending payment remainder notes to clients, and legal department involvement in delinquency cases.

FIGURE 3: AMEEN S.A.L./PARTNER BANKS STRUCTURE



EXPANSION OF THE LINKAGE TO NEW PARTNER BANKS

The program, which started in five JTB branches, grew quickly—to 292 clients and an outstanding portfolio of $385,100 by the end of 1999. By September 2001, AMEEN was working in 21 JTB branches and had an outstanding portfolio of $2,214,558 and 2,802 active clients. In a desire to expand more rapidly, and to ensure continued availability of funding, AMEEN began marketing its program to other banks. In 2001, AMEEN expanded its operation to include a second bank partnership with Crédit Libanais, a larger Lebanese commercial bank. Within three years, AMEEN, through the two bank partnerships, was lending throughout Lebanon, including in Beirut, south Lebanon, north Lebanon, and the Beqaa Valley. In 2004, AMEEN extended the partnership to a third commercial bank, Lebanese Canadian Bank. All of the partner banks follow the same credit committee procedure as JTB, and product terms, while currently differing somewhat, are in process of being modified so they are equal at all partner banks.

CRÉDIT LIBANAIS

CL was established in 1961 and is jointly owned by Capital Investment Holding (Bahrain) and Capital Investment Holding s.a.l. (Lebanon). Crédit Libanais is engaged in full-service banking activities, including retail, corporate, mortgage lending, and investment banking. Through its subsidiaries, it is also active in insurance, data processing, credit cards, leasing, and real estate investment. CL has a strong presence, maintaining 56 branches throughout Lebanon.

TABLE 2: CRÉDIT LIBANAIS (BANK)—PERFORMANCE INDICATORS AS OF DECEMBER 31, 2004

	Lebanese Pounds (LBP millions)	U.S. Dollars ($ millions)
Assets	LBP 3,655,688	$2,425
Customer deposits	LBP 2,929,073	$1,943
Loans	LBP 664,808	$441
T-bills	LBP 1,340,168	$889
Net profit	LBP 24,120	$16
ROA	0.7	0.7
ROE	8.29	8.29
Portfolio under AMEEN management	LBP 4,673	$3.10

AMEEN approached CL in 2001 about becoming its second bank partner. Partnering with AMEEN was consistent with the bank's overall strategy to expand market share, particularly outside of Beirut in the south, north, and Beqaa Valley. By 2005, AMEEN was working within 23 of CL's 56 branches. The partnership was crucial to ensure AMEEN's continued growth, expansion, and secure additional funding.

LEBANESE CANADIAN BANK

In 2004, AMEEN began working with LCB, a growing bank with interest in expanding its market share in consumer lending. Founded in 1960, LCB has 26 branches in Lebanon and a representative office in Montreal, Canada. The bank is engaged in a variety of commercial and retail services including lending, credit cards, money transfers (in partnership with Western Union), and international phone cards. LCB has seen remarkable growth in the past few years: its asset base has grew 41 percent in between 2001 and 2004. AMEEN's expansion into LCB's branch network has been slower; it currently operates out of seven of LCB's branches.

TABLE 3: LEBANESE CANADIAN BANK—PERFORMANCE INDICATORS AS OF DECEMBER 31, 2004

	Lebanese Pounds (LBP millions)	U.S. Dollars ($ millions)
Assets	LBP 3,525,080,423	$2,338,362
Customer deposits	LBP 2,930,412,297	$1,943,889
Loans	LBP 28,562,760	$18,947
T-bills	LBP 16,779,922	$11,131
Net profit	LBP 33,443,102	$22,184
ROA	0.9	0.9
ROE	23.8	23.8
Portfolio under AMEEN management	LBP 1,055	$0.7

AMEEN S.A.L.

In 2003, AMEEN's cooperative agreement with USAID ended. AMEEN s.a.l. was set up as a commercial services entity under Lebanese law, 99 percent owned by CHF International. CHF and AMEEN s.a.l. maintain a management agreement whereby CHF reimburses AMEEN s.a.l. for its operational costs, while AMEEN s.a.l. continues to manage the CHF portfolio. This arrangement allows CHF to continue to exert control over the future of the program and allows AMEEN to operate with minimal tax liabilities.

Currently, AMEEN employs 36 loan officers and 5 supervisors, who operate out of 47 branches of the 3 partner banks. Together, as of May 31, 2005, these loan officers serve 7,879 clients and a total portfolio of $6,188,125.

TABLE 4: AMEEN PERFORMANCE INDICTORS AS OF SEPTEMBER 30, 2004

Number of active clients	7,454
Number of branches	47
Portfolio under management	$6,173,699
PAR >30 days	0.63%
Average loan size	$828
ROA	2.55%
ROE	3.60%

OPERATIONALIZING THE ALLIANCE

LAYING THE FOUNDATION

From the start, the partnership model utilized by AMEEN built upon the approach of partnering with local private banks, allowing AMEEN to leverage infrastructure, capital, and risk and incorporate international best practices in microfinance. Under the model, AMEEN is able to leverage from the banks:

- **Sizeable, nationwide branch networks.** With branches already in place, banks provide the existing infrastructure through which to operate. In order to expand rapidly, the MFI (AMEEN) does not need to make heavy investments in infrastructure, because it uses the bank's.
- **Management information systems.** MFIs throughout the world often lack the adequate information systems required to properly manage their business; banks, on the other hand, tend to have proven systems that can adjust to the specifics of microfinance. The partnership takes advantage of the banks' solid MIS and AMEEN's own MIS, which was developed with its needs in mind and is able to integrate with the partner banks' systems.
- **Lower-cost funds/access to capital.** Access to low-cost capital for loan portfolios tends to be a challenge for many MFIs and is often the main impediment to growth. The partnership structure provides AMEEN with an advantage in that it does not require the MFI to borrow and be concerned with high debt cost and leverage issues. (Globally, MFIs tend to achieve a debt/equity ratio that is no greater than five times their equity.) AMEEN is able to negotiate its fees with its partners, thereby ensuring sustainability. As the program grows and gains credibility, AMEEN will be able to continue to negotiate revenue share, thereby reducing implicit cost of funds.
- **Ability to lend without legal or regulatory hurdles.** Nongovernmental organizations and MFIs operating microfinance programs in Lebanon are supervised by the Ministry of Interior, but are limited in the types of services they can provide. For example, they may lend but may not accept intermediate deposits. Banks are supervised by the Banking Control Commission, the main regulator, and the Banque du Liban, the country's Central Bank that sets monetary policy and determines reserve requirements. The banks can provide a range of services that other MFIs cannot.

AMEEN contributes to the partnership with:

- **Market knowledge.** Commercial banks traditionally view microfinance as a risky market with low growth potential, in part because they do not know the clients and do not understand the clients' business or business cycle. Microloans are small and the analysis is perceived by the banks to be complex and time consuming. As a result, the standard presumption is that the loans are not profitable. AMEEN can educate the banks on how microfinance actually works.
- **Client knowledge and analysis experience.** Commercial banks traditionally attempt to service the microfinance sector with policies and procedures based on those in place for corporate or consumer loans, which maintain heavy collateral requirements, require analysis based on tax or financial statements, and calculate debt capacity based on a verifiable salary or a credit bureau rating (in countries in which they exist). These rigid policies and procedures create a problem: microfinance techniques focus more on different kinds of collateral substitutes and the character of the borrower. AMEEN contributes new knowledge on now to analyze the client and his/her ability to repay, as well as experience with collateral substitutes.

- **Hands-on human resources.** Microfinance requires a move from desk work to fieldwork, an uncomfortable move for many traditional bankers. In addition, it requires that loan officers be compensated differently from other bank employees; microfinance loan officers are often partly compensated based on performance measures such as portfolio growth and low delinquency. This can lead to animosity among bank employees who may feel they are not fairly compensated.

PARTNERSHIP AGREEMENT

The partnership model utilized by AMEEN and the commercial banks allows each to leverage the strengths of the other. The partnership was initially established as a risk-/revenue-sharing agreement between AMEEN/CHF and Jammal Trust Bank. As the program grew, AMEEN/CHF entered into partnership agreements Crédit Libanais and with Lebanese Canadian Bank. The structure of these agreements differed slightly from the original agreement with JTB primarily with respect to the capital/risk share. AMEEN was able to learn from its experience with JTB and to demonstrate its ability to lend profitably and at low risk. This learning resulted in tighter and better agreements with the other banks. For example, in subsequent deals, the banks provided more of the funding for lending.

In general, the agreements between AMEEN and the banks laid out the following:

- Terms and conditions of the loans to be made, including pricing and currencies. The original agreement with JTB had loans denominated only in dollars. Subsequent agreements with other partner banks have included the terms and conditions for Lebanese pound-denominated loans as well.

- Risk and funding sharing, which stated the amount of funding that the bank and AMEEN would provide toward the loan, as well as the risk assumed by each party in the event of non-repayment of the loan. The original agreement with JTB provided for the bank to assume a 25 percent risk and funding share on every loan generated, with CHF assuming the remaining 75 percent. As JTB became comfortable with AMEEN, subsequent amendments to the agreement increased JTB's funding/risk share to 50 percent and, thereby, increased the potential lending ceiling of the program.

- Responsibilities related to joint marketing of the AMEEN program and products. The bank and AMEEN share responsibility for a marketing plan and promotion and the costs are assumed equally.

- Underwriting criteria, including the types and sufficiency of the guarantees, repayment terms for the borrowers, and determination of the borrowers' creditworthiness. The bank must be satisfied with the borrowers' ability to meet the underwriting criteria.

- Process and responsibilities of loan origination (by AMEEN loan officers), including verification of information (done jointly by AMEEN and the branch staff), credit decision making (jointly between AMEEN and the bank partner), and preparation and finalization of loan documentation (branch staff and the borrower).

- Loan funding process and responsibilities, including how AMEEN's funding will be used, disbursed, and collected.

- Loan servicing and collection procedures, including the responsibilities of the different parties in delinquency follow-up (initial follow-up by AMEEN/CHF), collections (first by AMEEN and then by the bank), and beginning legal or court proceedings (by the bank partner).

- Operating accounts to be maintained and how revenues/ capital will be accounted for.
- Minimal program targets with respect to expansion to as much of Lebanon as possible, maximum portfolio at risk (PAR) (5 percent for loans more than 30 days past due) and default rate (less than 1 percent), and portfolio growth for year one (generally defined in an expected number of loan disbursements in one month). Portfolio growth targets are one element of the agreement that changed and became more aggressive with subsequent agreements.
- Compensation for the bank and AMEEN, including how interest and fees would be split.
- Which terms can be modified by either party in writing.
- AMEEN acknowledgement of understanding and abiding by the bank secrecy laws of Lebanon.
- Nonsolicitation of employees for a period following the termination of the agreement.
- Termination clause, which allows both parties to terminate the agreement within 90 days for unsatisfactory performance.
- Nonexclusivity clause, which allows AMEEN/CHF to engage in microfinance lending with other financial institutions. This clause was critical for AMEEN and allowed for its expansion with other bank partners. The clause, however, did not allow for reciprocal action; the banks could not engage in microfinance lending with other MFI or service company partners.

Key Points of the Three Bank Agreements

- Responsibilities of all partners
- Terms and conditions of the loans
- Capital-/risk-sharing
- Revenue-sharing arrangements
- 90-day termination clause by either party
- Nonexclusivity clause for AMEEN
- Nonsolicitation of staff
- Marketing of products
- Underwriting criteria and approval process
- Program accounts (capital, revenues, etc.)
- Loan servicing and collection procedures
- Agreements were not date-defined

Of note is the fact that the agreements with the banks are not date-defined. The agreements are effective until the next negotiation, or until one partner decides to withdraw from the agreement, as per the terms of the agreement.

Table 5 provides some details on key elements of the risk and funding share arrangements.

TABLE 5: VARIANCES IN THE BANK AGREEMENTS

Bank	Funding Share	Funding Contributed for On-Lending (US$ millions)
Jammal Trust	50%	$1.3
Crédit Libanais	100%	Began at $1, currently at $3.1
Lebanese Canadian Bank	67%	$1.0

COSTS ASSOCIATED WITH THE PARTNERSHIP

The fixed and variable costs associated with the partnerships were not articulated in the agreements with the banks. Although all of the costs on the AMEEN side—from staff salaries to stationery expenses—can be attributed to the cost of the partnership with the banks, the costs for the banks are neither specified nor heavily pondered by the banks. The banks do not project these costs on an annual or monthly basis for their budgetary purposes and believe them to be minor or unquantifiable compared to the revenue received from the AMEEN products. AMEEN managed to reach sustainability during 2004 and its profits are projected to increase.

An estimation of bank costs includes:

- Time of the branch manager (up to two hours per week depending on the bank, branch, and interest/engagement of the branch manager in the AMEEN program);
- Time of head office bank management involved in weekly loan committee meetings (up to two hours for two people);
- Time of cashier staff in disbursing the loan (up to a half-hour per client for 20 new loans per month), collecting repayments, and capturing data related to these transactions in the bank's MIS;
- Costs of generating, maintaining, and sending documentation between the branches and the bank's head offices in Beirut;
- Back-office costs associated with generating daily, weekly, and monthly reports for loan officers;
- Desk space for one AMEEN loan officer;
- Funding for joint marketing in the form of brochures available in the branches;
- Costs associated with the upfront adjustments to the MIS to track the AMEEN clients and loans;
- Time of the bank officer to prepare and send notices to clients in arrears and to engage in other legal proceedings as required; and
- Cost of funds.

A detailed analysis of the costs associated with the product from the bank side would seem prudent so that the bank could better understand the product's profitability and thereby its targets. At the same time, it is important for AMEEN to understand the costs incurred by the bank so that it is better able to negotiate partnership terms, particularly because the institution is still in a growth cycle and will require analysis to ensure continued growth, interest from other potential partners, and success.

MEASURES OF SUCCESS

AMEEN s.a.l. has become the leading microfinance institution in Lebanon because of the successful formation and growth of its commercial bank linkages. Although performance has been affected by recent political and economic instability in Lebanon, as of May 2005, AMEEN was managing a portfolio of $6,188,125 and was projecting a portfolio of $7,517,698 by the end of September 2006. Portfolio at risk has been maintained at low levels because the institution closely manages them to ensure quality portfolio.

As of May 2005, AMEEN s.a.l.'s portfolio consisted of 7,879 active clients with projections for September 2006 of 11,000. Projected numbers were downwardly revised from 11,500 in 2005, a revision that resulted from the political and economic crisis that followed the assassination of the former prime minister.

AMEEN has achieved profitability and solid portfolio quality in the microfinance sector. Partner banks have entered the sector through AMEEN in part because they previously did not have the interest or know-how to service the sector on their own. Although it would have to make important modifications to human resources and other areas, a bank could opt to service the sector directly and dissolve its partnership with AMEEN. As the AMEEN product becomes a more significant portion of the branches' revenue, AMEEN and its partners will likely want to reevaluate the noncompete/exclusivity clause of their agreements.

FIGURE 4: PORTFOLIO/PAR

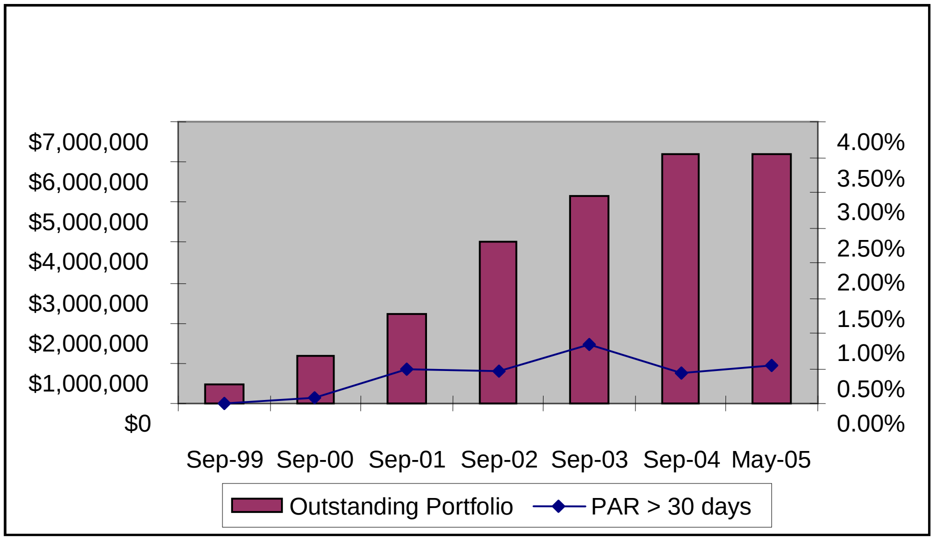


FIGURE 5: ACTIVE CLIENTS

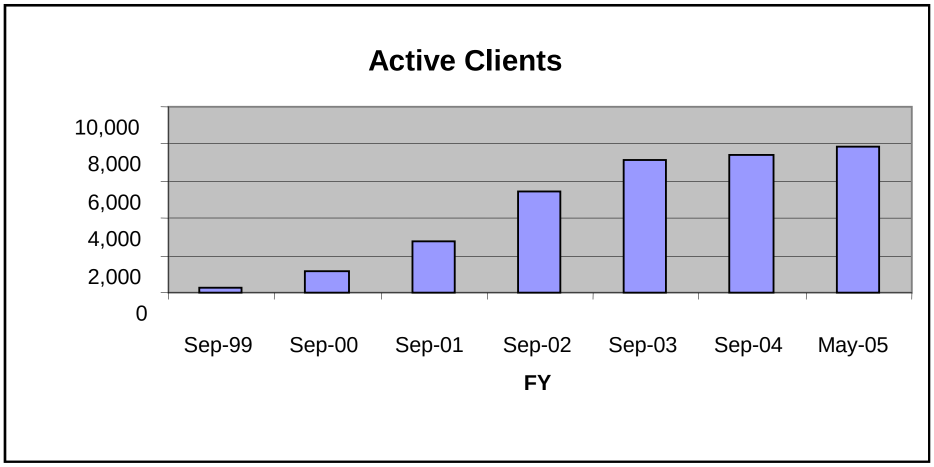
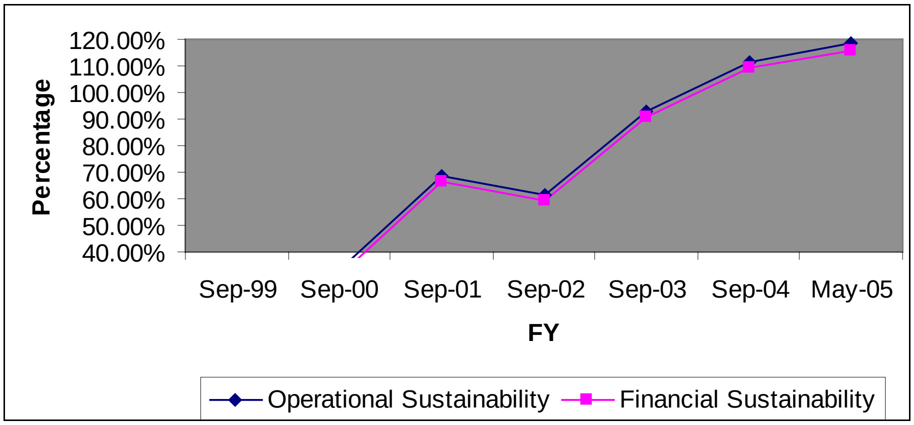


FIGURE 6: SUSTAINABILITY



For the banks, the basic measures of success have been:

- The partnership enabled them to better utilize their liquidity and earn higher rates of return;
- It provided for a new source of revenue while requiring a limited investment in staff and infrastructure, because AMEEN provided know-how through its own staff and required very little bank space;
- It opened the door to new market segments in which banking competition was limited or nonexistent, and thereby introduced the banks to new clients and their potential; and
- It allowed the banks to fulfill their social responsibility to the broader community by providing services to low-income groups.

INITIAL AND FUTURE CHALLENGES TO IMPLEMENTATION

To date, most of challenges that AMEEN has faced in implementing a microfinance program through commercial banks are the usual hurdles in any partnership; there were minor issues in the beginning stage with each of the banks. First, there was a lack of understanding by branch staff of the program goals, who AMEEN was, why it wished to serve this target market, and why the AMEEN loan officer was present in the bank. Despite presentations made by AMEEN to bank management, this information had not been properly communicated down the bank's chain of command. AMEEN has increased its focus on presentations to branch staff in efforts to limit misunderstandings.

Second, in all cases, the process of adjusting to differences in management information systems took some time to sort out. In the case of LCB, the start of the program was delayed four months until the two partners could work out MIS compatibility issues. Clearly, ensuring systems are compatible prior to start-up is key given the information flow required for efficiency and accuracy.

Third, there have been changes in locations in which the AMEEN program is offered. Some branches that began offering the AMEEN products have discontinued the service due to a limited market or, in a few instances, because of liquidity constraints with the bank (in other words, the bank hit the ceiling of its committed funding share with AMEEN and would not provide any additional funding for on-lending) . In these instances, the bank partners have simply shifted to other bank branches or, in the few instances of liquidity constraints, AMEEN has shifted the clients to another bank partner that maintains a nearby branch. AMEEN and the partner banks are now more proactive in addressing problems as they come up and are working on improving liquidity management.

Finally, the biggest issue that AMEEN faces is client retention. Client turnover with AMEEN is 40 percent, high by microfinance standards. AMEEN believes that only 5 percent of clients "graduate" to the banks, but none of the partners is tracking this statistic. This regular loss of clients means that AMEEN is not reaping the efficiency benefits from making the easier and less-costly repeat loans. Addressing this issue head on could improve the profitability of the program and AMEEN has discussed the need to conduct a client survey to better understand the phenomenon.

The bigger issues for AMEEN are those that it faces in attempting to grow its portfolio and its presence in the Lebanese market.

- **Risk and funding sharing.** Currently, AMEEN's own capital for on-lending is limited to AMEEN/CHF's funding from the USAID cooperative agreement, the MacArthur Foundation, and the Cedars programs ($1.8 million). In addition, the banks have pledged $1.3 million (JTB), $3 million (CL) and $1 million (LCB), for a total bank commitment of $5.3. Additionally, LCB has increased its Lebanese pounds product to LBP 1 billion, and negotiations for an LBP product with CL are ongoing. Although additional funding is currently being renegotiated with the banks, with the intent of increasing the share contributed by all of the partner banks, AMEEN's ability to share funding and risk is constrained going forward given its limited resources. Although many of the bank agreements began with a funding and risk share as a way to entice banks into the partnership, for the future AMEEN must consider expanding existing partnerships or adding new partnerships where the banks provide the funding for on-lending, but revenues continue to be shared. Furthermore, there is no clear detail on scenarios that may cause banks to discontinue funding the portfolios. As the program matures, it will be necessary to further detail banks' commitments and expectations to ensure that no disruptions take place and that AMEEN can properly manage its operations.

- **Centralization of loan decision making.** Currently, the loan approval process is centralized within each partner bank. Because Lebanon is a small country and the program is still in a growth mode, this structure has not been a hindrance to growth and productivity. However, it is clearly an issue that may need to be addressed as AMEEN grows and if other new partner banks begin offering the AMEEN products. There may be the need to decentralize loan decision making to the region or branch level to allow for quicker turnaround on new loans. However, this change may entail long and difficult negotiations with the banks' management, which will be required to move away from their own centralized structures and may counter much resistance.[2]

- **Buy-in from branch managers and staff.** Branch managers can wield a great deal of power in their respective branches/regions and, thus, are an integral part of the program. It is important to ensure the AMEEN loan officers maintain good working relationships with the branch manager and other branch staff. AMEEN s.a.l. has been quick to respond when problems have appeared, thereby maintaining control.

- **Opportunities for cross-selling.** There may be growing opportunities to cross-sell other financial products and services, which the banks are currently not taking advantage of. As AMEEN grows and faces more competition from other MFIs, providing added value to its clients through bank

[2] Although a bank's management may be against decentralization, at least one branch manager expressed the desire to have more decentralization and to "work like AMEEN" in a more flexible manner. Also, at least one of the banks is paying attention to the manner in which AMEEN is following up on delinquent clients and hopes to instill similar processes for the bank's small and medium-sized enterprise and personal loan clients.

financial products may make it more attractive vis-à-vis its competitors. Cross-selling is clearly a sensitive issue that needs further evaluation by the various players. Legally, the clients belong to the banks, but AMEEN, as client executive, is eager to keep them happy and under its management. If the banks begin to cross-sell products to these clients, it would be important to analyze the most efficient manner in which to do so (for example, AMEEN staff versus bank staff) and what this could mean to the relationships among the client, AMEEN, and the bank. Earlier attempts to encourage clients to take up other products, however, show that not all products are treated equally by the banks. When AMEEN first started, it tried to track the uptake of savings products by AMEEN clients. However, the banks did not like to report this.

- **Product differentiation.** AMEEN currently offers three products: a microenterprise loan, a home improvement loan, and a personal loan, all to microentrepreneurs. There are currently only minor differences between these three loan products in terms, conditions, and the manner in which they are analyzed. As the market becomes more competitive, some thought should be given to product development and differentiation.

- **AMEEN visibility and brand.** AMEEN's brand has varying degrees of visibility in the bank branches. For the time being, this may not be significant since most AMEEN clients do not learn about AMEEN from visiting the bank. Instead, AMEEN is increasing its customer base by actively marketing in poorer neighborhoods and regions and using word of mouth for referrals. If the banks take advantage of cross-selling other products to clients, more visibility of the AMEEN brand within the bank branches will be important.

- **Direct competition from the banks.** Although client growth has been somewhat constrained recently as a result of the deteriorating political and economic situation, the banks are pleased with the results of the project and are looking to increase their participation. That said, some of the constraints to growth center on the banking system in Lebanon. The Lebanese banking system has a very low loan-to-deposit ratio, which is in part a result of high-yielding, low-risk investment instruments that are available to them, such as treasury bills. Treasury bills currently pay 10 percent on U.S. dollars (8–9 percent on Lebanese pounds) for five-year bills, with interest paid every six months. Banks are currently not hungry for new market niches. Should the rates on treasury bills decrease or competition for loans in other sectors increase, the banks might be "pushed" to expand lending to the microenterprise sector either with AMEEN or on their own. In recent years, there has been a downward trend of the interest rate spread on treasury bills. This downward trend, combined with a recent Central Bank modification on reserve requirements, which enables banks to utilize 5 percent of their non-interest-bearing reserves for on-lending to the microfinance sector, is likely to lead to increased interest in the microfinance sector. Given the apparent conservative nature of the system, and the low-risk investment options available, maintaining high-credit quality is viewed as crucial to ensuring that partner banks continue to fund growth. AMEEN s.a.l. has proven its capability to manage a growing and high-quality portfolio, maintaining a PAR of 2.91 percent as of May 2005 across the banks.

- **Exclusivity versus expansion.** Given the limited size of potential demand of the microenterprise market in Lebanon (estimated between 70,000 and 200,000 microentrepreneurs), and as the AMEEN product becomes a significant portion of the branches' revenue, AMEEN s.a.l. and its partners will have to evaluate the noncompete/exclusivity clauses of their agreements. Currently, the agreements do not incorporate any productivity targets, other than mention of expected portfolio quality. A re-evaluation of exclusivity or noncompetition could also take place as AMEEN adds other bank partners, although there are currently no plans to expand the number of partners.

LESSONS LEARNED AND RECOMMENDATIONS

Many of the lessons learned from the AMEEN partnerships with the three commercial banks illustrate the importance of good project planning and management. The partnership had all of the key elements in place to ensure the initial success of the alliances. As the program develops and competition increases, areas will have to be revisited and adjusted to better meet overall goals of all partners—particularly AMEEN, which is focused on increased outreach to the microfinance sector.

The following points lay out the preconditions for a successful partnership agreement or linkage. These elements will need to revised from time to time as market conditions change.

1. **Selection of an appropriate partner bank.** The selection of an appropriate partner bank is crucial. Banks need not only to be able to provide the funding, but must also have a compatible vision of the market and its potential. This vision is especially crucial in small markets such as Lebanon, where, as an example, partnering with banks that have a similar branch distribution throughout the country could bring about low productivity or conviction of preferential treatment to one partner bank by focusing growth with them. A clear understanding at the start of the program of the goals of potential partner banks as well as their regional distribution may improve the overall chances of success of the partnership.

2. **A detailed agreement with each bank partner that outlines roles and responsibilities of each partner is essential.** The contract must clearly define the roles and responsibilities of both partners. Ideally, the contract would:

   - Determine and define the roles of the personnel involved in the linkage, including branch management and personnel, individuals involved in the credit decision-making process, and senior management from both institutions. This section of the agreement would include clear processes and channels for communication between the two institutions at all of these levels.

   - Define the capital-, risk-, and revenue-sharing arrangements between the two partners. With a strong track record, high portfolio quality, and growing portfolio, the service company should be able to negotiate both the capital provided by the bank and the risk share taken on by the bank.

   - Define the roles and responsibilities of each partner through the entire process of identifying, analyzing, approving, disbursing, and collecting the loan.

   - Prescribe intermediate and long-term objectives and targets, including number of clients/loans made, portfolio size and growth rate, and portfolio at risk rates. These targets should be updated each year and agreed upon by both parties.

   - Specify the terms of noncompetition if the MFI is working with only one bank or nonexclusivity if the MFI is working with more than one bank.

   - Specify conditions under which the bank will no longer fund lending. These conditions may need to be renegotiated from time to time, particularly if the bank has significant hesitation at the start because the MFI lacks a track record. Additionally, as the portfolio grows, the MFI will need to ensure that lending can continue uninterrupted.

   - Include detailed and accurate cost estimates for both partners, such that each partner is clear about the upfront and ongoing costs associated with the program, including the time of key staff at different levels (in the branch and headquarters), fixed assets, adjustments to the MIS, variable costs for marketing and promotion, and the cost of funds.

- Specify an exit strategy in the event that the objectives are not met or the deal has turned unfavorable for one of the partners. The exit strategy should be included to allow both parties to re-evaluate the partnership as conditions change.

No partnership should be viewed as static; alliance agreements must be reviewed and re-evaluated on a regular basis. Institutions must expect shifts in priorities, vision, and power. Institutions that resist these changes—rather than accommodate them—will watch their alliances crumble. Similarly, a noncompete clause may be necessary to define the parameters of the alliance, particularly in markets where other MFI/bank partnerships exist.

3. **A clear understanding of bank expectations of the product and sector.** There are cases where banks may enter the sector solely for philanthropic reasons. Clearly, the potential of the sector will not adequately develop if the reasons for entry are also not profit-driven. Furthermore, development of the program requires a longer-term commitment from the bank, including a clear understanding of the bank's funding limitations and expectations. AMEEN has managed to develop relationships with a number of banks that are interested in market expansion and that have been able to bring additional liquidity for on-lending. Assuming no dramatic decrease in portfolio quality, this shared vision will ensure financing for continued growth.

4. **A risk-sharing agreement at the start-up phase.** Banks throughout the world tend to be risk-averse, and tend to view serving the low-income market as risky. As a result, it is believed that one of the crucial issues for the success of the program was the seed funding provided to AMEEN by donors, which funded both the start-up costs and some of the loan portfolio for AMEEN, but more importantly, which allowed the banks to consider a small initial investment and risk share. This element ultimately allowed AMEEN sufficient time to show results and be successful and sustainable. It has also resulted in significant comfort on the part of the bank partners, which have increased the percentage of loan funding (in some cases to funding 100 percent of loans) and allowed AMEEN to renegotiate the risk-sharing percentages, which are critical to AMEEN's growth. Service companies like AMEEN need to build on their strong performance to encourage their bank partners into increasing their capital and risk, and they should because these are profitable deals for the bank. The banks continue to make money on AMEEN with very low investment.

5. **The goal of increasing value added for the partners and clients.** Lending is profitable in the AMEEN/bank partnerships. However, there already exist a number of opportunities to increase client profitability for AMEEN, the partner bank, and/or both. For example, there are opportunities to cross-sell other bank services, including money transfer services and credit cards. These new services will not only ensure increased profitability per client, but will also help ensure that the client maintains an ongoing relationship with the bank and AMEEN. Thus, any partnership should continue to seek opportunities for value added to provide new and desired services, ensure client loyalty, and increase profitability.

6. **Differentiating microfinance from other bank products.** AMEEN has managed to differentiate itself from its partner banks while at the same time being identified as part of the bank by its clients. Microfinance products vary from other products typically offered by banks, most notably in terms of price. This pricing difference can cause some animosity toward the bank when clients note the higher costs and reduced flexibility of microfinance products. Service company loan officers need to continue make an effort to clearly explain the program benefits to clients, thereby reducing potential complaints.

7. **Planning for necessary MIS adjustments.** Compatibility in MIS is often overlooked. AMEEN and the partner banks are able to manage financial and portfolio matters primarily as a result of compatible management information systems that are able to efficiently communicate. Issues

such as double entry and manual verification and reconciliation of information can lead to inefficiencies, poor portfolio management, and inability of the service company to reach sustainability.

A SPECIAL NOTE ON THE ROLE OF DONORS

As mentioned above, USAID was crucial in the start-up and success of the AMEEN program. The start-up funding provided by the donor not only allowed AMEEN to cover its operational expenses for the start-up phase and until sustainability was reached, but also allowed AMEEN to create the risk-/capital-sharing model that enticed banks to enter the market. These kinds of subsidies continue to be important in working with banks because most financial markets are not yet competitive enough for the banks to work with this market segment on their own. Moreover, many of the methodologies and operational efficiencies developed for microfinance have yet to be adopted by the banking systems. Donors play an important role in transferring know-how between and among these financial-sector players.

FUTURE OF THE AMEEN/PARTNER BANKS ALLIANCE

There is currently no discussion of dissolution of any of the bank partnerships. The banks have been exceptionally pleased with the results of the AMEEN program and have—in most cases—expanded their participation in the program. Crucial to continued growth is the need for constant and regular negotiations with bank partners to ensure targets are being met and funding continues to be available. As mentioned previously, current agreements with partner banks are not date-defined, which could create planning difficulties for AMEEN management. In order to ensure continued growth and a positive image in market, AMEEN will need to solidify its standing with the partner banks and negotiate medium- to long-term agreements.

Additionally, because of its limited equity base, AMEEN may wish to consider other equity partners, including the banks. At least one bank partner has indicated a potential interest in taking an equity stake in AMEEN or a similar service company. The service company model in which a bank owns the microfinance service company has been successful elsewhere in the world, most notably in Latin America. This model allows for the independence of the microfinance program, while it gains the benefits and efficiencies associated with a regulated financial institution, including the ability to provide a wide range of products and services, maintain sufficient liquidity for on-lending from deposits and the interbank market, and expand the possibilities for efficiencies and growth from scale through existing branch networks. An equity position held by a bank in a service company such as AMEEN could lead to increased efficiencies, growth, and profitability for all parties, as well as the benefits of the long-term commitment from the banks to the sector. A commitment is not clear in the current arrangement.

Finally, AMEEN and the banks have considered other joint arrangements. AMEEN has discussed expanding its operations into Egypt with Jammal Trust Bank, which maintains an office there. It is likely additional seed capital from a donor will be needed to make this new partnership happen.

The fact that AMEEN and one of the banks want to expand this model elsewhere speaks positively to the replicability of this model. If the partner or partners are chosen well and the partnership agreement or agreements are well structured, this model has the potential to be duplicated in many other regions, particularly where the banks are not yet active in microfinance. As microfinance becomes more competitive and expands globally, this bank model has vast potential, building off all of the advantages of regulated financial services while continuing to serve the poor.

ANNEX 1: LIST OF INTERVIEWS

AMEEN S.A.L.

Mr. Ziad Halaby (General Manager)
Mr. Abdo Jaroush (Operations Manager)
Mr. Mohamad Jeradi (Auditor)
Mrs. Soulaf Diab (Human Resources Officer)
Mr. Ussama Kaissi (Financial Manager)
Mr. Mohamad Mneimneh (MIS)
Ms. Diana Darwish (MIS)

CHF International

Ms. Elissa McCarter

Lebanese Canadian Bank

Mr. Raja Naasan (Senior Manager/Head of Retail Banking)
Mr. Amine Jaber (Cheyyah branch manager)
Mr. Halim Al Mawla (AMEEN s.a.l. loan officer)
Meeting with clients of Cheyyah branch

Crédit Libanais

Mr. Fady Sader (Senior Manager / Retail Banking)
Mr. Anwar Abou Jawdeh (Regional manager)
Mr. Antoine Khater (Central manager – Bekaa and South Region)
Mr. Sami Al Mouallem (Chtoura branch manager)
Mr. Ahmad Hatoum (AMEEN S.A.L. loan officer)
Meeting with clients of Chtoura branch

Jammal Trust Bank

Mr. Anwar A. Jammal (Chairman / General Manager)
Mr. Zouhair Fayad Al-Ali (Nabatieh branch manager)
Mr. Mohamad Nassar (AMEEN S.A.L. loan officer)
Meeting with clients of Nabatieh branch

USAID/Lebanon

Mr. Raouf N. Youssef (Mission Director)
Mr. Ghasson Jamous (Program Assistance Specialist)

CHF – Lebanon

Mr. Ayman K. Abdallah (Chief of Party)

Al Majmoua

Ms. Alia Farhat (Business Development Manager)