



BRAC LIBERIA MICROFINANCE COMPANY LIMITED

—
ANNUAL REPORT 2023





Don't ever lose sight of the mission to extend a hand to those who need it the most.

Sir Fazle Hasan Abed KCMG
1936 - 2019

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“Across everything we do, we are driven by our commitment to work with women living in poverty to enable them to become more financially resilient and independent.”

Shameran Abed
Board Chairperson
BRAC Libeira Microfinance Company Limited.

MESSAGE FROM THE BOARD CHAIRPERSON

BRAC Liberia Microfinance Company Ltd (BLMCL) was launched in 2008 as part of our mission to empower people living in poverty, particularly women, with access to responsible financial services. Today, BLMCL is the largest microfinance institution in the country, serving more than 78,000 clients, 97% of whom are women, supporting them to grow their livelihoods and businesses through the challenges of inflation and limited economic opportunities.

Alongside our two core products, group loans for women and small enterprise loans, we are scaling our agrifinance services to more branches in the country, targeting women smallholder farmers with credit tailored to their specific needs. We successfully piloted a financial literacy course for women micro-entrepreneurs supported by the Mastercard Foundation Accelerating Impact for Young Women (AIM) in partnership with BRAC programme, through which more than 10,000 women acquired essential skills and knowledge to manage their finances and businesses better.

This year, we opened seven new branches to extend our services to the last mile, reaching many more women living in rural and hard-to-reach areas. Social impact is BLMCL's only bottom line, and our annual Lean DataSM impact surveys show that clients are able to earn more, save more and manage their finances better after engaging with BRAC.

Across everything we do, we are driven by our commitment to work with women living in poverty to enable them to become more financially resilient and independent. As we look forward, we see the challenges that remain, but also the immense potential that can be unlocked when women can access the knowledge and support needed to build dignified lives. We are committed to growing and improving our services to create greater opportunities to realise this potential.

I want to express my deepest thanks to our regulator, the Bank of Liberia, for our long-standing partnership, which has empowered women and girls throughout the country to build a better future for themselves and their communities. I am also grateful to the Government of Liberia for their support and trust in our mission.

To our investors and partners, I thank you for being on this journey with us as we listen and learn together, and scale evidence-based approaches to address the needs of the clients we serve.

To our dedicated staff in Liberia, especially those working directly in the communities, please know how much I value and appreciate your tireless efforts in providing essential support to the most marginalised every day. Together, we are building the world we want.



Looking ahead, we are excited about the future of BRAC Liberia. We aim to continue expanding our reach, improving our services, and making a deeper impact on the lives of those we serve. Working closely with BRAC NGO programmes, we will continue to innovate and find ways of synergy and develop holistic interventions to amplify the impact of our services and bring lasting change in the lives of the people and communities we aim to serve.

Dyson Mandivenga
Chief Executive Officer
BRAC Liberia Microfinance Company Limited

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

On behalf of the supervisory board of BRAC Liberia Microfinance Company Limited, I am happy to present the annual report and financial statements of 2023.

Looking back at the year, I am overwhelmed with pride in the impact we have been able to create in the lives of our clients. As an impact-focused institution, we have remained steadfast in our mission to serve people living in poverty, particularly women, living in rural and hard-to-reach areas of the country. As of 2023, we are present in 42 branches in nine counties of Liberia. We serve 78,006 borrowers, 98% of whom are women, and have disbursed over USD 163 million in loans, making us the largest microfinance institution in the country.

Our Impact

We have continued to listen to our clients through the annual Lean DataSM surveys to measure our social impact. In 2023, 91% of surveyed clients said that they got their first loan through BRAC which shows we are fulfilling a critical need and promoting access to financial services to the unbanked population. Additionally, 97% of clients said they earned more and their quality of life has improved, after engaging with BRAC. The results give me confidence that we are making a meaningful difference in the lives of our clients, empowering them towards greater financial empowerment.

In 2023, we launched a financial literacy training programme in nine branches. This new initiative aims to provide women clients with the necessary knowledge and skills to better manage their finances, thereby strengthening their financial resilience. We have also continued our pilot of an Agrifinance product for women smallholder farmers in selected branches. This product is specifically tailored to fulfil the unique needs of women smallholder farmers. By the end of the year, over 500 clients had received loans totaling USD 790,000.

Investing in our People

Our strong performance is driven by our people. As part of our capacity building initiative, BLMCL

introduced the “Soft Skills Training” for Branch Managers, Area Managers & Regional Managers in 2023. We also introduced an e-learning platform to facilitate ongoing up-skilling among our personnel, strengthened our team of trainers’ capacity, and expanded our technical skills development with personal development courses. Our investment in these initiatives underscores our belief that empowered and skilled teams are the cornerstone of our continued success and impact.

Outlook

Looking ahead, we are excited about the future of BRAC Liberia. We aim to continue expanding our reach, improving our services, and making a deeper impact on the lives of those we serve. Working closely with BRAC NGO programmes, we will continue to innovate and find ways of synergy and develop holistic interventions to amplify the impact of our services and bring lasting change in the lives of the people and communities we aim to serve.

Acknowledgement

Our strides would never have been possible without the support of our staff, the Liberian Government, and our investors and donors. We thank KIVA, the Central Bank of Liberia, Whole Planet Foundation, United Bank of Africa (UBA), Guarantee Trust Bank (GT Bank), and The Mastercard Foundation. Your trust and confidence in our mission have been a great building block in our journey to realise a world free from exploitation and discrimination, where everyone can have an opportunity to realise their potential.

Thank you for being part of this transformative journey.

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.

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 a 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.



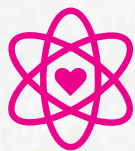
OUR VISION

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



OUR MISION

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 MICROFINANCE

BRAC believes that sustainable, large-scale change must address and deliver both economic and social progress. Access to financial services is a central part of BRAC's holistic approach to development, equipping people who would otherwise be excluded from formal financial systems with the tools to invest in themselves, their families, and their communities.

BRAC first started microfinance in 1974 and has been one of the pioneers. BRAC first expanded its microfinance operations internationally in 2002 and now operates in seven countries outside of Bangladesh - Myanmar, Tanzania, Uganda, Rwanda, Sierra Leone, Ghana and Liberia. Together, these seven entities serve nearly 830,000 clients, 96% of whom are women.

Our 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



7
countries



96%
of clients are women



829,791
borrowers



750,454
savers



USD **417.09 M**
disbursed in loans

STICHTING BRAC INTERNATIONAL

Stichting BRAC International is a non-profit foundation formed in the Netherlands. It governs all BRAC entities outside Bangladesh with the objective to engage in charitable and social welfare activities in any country of the world.

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. BIHBV is a socially responsible for-profit organisation engaging people in sustainable economic and income-generating activities.

BRAC LIBERIA MICROFINANCE COMPANY LIMITED

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



42
branches



78,006
borrowers



97% of
clients are women



76% outreach to
people living in poverty*



USD **45.35 M**
disbursed in loans

* As of December 2023
* People living below USD 5.5 per day.





THE \$130 INVESTMENT THAT BUILT A BUSINESS

“My business has changed our lives. I can provide for my children and ensure they get the life they deserve.”

44-year-old Rebecca Russell is a businesswoman and a mother of five. She dreams of further expanding her provision shop into a larger establishment. She wants to serve not only her community, but also other areas of Bong County in Liberia.

In 2020, Rebecca took her first group loan of LRD 25,000 (USD 130) to invest in a small shop. She used the money to stock soft drinks and daily essentials. Her hard work soon paid off. She later took a loan of LRD 65,000 (USD 340) that allowed her to expand her shop, start selling cement, and diversify and increase her income. Now, Rebecca is able to provide for her family’s needs with her earnings.

Rebecca acknowledges that the transition from a smaller business to a larger one was challenging. She had to adjust to serving a growing number of customers, which required significant effort and support. With her husband’s help and the encouragement from BRAC Liberia Microfinance Company Limited’s branch manager and credit officer, she persevered and succeeded.

Rebecca’s experience inspires her to encourage other women to start their own businesses.

“Business pays, and it can help meet family needs. My business has changed my life. My customers have grown in number from when I started. My profits changed my family’s life. Now, I can afford to pay my children’s school fees and provide food for them. I want them to have a quality education so they can be a great help to Liberia.



OUR PRODUCTS

Our core products include collateral-free, group-based microloans 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.

Alongside our core products, we are piloting a new Agrifinance product for smallholder farmers in selected branches. The product is specifically tailored to fulfil the unique needs for women smallholder farmers including a grace period and flexible loan repayment methods based on the harvesting cycle. The product covers typical agricultural value chains such as rice, corn, vegetables, poultry and pig farming. By the end of the year over 500 clients had received loans with a total loan outstanding amount of USD 790,000.

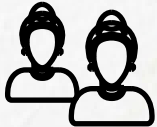
FINANCIAL LITERACY

In 2023, BLMCL launched the Financial and Digital Training programme with support from the Mastercard Foundation Accelerating Impact for Young Women (AIM) programme. The training is being provided to group loan clients, all of whom are women, to equip them with the necessary knowledge and skills to better manage their finances. The training covers topics on personal well-being, financial literacy, business development, and digital skills. By the end of the pilot, BLMCL had reached 10,000 women across nine branches.

Looking ahead to 2024, BLMCL plans to extend the initiative to reach 15,000 clients, with a particular focus on rural areas. This effort complements BLMCLs existing initiatives to improve clients’ financial awareness, such as the pre-disbursement orientation training for new clients, which provides detailed information about BLMCL’s products and services, including loan amounts, pricing, repayment methods, interest rates, complaint channels, and other relevant terms and conditions.



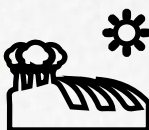
10,252
Clients trained



100%
Women



51%
Young women
(aged 18-35)



25%
Living in rural
areas



SOCIAL PERFORMANCE

Being in the community and listening to clients has always been part of BRAC’s DNA. Since 2019, we have been conducting annual impact surveys using Lean DataSM methodology in partnership with 60 Decibels. The Lean Data surveys complement our ongoing social performance management (SPM) and client protection (CP) initiatives. Combined, these initiatives allow us to learn directly from our clients, address challenges, and continuously improve client outcomes and impact.

In 2023, we conducted our fifth impact survey on five social outcome focus areas of BRAC: quality of life, financial resilience, women’s economic empowerment, self-employment and livelihood opportunities, and household welfare. All respondents surveyed were women.

HIGHLIGHTS FROM THE 2023 LEAN DATASM IMPACT SURVEY

AFTER ENGAGING WITH BRAC



97%
of clients said
their quality of life
had improved



97%
of clients
earned more



97%
of clients
managed
their finances
better



94%
of clients
saved more



92%
of clients contributed more to
important household decisions

* As at December 2023

BLMCL BOARD OF DIRECTORS



Shameran Abed
Chairperson



Johannes Maria Antonius Eskes
Director



Bridget Dougherty
Director



Dyson Mandivenga
CEO and Ex-Officio

BLMCL MANAGEMENT TEAM



Dyson Mandivenga
Chief Executive Officer



Md. Nur Alam Siddik
Programme Manager



Onisi Gerald Lukosi
Head of Finance



Emmanuel G. Williams
Business Development Manager



Garfield A Konneh
Head of Internal Audit



Cynthia C. Oyarbo
Social Performance Manager



Josephine Nanyombi
Manager, Risk and Compliance



Bedford F. Quayeson
Manager, HR & Training

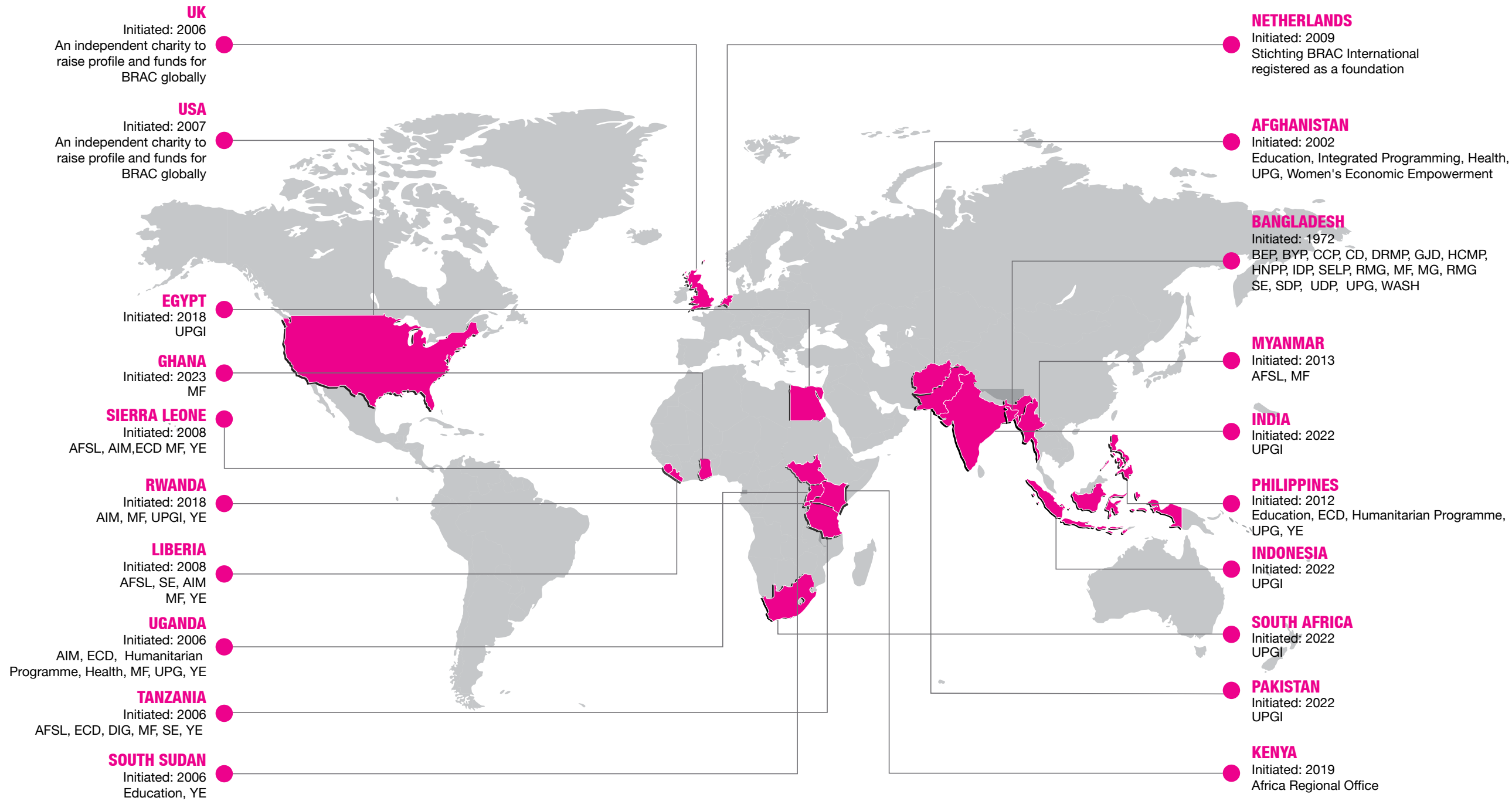
DONORS AND PARTNERS



BRANCH LOCATIONS



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

DIG: Disability-Inclusive Graduation Programme

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

FINANCIAL HIGHLIGHTS

OPERATIONAL AND FINANCIAL HIGHLIGHTS

NET INCOME

BRAC Liberia Microfinance Company Limited completed 2023 with a net profit of USD 1,983,900 compared to USD 2,246,242 in 2022.

OPERATING EXPENSES

Total operating expenses for the year 2023 was USD 5,860,538 as against USD 4,642,250 in 2023. Additional 7 branches were opened in 2023 which are contributing to the additional expenses in 2023.

FINANCIAL POSITION

In 2023, the company’s total assets grew by 15% to USD 21,368,007 compared to the previous year’s total assets of USD 18,605,288. Loans and advances to customers increased by 8% and is now 71% of total assets.

PROVISION FOR IMPAIRMENT LOSSES

In 2023, amount charged for impairment on loans was USD 219,123 as against USD 174,905 in 2022. The company followed IFRS 9 provisioning policy to be inline with Central Bank of Liberia guidelines. Total loan loss reserve is now USD 166,901 (2022: USD 179,894) representing 1.11% (2022: 1.29%) of gross portfolio. Portfolio at Risk (PAR>30) is 0.7%.

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:

Particular	2023	2022
Income Tax	708,099	679,486
Withholding tax	320,951	179,894
Social Security and pension	296,895	182,314
Total	1,325,945	1,041,694

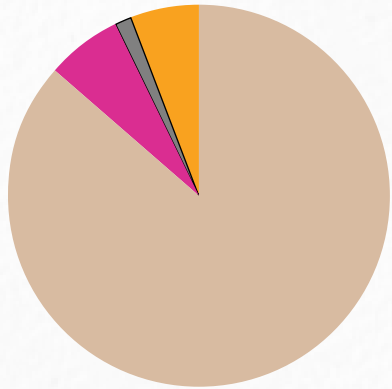
VALUE ADDED STATEMENTS

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

Value added	2023		2022	
	USD	%	USD	%
Interest income on loans	7,897,309	-123%	7,116,326	-127%
Membership fees	576,783	-9%	507,010	-9%
Other income	131,764	-2%	118,239	-2%
Grant income	535,166	-8%	125,972	-2%
Other operating exp.	(2,513,211)	39%	(2,092,512)	37%
Expected credit loss	(219,123)	3%	(174,905)	3%
Total Value Added	6,408,688	100%	5,600,130	100%

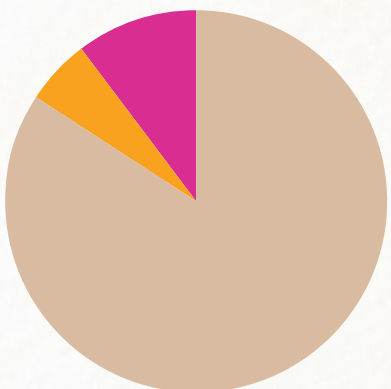
Value Distributed	2022		2021	
	USD	%	USD	%
Employees				
Salary and allowances	3,347,328	-52%	2,549,737	-46%
Creditors				
Financial Expense	369,362	-6%	124,665	-2%
Local Authorities				
Income tax	708,098	-11%	679,486	-12%
Growth				
Retained Income	1,983,900	-31%	2,246,242	-40%
Total Value Distributed	6,408,688	100%	5,600,129	100%

Value added 2023



- Interest income on loans
- Membership fee
- Other income
- Grant income

Value distributed 2022

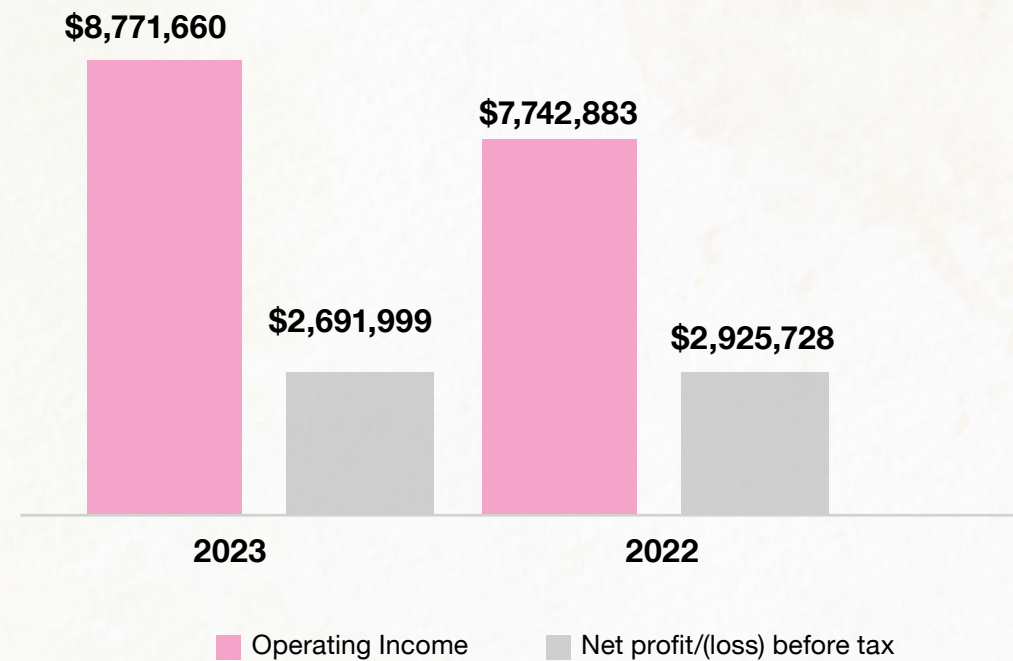


- Salary and allowances
- Financial Expense
- Income tax

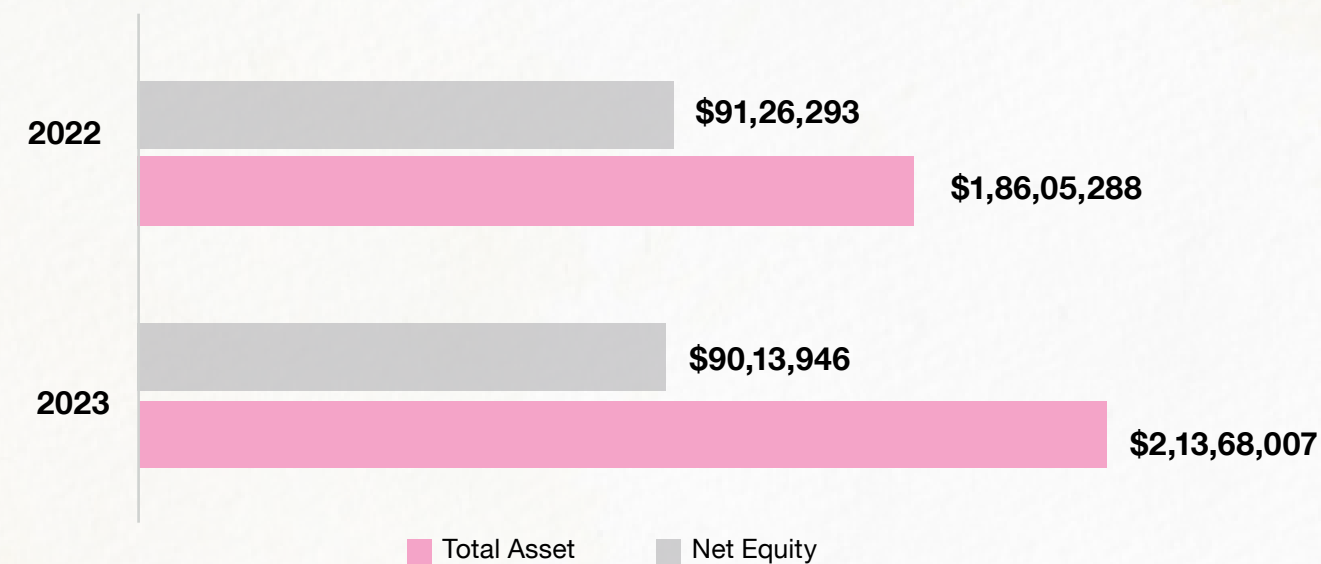
PERFORMANCE REVIEW

Particular	2023 USD	2022 USD
Income Statement		
Operating Income	8,771,660	7,742,883
Net profit/(loss) before tax	2,691,999	2,925,728
Financial Position		
Total Asset	21,368,007	18,605,288
Net Equity	9,013,946	9,126,293
Loans to customer (net)	1,51,37,678	13,962,570
Cash and cash equivalents	5,676,245	4,080,906
Returns and Ratio		
Return on Asset	13%	16%
Cost to income	67%	59%
Operational Statistics		
Total Borrowers	78,006	58,035
PAR>30	0.71%	1.52%

OPERATING INCOME VS PROFIT BEFORE TAX



TOTAL ASSET VS NET EQUITY



CONTACT DETAILS

BRAC LIBERIA MICROFINANCE COMPANY LIMITED

Divine Town, Old Road
P.O Box No. 1940, 1000 Monrovia, 10 Liberia M: (+231) 886-589-539
E-mail: bracliberia@brac.net

BRAC INTERNATIONAL HOLDINGS B.V.

Zuid-Hollandlaan 7,
2596 AL Den Haag
The Netherlands
E: info@bracinternational.nl

EDITOR AND CONTRIBUTOR

Tahjib Shamsuddin
Michelle Wandia
Love S. Kolenky

PHOTOS

Tahjib Shamsuddin

DESIGN

Communications, BRAC International