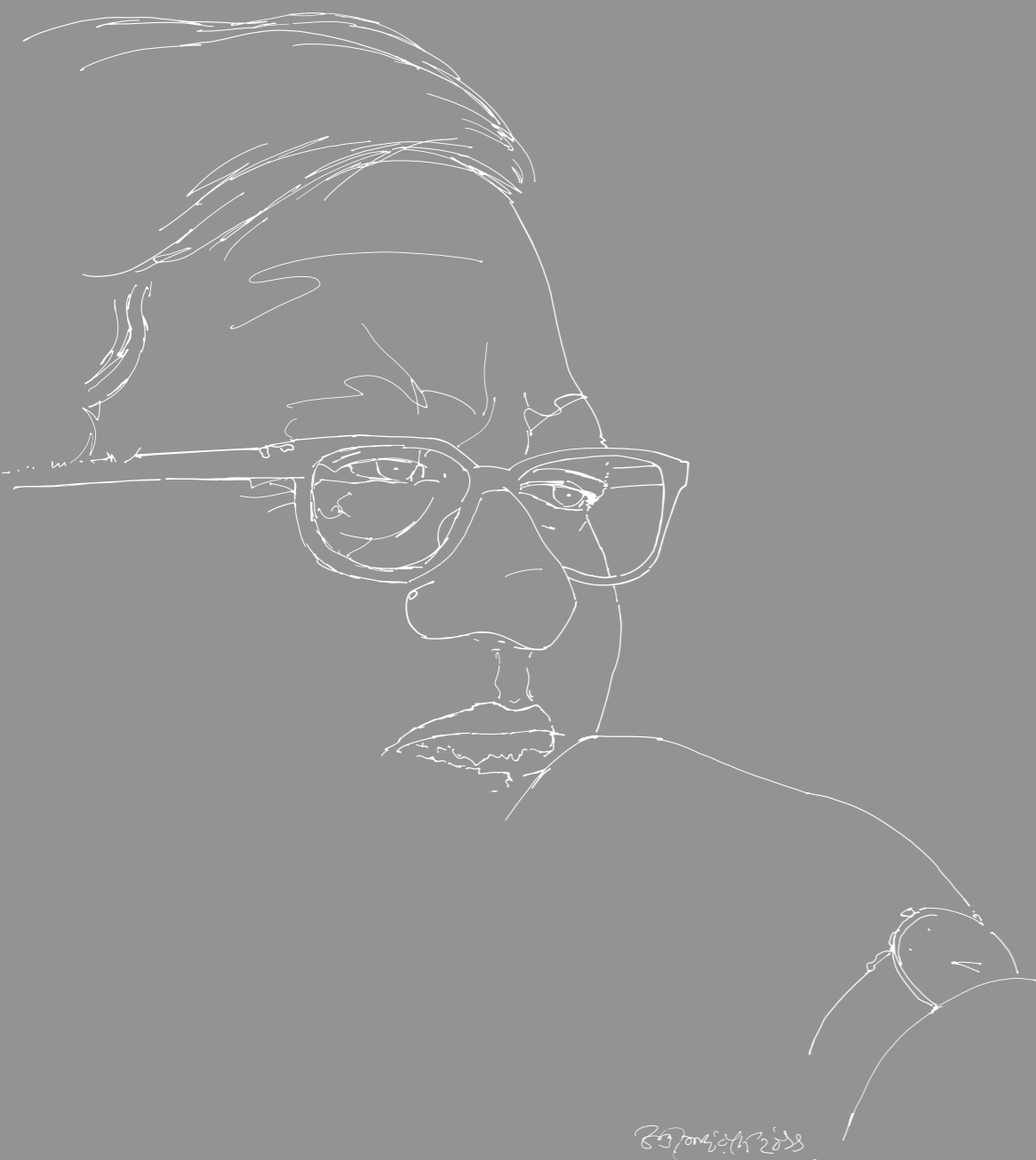




ANNUAL REPORT 2022

**BRAC LIBERIA MICROFINANCE
COMPANY LIMITED**



**“The idea behind BRAC is to
change systems of inequality.”**

*Sir Fazle Hasan Abed KCMG
Founder, BRAC*



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MESSAGE FROM THE BOARD CHAIR

The year 2022 marked the 50th anniversary of BRAC since we started our journey in a remote village in newly independent Bangladesh. We celebrated the occasion with our staff, donors and communities and reflected on the last 50 years and reinvigorated our commitment to take on more ambitious goals and create deeper, long-term impacts in the future.

Since we started microfinance activities in Bangladesh in 1974, microfinance has been an integral part of BRAC's holistic approach to development. Today, we serve more than 10 million clients in seven countries in Asia and Africa. Among them, over 90% of our clients are women and almost 50% live in rural areas. Wherever we operate, we are driven by our mission of providing inclusive financial services to people living in poverty, particularly focusing on women, to empower them economically and enhance their financial resilience.

As the largest microfinance institution in the country, BRAC Liberia Microfinance Company Ltd (BLMCL) is partnering with the Government of Liberia to deliver much-needed services to people living in poverty to achieve its development goals. In 2022, BLMCL was ranked at the top of the inaugural 60 Decibels Microfinance Index. The index presented the comparative social performance of 72 microfinance organisations across the globe. In our own impact surveys that we conduct annually using the Lean DataSM methodology, we found that 80% of clients could not easily find another good alternative, showing that BRAC is filling a critical gap in providing access to finance for underserved populations, especially women, in Liberia.

In 2022, we reaffirmed our commitment to gender equality with the official launch of the Mastercard Foundation-funded Accelerating Impact for Young Women (AIM) programme in Liberia, Sierra Leone, Uganda, and Tanzania. The five-year programme will prepare 1.2 million adolescent girls and young women for future entrepreneurship. Lessons from our microfinance entities will also give AIM the base and support it needs to achieve impact at scale in Liberia.

It has been 20 years since BRAC expanded out of Bangladesh and as we stand at the threshold of the next chapter in our story, we must seize the momentum of this milestone to propel ourselves towards new horizons. We can only do this by working with like-minded donors, governments and peer organisations.

On that note, allow me to express my sincere gratitude to the Government of Liberia for their unwavering support and partnership in our mission to support communities living in poverty. Your collaboration has been instrumental in enabling us to reach and empower millions of women and underserved populations.

I thank all our staff members in Liberia, especially those who work on the frontlines, for their relentless dedication to advancing BRAC's mission. To our clients, your resilience in the face of adversity gives us the conviction that there is always a way.

As long as social needs exist, BRAC will continue to exist. As our founder, Sir Fazle Hasan Abed said, "We must strive to continuously find solutions to new social challenges. We must reach out to those in need."


Shameran Abed

Board Chairperson
BRAC Liberia Microfinance Company Limited



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

BRAC Liberia Microfinance Company Limited (BLMCL) continued its growth trajectory and managed to open three additional branches in new and existing counties. The expansion is part of BLMCL's mission to provide a wide range of financial services responsibly to people at the bottom of the pyramid, particularly focusing on women living in poverty in rural and hard-to-reach areas. The company closed the year 2022 with 35 branches, 59,694 borrowers –97% of them women, and total disbursements of almost USD 40 million.

We have continued with our commitment to uphold client protection principles and focus on our social performance. We continued with assessments of our performance on key indicators of impact such as Access, Business Impact, Household Impact, Financial Management, and Resilience. In the inaugural 60 Decibels Microfinance Index, BLMCL was ranked among the top 10 performers out of 72 microfinance institutions featured in the Index. These results clearly show that we have not deviated from our mission of focusing on achieving the best outcomes for clients at the bottom of the pyramid and living in poverty.

The highlight of 2022 was the launch of Agrifinance phase two pilot, leveraging on the understanding and lessons learned from the phase one pilot launched in May 2021. The new strategy featured major changes in system configuration, product features and training. After the product update, we scaled to seven (7) additional branches increasing the tally to ten (10) branches. As of December 2022, a total of 1,068 borrowers had received loans with a total outstanding of USD 177K. This portfolio recorded a repayment rate of 100%.

Our achievement would not have been possible without the diligent efforts of our staff, whose persistent commitment and dedication to duty ensured the well-being of our clients. This is proof of the values of BRAC. We are also grateful for the support of the Liberian government, and to our investors and donors: KIVA, Whole Planet Foundation and Global Partnerships, for helping us reach people in need, especially women in the most marginalized communities.

Most of all, we are grateful to our clients, whose incredible spirit and strength continue to inspire, stimulate, and guide our work. Building upon our solid bonds with clients, BLMCL will continue to expand access to responsible, inclusive, and innovative financial solutions and empower people to have better control over their own financial futures.



Dyson Mandivenga
Chief Executive Officer
BRAC Liberia Microfinance Company Limited



OUR ORIGIN

In 1972 in Bangladesh, Sir Fazle Hasan Abed laid the foundation for an organisation that would go on to impact the lives of millions around the world.

50 years ago, BRAC's journey began in a remote village in the newly independent Bangladesh, supporting refugees returning to a war-ravaged country to build back their lives. Today BRAC partners with over 100 million people living with inequality and poverty globally to create sustainable opportunities to realise potential.

BRAC designs proven, scalable solutions that equip people with the tools, support and confidence they need to achieve their potential. With origins and roots in the Global South and commitment to continuous learning, BRAC has a depth of experience and evidence that enables us to respond to the needs of diverse communities with humility and courage.

The organisation's 50th anniversary is a celebration of solutions that are born and proven in the Global South, and the strength and courage of the 100 million people who partner with us to solve some of the world's toughest challenges.



OUR VISION

A world free from all forms of exploitation and discrimination where everyone has the opportunity to realise their potential.



OUR MISSION

Our mission is to empower people and communities in situations of poverty, illiteracy, disease, and social injustice. Our interventions aim to achieve large-scale, positive changes through economic and social programmes that enable men and women to realise their potential.



OUR VALUES

Integrity
Innovation
Inclusiveness
Effectiveness



BRAC INTERNATIONAL

Stichting BRAC International is a non-profit foundation formed in the Netherlands in 2009 and governs all BRAC entities outside Bangladesh with the objective to engage in charitable and social welfare activities in any country of the world. BRAC's institutional expertise on successfully implemented programmes is applied across 15 countries outside of Bangladesh, in Asia and Africa, touching the lives of over 100 million people, where our models are adapted according to the country's context.

BRAC INTERNATIONAL HOLDINGS B.V.

BRAC International Holdings B.V. (BIHBV) was set up in 2010 as a private limited liability company and is a wholly-owned subsidiary of Stichting BRAC International, a non-profit foundation in the Netherlands that governs all entities outside Bangladesh. BIHBV is a socially responsible for-profit organisation engaging people in sustainable economic and income-generating activities.

For 50 years, across Asia and Africa, we have been supporting women with access to responsible financial services to invest in themselves, their families, and their communities. By partnering with women, we are building a world where everyone has the opportunity to realise their potential.

BRAC INTERNATIONAL
MICROFINANCE

BRAC has been one of the pioneers since it first started microfinance in 1974. BRAC first expanded its microfinance operations internationally in 2002 and now operates in six countries outside of Bangladesh – Myanmar, Tanzania, Uganda, Rwanda, Sierra Leone and Liberia. Together, these six entities serve nearly 750,000 clients, 96% of whom are women.

BRAC International Microfinance (BI MF) mission is to provide a range of financial services responsibly to people at the bottom of the pyramid. It particularly focuses on women living in poverty in rural and hard-to-reach areas, to create self-employment opportunities, build financial resilience, and harness women’s entrepreneurial spirit by empowering them economically.

OUR
REACH



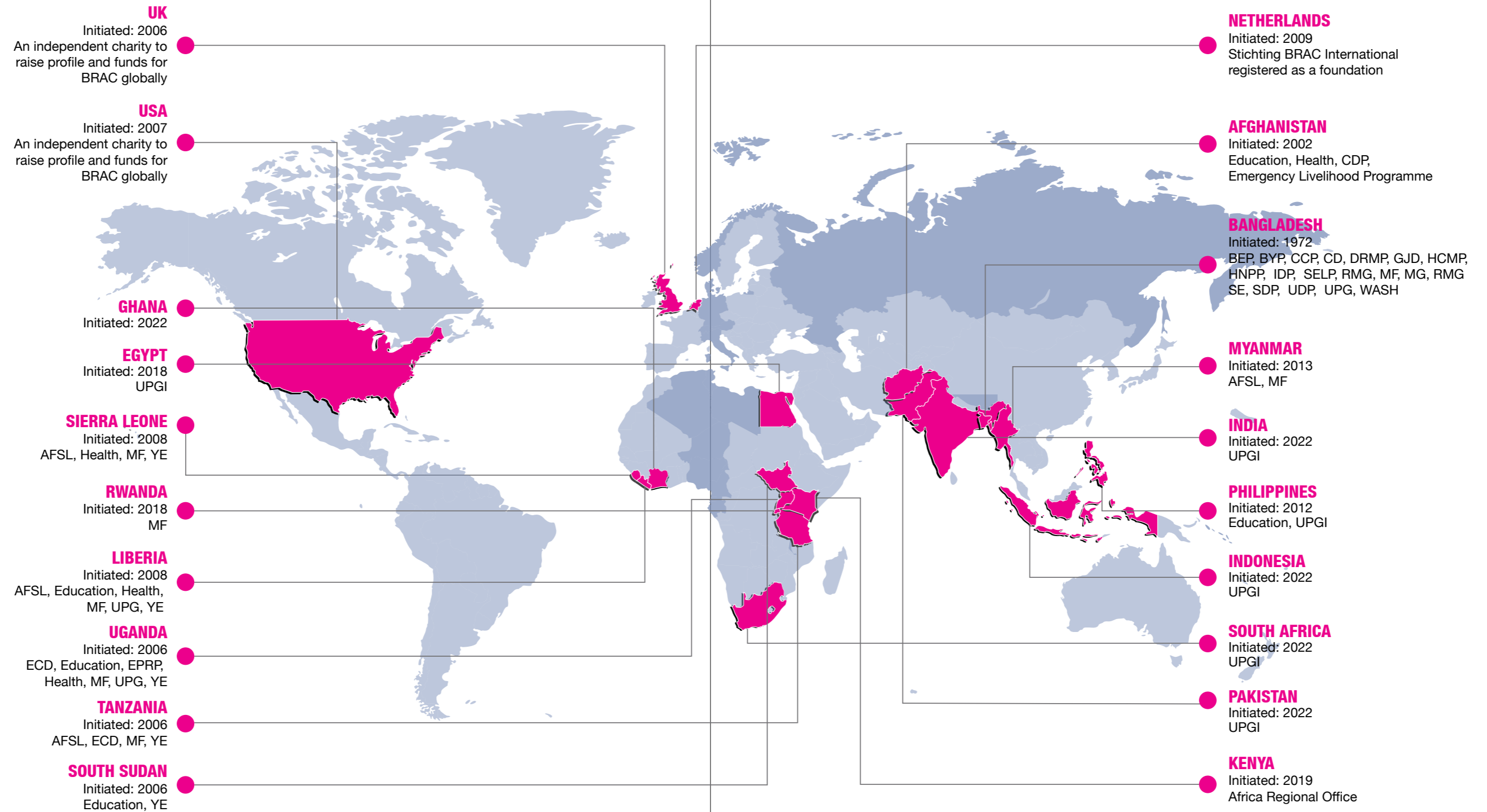
HIGHLIGHTS FROM THE 2022 LEAN DATASM
IMPACT SURVEY

AFTER ENGAGING WITH BRAC



**Results from 2022 Lean DataSM Impact Survey*

BRAC ACROSS THE WORLD



AFSL: Agriculture, Food Security and Livelihood
BEP: BRAC Education Programme
BYP: BRAC Young Professionals
CCP: Climate Change Programme
CD: Communicable Disease
DRMP: Disaster and Risk Management Programme

ECD: Early Childhood Development
EPRP: Emergency Preparedness and Response Programme
GJD: Gender Justice and Diversity
HCMP: Humanitarian Crisis Management Programme
HNPP: Health, Nutrition and Population Programme
HRLS: Human Resources and Legal Aid Services

IDP: Integrated Development Programme
MF: Microfinance
MG: Migration
RMG: Readymade Garments
SE: Social Enterprises
SELP: Social Empowerment Legal Protection

SDP: Skills Development Programme
UDP: Urban Development Programme
UPG: Ultra Poor Graduation
UPGI: Ultra Poor Graduation Initiative
WASH: Water, Sanitation and Hygiene
YE: Youth Empowerment



A STORY OF RESILIENCE

LORPU WELWOLO

“ I am proud of how far I have come. In the next five years, I want to grow my business until I have the biggest business in Gbarnga!

Lorpu Welwolo Saikor is a 53-year-old Liberian businesswoman from Gbarnga, Bong County. She is married, with four children, and she runs a business selling cold drinks.

In 1990, Lorpu and her mother fled to Guinea during the civil war in Liberia. It was while there that a neighbour introduced her to entrepreneurship, and she ventured into business, to provide for herself and her mother while in the new country.

When they returned to Liberia years later, Lorpu joined a BRAC Liberia Microfinance group and got her first loan of 8,000 Liberian Dollars. With this, she started selling second-hand clothes in the local market.

While business was going well, her mother's health deteriorated. Lorpu, not one to give up, found a way to stay in business while taking care of her ailing mother. She took another loan and started her current business, a table market for cold water and soft drinks. The business is right outside her home, so she can run it while still taking care of her mother.

From this business, Lorpu has been able to take care of her family. She can afford quality education for her children, and she has even built a home for her family.





BRAC LIBERIA MICROFINANCE COMPANY LTD

Our mission is to provide a range of financial services responsibly to people at the bottom of the pyramid. We particularly focus on women living in poverty in rural and hard-to-reach areas to create self-employment opportunities, build financial resilience, and promote women's entrepreneurial spirit by empowering them economically.

OPERATIONAL HIGHLIGHTS



35
branches



58,035
borrowers



97% of clients
are women



76% outreach
to people living
in poverty



USD 39.3 M
disbursed in 2022

**Data as of Dec 2022*

OUR PRODUCTS

Our core products include a group-based microloan provided exclusively to women, and small enterprise loans for entrepreneurs seeking to expand their businesses. We also provide loans for jobholders with low to moderate income who are often unserved by mainstream banks.

In 2022, BLMCL launched phase 2 of the agrifinance loan product pilot. The loan was introduced in 7 additional branches, bringing the total number of branches in the pilot to 10. As of December 2022, 1,068 borrowers have received loans with a total outstanding amount of USD 177K.

SOCIAL PERFORMANCE

In 2022, BRAC Liberia Microfinance Company Ltd (BLMCL) took the top spot in the first-ever 60 Decibels Microfinance Index. The index report showed the comparative social performance of 72 microfinance organizations (MFIs), based exclusively on the voices of nearly 18,000 clients. Collectively, these MFIs are serving more than 25 million clients in 41 countries, more than 15% of all microfinance clients globally.

The 60 Decibels Microfinance Index measured client-level outcomes across the five common dimensions of impact: Access, Business Impact, Household Impact, Financial Management, and Resilience. According to the report, BLMCL demonstrated consistently high performance across all the dimensions and was the top performer in the Access, Financial Management, and Household Outcomes dimensions.



OUR
IMPACT

In 2022, we conducted our fourth impact survey in partnership with 60 Decibels using Lean DataSM methodology on five social outcome focus areas of BRAC International Microfinance: quality of life, financial resilience, women’s economic empowerment, self–employment and livelihood opportunities, and household welfare.

This annual exercise complements our Social Performance Management and Client Protection initiatives and guides us in setting targets and strategies to reach more people living in poverty to achieve long–term impact at scale. All respondents surveyed were women.



HIGHLIGHTS FROM THE 2022 LEAN DATASM
IMPACT SURVEY

AFTER ENGAGING WITH BRAC



97% of clients said their quality of life had improved



99% of clients earned more



97% of clients managed their finances better



97% of clients saved more



97% of clients contributed more to important household decisions

**Results from 2022 Lean DataSM Impact Survey*

BRAC LIBERIA MICROFINANCE COMPANY LTD

BOARD MEMBERS

Shameran Abed	Chairperson
Johannes Maria Antonius Eskes	Director
Bridget Dougherty	Director
Dyson Mandivenga	CEO
	BRAC Liberia Microfinance Company Limited

BRAC LIBERIA MICROFINANCE COMPANY LTD

MANAGMENT TEAM

Dyson Mandivenga	Chief Executive Officer
Nur Alam Siddiki	Programme Manager
Onisi Gerald Lukosi	Head of Finance
Emmanuel G. Williams	Business Development Manager
Cynthia C. Oyarbo	Social Performance Manager
Josephine Nanyombi	Manager, Risk and Compliance
Bedford F. Quayeson	Manager, HR & Training

BRAC LIBERIA MICROFINANCE COMPANY LTD

BRANCH MAP



FINANCIAL HIGHLIGHTS



OUR DONORS AND PARTNERS



OPERATIONAL AND FINANCIAL HIGHLIGHTS

NET INCOME

BRAC Liberia Microfinance Company Limited completed 2022 with a net profit of USD 2,246,242 compared to USD 1,396,023 in 2021.

OPERATING EXPENSES

Total operating expenses for the year 2022 was USD 4,642,250 as against USD 3,807,349 in 2021. Additional 3 branches were opened in 2022 which is contributing to the additional expenses in 2022.

PROVISION FOR IMPAIRMENT LOSSES

In 2022, amount charged for impairment on loans was USD 174,905 as against USD 235,851 in 2021. The company followed IFRS 9 provisioning policy to be inline with National Bank of Liberia's guidelines. Total loan loss reserve is now USD 179,894 (2021: USD 200,655) representing 1.29% (2021: 1.73%) of gross portfolio. Portfolio at Risk (PAR>30) is 1.52%.

FINANCIAL POSITION

In 2022, the company's total assets grew by 36% to USD 18,605,288 compared to the previous year's total assets of USD 13,698,364. Loans and advances to customers increased by 21% and is now 75% of total assets.

CONTRIBUTION TO GOVERNMENT EXCHEQUER

BRAC Liberia Microfinance Company Limited contributes government excchequer through providing withholdings and deposition tax from it's employees and suppliers and contributing to local regulatory authorities. Total contribution to government excchequer for the last two years as follows:

Particulars	2022	2021
Income Tax	679,486	450,036
Withholding tax	179,894	200,655
Social Security and pension	182,314	102,000
Total	1,041,694	752,691

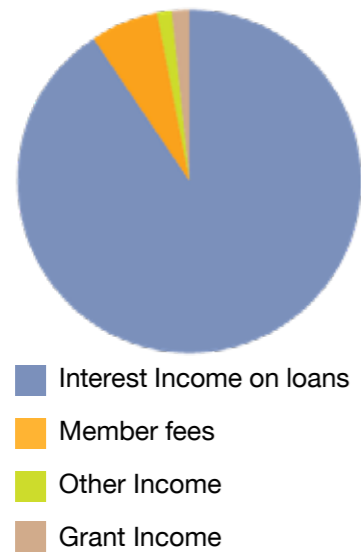
VALUE ADDED STATEMENTS

A value added statement provides a detail account of total value addition and the distribution of value created by the organization. BRAC Rwanda Microfinance Company Plc contributes positively to overall economic development by empowering the poor people (especially females) through micro-credit.

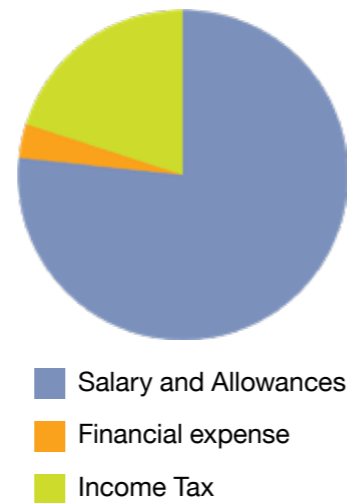
Value added	2022		2021	
	USD	%	USD	%
Interest income on loans	7,116,326	-127%	5,022,080	-127%
Membership fees	507,010	-9%	369,410	-9%
Other income	118,239	-2%	411,253	-10%
Grant income	125,972	-2%	148,889	-4%
Other operating exp.	(2,092,512)	37%	(1,763,214)	45%
Expected credit loss	(174,905)	3%	(235,851)	6%
Total Value Added	5,600,130	100%	3,952,568	100%

Value Distributed	2022		2021	
	USD	%	USD	%
Employees				
Salary and allowances	2,549,737	-46%	2,044,135	-52%
Creditors				
Financial Expense	124,665	-2%	62,374	-2%
Local Authorities				
Income tax	679,486	-12%	450,036	-11%
Growth				
Retained Income	2,246,242	-40%	1,396,023	-35%
Total Value Distributed	5,600,129	100%	3,952,568	100%

VALUE ADDED IN 2022



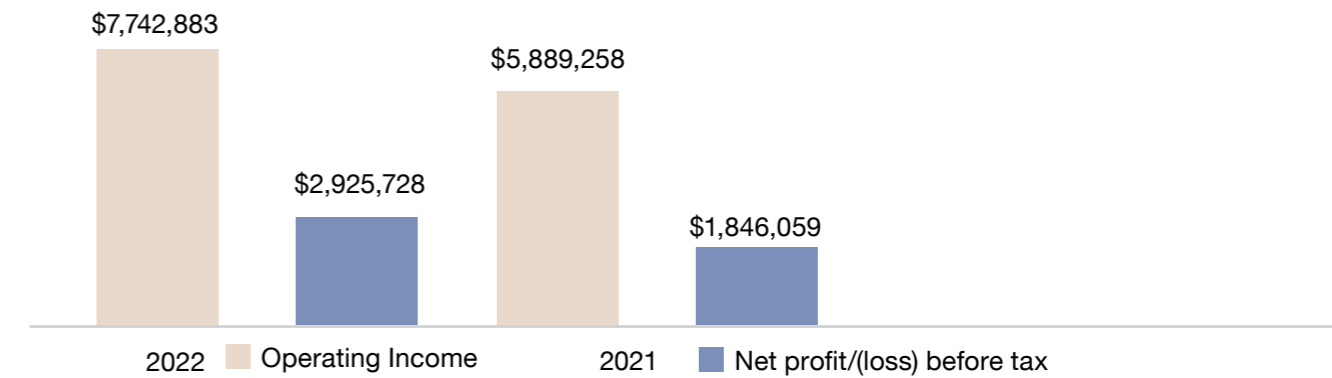
VALUE DISTRIBUTED IN 2022



PERFORMANCE REVIEW

Particulars	2022 USD	2021 USD
Income Statement		
Operating Income	7,742,883	5,889,258
Net profit/(loss) before tax	2,925,728	1,846,059
Financial Position		
Total Asset	18,605,288	13,698,364
Net Equity	9,126,293	7,486,977
Loans to customer (net)	13,962,570	11,566,850
Cash and cash equivalents	4,080,906	1695,222
Returns and Ratio		
Return on Asset	16%	13%
Cost to Income	60%	64%
Operational Statistics		
Total Borrowers	58,035	46,516
PAR>30	1.52%	1.50%

OPERATING INCOME VS PROFIT BEFORE TAX



TOTAL ASSET VS NET EQUITY

