

2011  
التقرير  
السنوي  
ANNUAL  
REPORT



بنك الأمل

لتمويل الأمل  
Al-Amal Microfinance Bank

بنك من لا بنك له







## Board of Directors



**Mr. Omar Abdurrahman Ba Jerish**  
Private Sector Representative  
& Chairman



**Mr. Jabreen Al-Jabreen**  
AGFUND Representative  
& Member



**Mr. Nasser Bakr Al-Qahtani**  
AGFUND Representative  
& Deputy Chairman



**Mr. Mohamed Abdu Saeed**  
Private Sector Representative  
& Member



**Mr. Bassim Khanfar**  
AGFUND Representative  
& Member



**Mrs. Jalila Shujaa Addin**  
Government Representative  
& Member



**Mohamed Al-Moayyad**  
Government Representative  
& Member



**Mr. Wisam Qaed**  
Government Representative  
& Member



**Mr. Osama Al-Shami**  
Government Representative  
& Member

## Executive Management



**Mr. Mohammed Saleh Al-Lai**  
Executive Director



**Mr. Ghamdan Abdu Awan**  
Finance Manager



**Mr. Mohanad Ali Al-Maktary**  
Operation Manager



**Mr. Nabeel Ali Al-Shehaly**  
Research & Development Manager



**Mr. Rashad Al-Obaidi**  
IT Manager



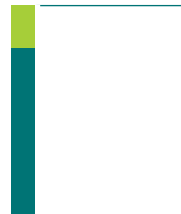
**Mr. Abdu Ali Humaid**  
Training Manager



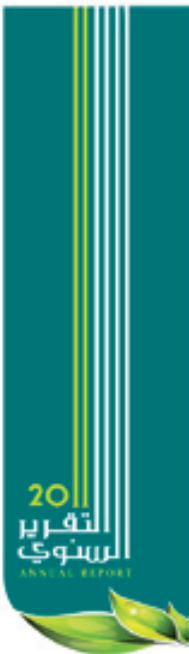
**Mr. Ali Jubran Al-Ansi**  
HR Manager



**Mr. Sameh Al-Hakimi**  
Operation Manager Assistant



**Mr. Wadah Hamed Al-Asbahi**  
Internal Audit Officer



## Table of Content

No	Item	Page
1	Chairman Speech	8
2	Executive Director Speech	9
3	Key Indicators of the bank	12
4	Products of the bank	13
5	Introduction	14
6	Crisis Influences on the Yemeni Microfinance sector	20
7	Operational Report 2011	25
8	Social Performance	32
9	Awards	45
10	Institutional Building	51
11	Partnerships	57



Microfinance can make smiles to hundreds of thousands of such youth.

## Chairman's Speech



On behalf of my co-members of the Board of Directors, I am pleased to present to you the third issue of AMB's annual report for the fiscal year 2011.

It is my great honor to see the success AMB has reached over the past years in which it has continued to achieve excellence at all operational and financial aspects of its operations. Today, AMB became the largest player which is widely recognized and one of the pioneer banks in Microfinance sector regionally and internationally in spite of the conditions that Yemen experienced in the past period.

The position which AMB reached will enable it to play a vital and essential role in the economic growth of Yemen. Generally, we firmly believe in AMB's role in the development and improvement of individuals living conditions which on the other side contributes to the growth of the nation as a whole.

On the other hand, support of micro entrepreneurs and the fixed income as well as ensuring more shining future to Yemeni youth is the prime role of the bank and we are aware that we are greatly responsible towards that. Thus, we should exert efforts to be in a position which allows us to live up to that responsibility and strive to achieve the objectives developed.

During the last events which affected Yemen, we are proud that all staff exerted exceptional efforts to ensure safety and security of the bank and its clients and maintain the bank position as the largest microfinance bank in Yemen. We also understand that the coming period is full of economic and social challenges while we are totally certain that we have the necessary tools to overcome the challenges through our human resources and the support of many organizations and agencies which believe in the bank's mission and role in the society's development.

Finally, I would like to thank the executive management and all employees of the bank for all great achievements in this giant institution.

**Omar Abdalrhman Ba Jarsh**





I am pleased to present the third issue of AMB's annual report which presents the most important achievements during 2011.

The year 2011 has constituted a turning point in the bank's history due to what resulted by the Yemeni crisis and its consequences of deterioration of the financial and economic conditions which are still ongoing till the moment, so it was truly an exceptional year in AMB's path. While it was difficult to predict how the situation will be at the beginning of the year

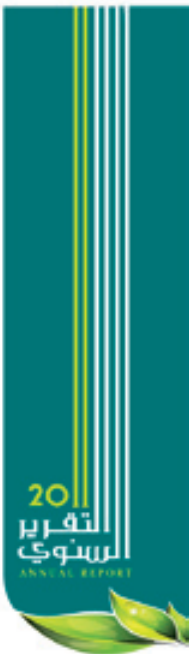
due to ambiguity and lack of clarity, Al Amal Microfinance Bank was successfully able to overcome the crisis and maintain its position as the largest Microfinance Bank in Yemen attributed to the tremendous efforts of all staff of the bank. It also enhanced the bank's excellence to provide new financial services and update a number of financial products to meet the demand of a large number of clients as well as continuous update to the financial and administrative policies and the manuals to enable the bank provide the best services to its targeted groups.

During 2011, the bank operated according to the contingency plan which was developed as an alternative to the strategic plan in order to face the crisis and to ensure the safety of the bank's staff, clients and portfolio quality. Having operated according to the contingency plan, the bank has achieved a percentage exceeding 79% and could control the Portfolio At Risk (PAR) as low as 2%. It also strengthened its strategic partnerships with several local and international organizations which are expected to effectively contribute in pushing the nation's development.

At the international level, Al Amal Microfinance Bank has won several international awards attributed to the bank's efforts at all levels. These awards have contributed in enhancing the bank's international reputation. Of which are the Islamic Microfinance Challenge , Taqueem Award (sponsored by Silatech and ILO), the global award " Most Innovative Microfinance Product", and Hanson Wade Award in Creativity.

In conclusion, I would like to take this opportunity to draw your attention to the challenge facing the bank in 2012 which is eliminating the effects caused by the crisis. Nevertheless, I am confident enough that the bank together with its strong staff is able to overcome difficulties and face challenges and to make a better future for the poor of the micro and small entrepreneurs.

**Mohammed Saleh Al-Lai**





**Head Office**  
Bagdad Street ( Close to YALI Institute),Sana'a,  
Yemen PO  
Box: 15114,  
Tel: 01449731 Fax: 01449721

**Bagdad Branch**  
Bagdad Street (Close to YALI Institute)  
Tel 01450813 Fax 01450813

**Al Thawra Branch**  
Sheraton Street, across Marib street  
Tel: 01255576 Fax: 01255576

**Al Wahda Branch**  
Taiz Street, Opposite to Al Sharaka Mall  
Tel: 01602462 Fax: 01602462

**Tahrir Branch**  
Tahrir Street, next to 26 Sep Newspaper  
Tel: 01294577 Fax: 01294577

**26th September Branch, Taiz**  
Point four – nearby Al-Saeed Hospital  
Tel: 04222494 Fax: 04222494

**22nd May Branch, Taiz**  
Taiz- Jamal Street, Wadie Al Gadi road  
Tel: 04253177 Fax: 04253177

**14th October Branch, Taiz**  
Taiz- Mafrak Al Hawban, next to MTN  
Tel: 04288845 Fax: 04288845

**Ibb Branch**  
(almohafazah Road) in front of Ibb  
governorate HQ  
Tel: 04408003 Fax: 04408003

**Al-Shaikh Othman Branch, Aden**  
Shaikh Othman, Al Kahera Street, in front  
of the Post Office  
Tel: 02398166 Fax: 02398166

**Kreiter Branch, Aden**  
Al Maidan in front of the Municipal market  
Tel: 02264307 Fax: 02264307

**Hodaidah Branch**  
Al Nakheil Street, nearby Jawharat Al Hodaidah  
hotel Tel: 03211759  
Fax: 03211759

**Mokalla Branch**  
Ba Jama'an Street, next to Ba Taher stores  
Tel: 05352912 Fax: 05352912

**Al Mattar Branch**  
Al Mattar Road, next to Daress Market  
Tel: 01342642 Fax: 01343969





**Credit  
Deposits  
Currency Exchange  
Remittances**

## Main Indicators for the Bank in 2009 – 2011

Clause	2009	2010	2011
<b>Outreach</b>			
No. of Branches	7	11	13
No. of Staff	92	130	135
<b>Balance Sheet</b>			
Total Assets (million YER)	1,413	3,359	3,978
Fixed Assets – Net (Million YER)	46	66	80
Outstanding Portfolio (Million YER)	165	556	534
Total Deposits (Million YER)	36	1,102	1,120
<b>Productivity</b>			
Number of Disbursed Loans	5,858	17,565	12,507
Volume of Disbursed Loans (Million YER)	296	885	635
No. of Active Borrowers	4,787	14,730	15,945
Active Loans per Loan Officer	165	295	203
<b>Profitability and Sustainability</b>			
Operating Sustainability	27%	53%	67%
Financial Sustainability	27%	34%	42%
Return on Equity	% -17,7	% -8,8	%-5,4
Return on Assets	% -13.80	%-5	%-3

## Saving

### Al Amal Saving:

It is a saving product targeting both males and females above 18 years old for assisting them to build a good asset base that helps in improving their living conditions and depending on their own resources

### Al Amal Child Saving:

This product targets children under the age of 18 to encourage them save regularly and plan for future ambitions. Such accounts remain under the supervision of the child's guardian till reaching 18 years.

### Current Account:

This product targets all clients, males and females, who need to access other financial services of the bank by using this account in deposit and withdrawals as well as repaying installments.

### Term Deposits:

This product is developed to target clients who are interested in investing their money according to maturities agreed upon ranging from 3, 6, 9, 12 months. Funds are invested by the bank in compliance to Islamic legislation and profits are paid according to maturities agreed upon.

### Investment Funds:

This product is developed to target businessmen and investors who have are largely concerned with social responsibility. These funds aim to contribute in job creation and reduction of poverty and unemployment rates through financing micro enterprises.

## Foreign Currency

### Money Exchange:

This service is offered to clients who want to exchange any foreign currency, cash exchange or transferring to other accounts.

## Credit

### Group Loans:

This type of lending is delivered to a group of women, with income-generating enterprises, who know each other and live in the same neighborhood. Loan amount ranges between 10,000 – 200,000 YER.

### Al Amal Welfare

This product targets the beneficiaries of Social Welfare Fund who receive cash grants quarterly from the government through providing them with micro loans ranging from 35,000 to 70,000 YER to establish income-generating micro enterprises.

### Al Amal Individual :

This product is developed to target individuals of micro and small enterprises . Loan volumes of this product ranges between 200,000-2,000,000 YER.

### Al Amal Sharakat:

This product is developed to target salaried people of both private and public sectors for meeting their financial and consumption needs. Loan volumes range between 10,000 – 200,000 YER.

## Islamic Insurance

### Takaful (Micro-insurance):

This product is an Islamic Insurance developed among credit activities for facing loan repayment failure. The outstanding amount is settled from this fund in case of full disability of borrower additionally to an amount of 20,000 YER be paid to the client's family for covering funeral expenses in case of borrower's death.



## About the Bank

Al-Amal Microfinance Bank was established by Yemeni Law No. 23 of 2002 as the first Microfinance bank in the Middle East and North Africa. Its establishment came to crown efforts of the Yemeni Government, represented by SFD, and Arab Gulf Program for United Nations Development Organization (AGFUND), as also contribution and support from both Yemeni and Saudi private sectors.

In January 2009, the Bank started its actual operations on the base of five years business plan (2009 -2013).

The Bank is a non-profit organization seeking to offer sustainable financial services to limited and low income households in Yemen, particularly small and micro entrepreneurs through the provision of inclusive financial services (funding, saving, insurance, transfers, etc).

### Vision

Inclusive financial services for all Yemenis.

### Mission

To improve the economic and social conditions of the Yemeni low/limited income households, particularly, the micro and small entrepreneurs, through the direct and indirect provision of exemplary financial services that suit their needs and to become a pioneer and sustainable microfinance institution.

## Founders

When established, the Bank had an authorized capital of YER 2 billion (equivalent to US\$9.3 million). The paid-in capital mounted up to YER 1.5 billion (equivalent to US\$7.20 million).

The shareholders equity comes as follows:

- 45% as the shares of Yemeni Government, represented by Social Fund for Development (SFD).
- 35% as the shares of Arab Gulf Program for Development.
- 20% as the shares of Yemeni and Saudi private sectors.

### 1- Yemeni Government – SFD

SFD was established by law No. 10 of 1997 as one of the social safety tools to alleviate side effects resulting from the government's economic reform program that might have a negative impact on vulnerable groups in society, particularly the poor. It is based in Sana'a and has branch offices in the main cities of the Republic of Yemen.

SFD is a financially and administratively autonomous organization, run and supervised by a board of directors, chaired by Prime Minister. Its membership includes representatives for the government, NGOs and the private sector.

The Fund seeks to effectively contribute to alleviating poverty by improving living conditions of poor groups in society and offering job opportunities and lucrative activities.



## 2- AGFUND

The Arab Gulf Program for Development is a regional organization based in Riyadh, Saudi Arabia. AGFUND was established in 1980 upon the initiative of His Royal Highness, Prince Talal Bin Abdul Aziz Al Saud with the support of leaders of the Gulf Cooperation Council that form its membership and contribute in its budget.

AGFUND works mainly in supporting the field of Human-oriented sustainable development targeting categories of extreme poverty particularly women and children in developing countries through contribution in supporting efforts affecting development process including improvements to education and health as well as supporting programs for institutional capacity building and fighting poverty. AGFUND is supporting development through an effective partnership with the United Nations Organization, regional and national development organizations, public institutions working in development as well as organizations of the civil society, with no discrimination in terms of gender, color, creed or political affiliation.

## 3- Private Sector

The private sector is represented by commercial institutions operating in Yemen, companies or commercial banks. It also includes Yemeni and Saudi businessmen and has a total of 13 shareholders.

### Names of Shareholders from the Private Sector

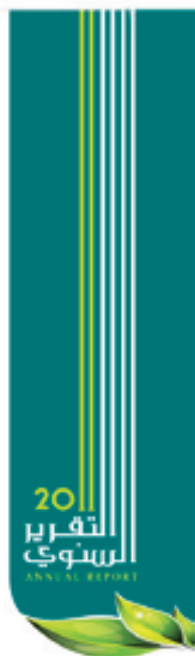
Name of shareholder	Title	Name of Shareholder	Title
Sheikh Abdullah Ahmad Buqshan	General Assembly Member	Omar Abdurrahman BaJerish	General Assembly Member
Sheikh Abdullah BaHamdan	General Assembly Member	Yemen & Kuwait Bank	General Assembly Member
Hayel Saeed Group	General Assembly Member	Yemen and Gulf Bank	General Assembly Member
Commercial Bank of Yemen	General Assembly Member	Tawfiq Mohammed al-Khamri	General Assembly Member
National Bank of Yemen	General Assembly Member	National Insurance Company	General Assembly Member
Abu Bakr Omar BaZara'a	General Assembly Member	Adhban Company	General Assembly Member
Watani Bank	General Assembly Member		





## This table shows the chronological stages of the Bank

Date	Event
20 March 1996	H.H. Prince Talal Bin Abdulaziz Al Saud declares an initiative for establishing banks of the poor.
20 July 2002	Issuance of Republican Decree by Law No. 23 of 2002 on the establishment of AMB.
15 July 2007	Announcing a contest for designing the AMB's logo.
15 August 2007	Issuance of the working license under Prime Minister's Decree No. 332 of 2007.
1 January 2008	Appointing Mr. Mohammed Saleh Al-Lai as AMB Executive Director.
May – June 2008	Developing the five-year strategic plan (2009 – 2013).
24 August 2008	Opening the AMB's first branch, Baghdad St. Branch, Capital Secretariat.
3 September 2008	Disbursing the first loan.
6 May 2009	Reaching the first 1,000 active clients in the bank.
4 October 2009	Holding the first meeting for BoD members and approving manuals and policies.
January 2010	Issuance of CBY's first annual supervision report on AMB.
March 2010	Issuance of financial audited reports for 2009 by Deloitte and Touche Company.
May 2010	AMB wins the Award of Creativity & Innovation sponsored by Grameen Jameel Foundation.
October 2010	AMB reaches a total of 10,000 active borrowers.
December 2010	AMB wins Award of Islamic Microfinance Challenges 2010.
July 2011	AMB wins the Global award " Most innovative Microfinance Product"
Oct 2011	AMB wins Hanson Wade Award " Successful Product Innovation" over MENA.



## A Severe Crisis and Difficult Alternatives

Yemen has achieved a tangible progress in many areas by undertaking economic, legislative and administrative reforms during the first decade of the current century. As a result, improvements to the overall economic policy have taken place. All these have prepared Yemen to make steps forward towards the achievement of tangible progress in the course of the overall development and has resulted in somewhat a gradual decrease poverty and unemployment rates. However, the crisis which stormed the country since February 2011 came chipping away at all the efforts exerted during the past decade for pushing the development forward in Yemen. Indicators of the political crisis first emerged in Yemen in 2006, and have evolved significantly at the beginning of 2011, leading to armed conflict and dragging the country into the brink of a civil war. The political crisis left serious repercussions on the economy, the worst of their kind in years. As a result, the wheel of development stopped and trade and investment activities were frozen. According to studies and researches, activities have been affected by 70% and more than 60% of workers in the Yemeni market have been laid off. All of these consequences have led to a big rise in unemployment and poverty rates and the number of the poor increased to 12 million people as of the end of 2011.

Therefore, a number of experts have warned against seriousness of this disaster and its impact on Social peace and security in Yemen and the region, leaving many workers jobless and unable to earn a living amid rising prices of basic commodities.

### Yemen is unlike Tunisia and Egypt

Unlike Tunisia and Egypt's two-month crises, the crisis in Yemen continued for nearly a year and still ongoing extending to most governorates of Yemen. Protest areas in Tunisia and Egypt were confined to the capital cities. In addition the Microfinance industry in these two countries are more advanced than it is in Yemen where it is still seen as an emerging experience. So it is natural that effects of the crisis on this emerging industry in Yemen are bigger and deeper than those of Tunisia and Egypt.



## Impact of the Crisis on the Microfinance Sector in Yemen

The Microfinance Sector plays a major role in improving economic and social conditions of the micro and small entrepreneurs in Yemen. Small enterprises are considered one of the pillars for development in any society, especially societies of developing countries, which focus on building their economies from bottom to top. The Microfinance sector in Yemen has experienced a remarkable development during the past years in terms of expansion and outreach with the number of served clients numbering up to 66,000. But the political crisis that Yemen has experienced in 2011 and its consequences such as economic losses affected the Microfinance Sector, which is an integral part of the national economy. The Microfinance was the hardest hit compared to banking and other sectors for several reasons, including the following:

1. Microfinance industry in Yemen is still emerging and its basic infrastructure is still weak to a great extent, compared to other countries. The yearlong crisis has thwarted all efforts previously exerted for developing the industry.
2. The availability of outstanding portfolio of 5 Billion YER in the Microfinance market with smaller guarantees is a high risk to the industry particularly if a large number of clients refrains from repaying installments. The larger the number of clients refusing to repay is, the higher the risk will be.
3. Microfinance industry serves micro and small enterprises which can not normally withstand longer against crises or economic shocks due to limited capacities. The longstanding crisis in Yemen has negatively affected enterprises of Microfinance sector, many of which were closed.
4. Microfinance Sector depended generally on cultures and concepts which are the basis for the advancement and development of the sector. Because of the crisis, most of these concepts have been affected, and therefore the Microfinance sector requires longer time to restore such concepts.

In spite of the international and regional efforts to reach a solution avoiding further collapse in the country, the microfinance sector is expected to face more troubles, particularly if the crisis continues during 2012, which is of high concern for Microfinance experts and practitioners.



Coinciding with outbreak of the political crisis in February 2011, the senior management of AMB held a series of emergency meetings to study the available alternatives for minimizing damages [losses] in such a violent crisis the country went through. After studies and analysis to the situation, the following three options were adopted:

**1. Continuing loan disbursement and growth by achieving the Business Plan 2011. The result of this option would be:**

1. Increased number and volume of active loans.
2. Increased number and volume of disbursed loans.
3. Increased number of branches and staff, and consequently increasing operational expenses.
4. Increased portfolio returns.
5. An expected higher credit risk, including the entire portfolio.

**2. Completely Stopping Loan disbursement and freezing implementation of the Business Plan 2011. The result of this option would be:**

1. Suspending loan disbursement and, consequently, a shrink of the social role of the bank.
2. Gradual decrease in the number and volume of active loans.
3. Gradual decrease in the number and volume of disbursed loans.
4. Suspending expansion and new branch opening.
5. Gradual lay off of staff and consequently reducing operating expenses.
6. Decrease of returns on portfolio.
7. Increase of PAR ratio due to suspended lending.

**3- Continuing lending carefully, implementing the maximums possible of the 2011 Business plan activities and coping with the crisis according to the contingency plan of the bank. The result of this option will be:**

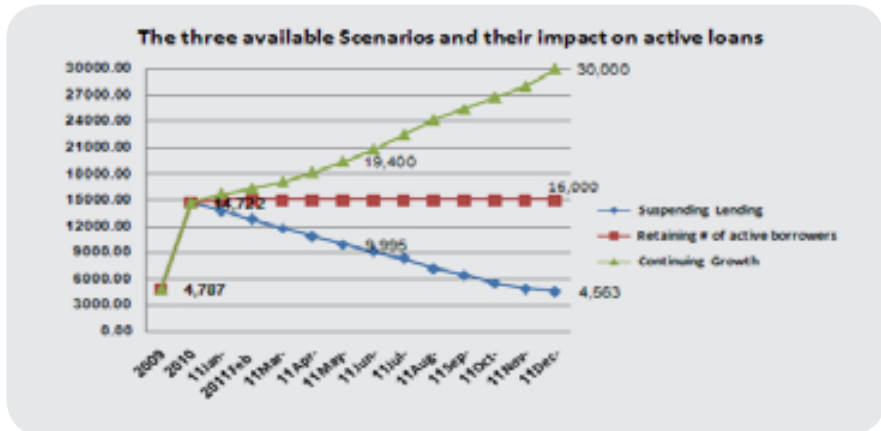
1. Stabilizing the number and volume of active loans.
2. Continuing the lending activity to compensate for the ending loans.
3. Limited expansion and outreach in safe areas.
4. No layoff of staff.
5. Stabilizing the ratio of operational Expenses.
6. Limited increase in the size of operational expenses.
7. Stabilizing the revenues of portfolio.
8. Controlling the ratio of Portfolio At Risk (PAR).



The Bank has proceeded with the third option being the best one of the three, as it helps the bank make progress forward according to achievable plan, coping with the crisis and its developments.

Due to the nine months period the bank spent in applying this scenario, a new methodology in crisis management called Value At Risk (VAR) has appeared. It means operating according to a set of precautionary procedures that will help the institution continue its activities at minimal levels and earning revenues despite the risks surrounding its internal and external environment.

The figure below shows the effects of the three scenarios on the number of active loans:-



The bank could have reached up to 30,000 active client if it followed the first scenario, but such a number of active clients could be as low as 4,563 if it followed the second scenario. However, it retained up to 16,000 active client by following the third scenario.

### Contingency plan instead of the Business Plan:

It has been never expected that the political crisis in Yemen would develop into armed conflict between the disputing parties become a difficult economic crisis. Since the beginning of the crisis, the bank decided to work on the third scenario (Continuing lending carefully and coping with the crisis according to the contingency plan). Consequently the bank has decided to develop the contingency plan for the next phase to cope with the crisis and its development.

Thus, Al Amal Bank is the first Microfinance bank in the Arab world to develop a contingency plan for the management of its operations during the crisis. The contingency plan included several aspects through which the bank aims to manage a number of challenges and risks encountering its activity, as well as to achieve the two following objectives:-

1. Ensuring the continuance of operations during the critical situation.
2. Mitigating the crisis risk and its consequences on the bank performance.

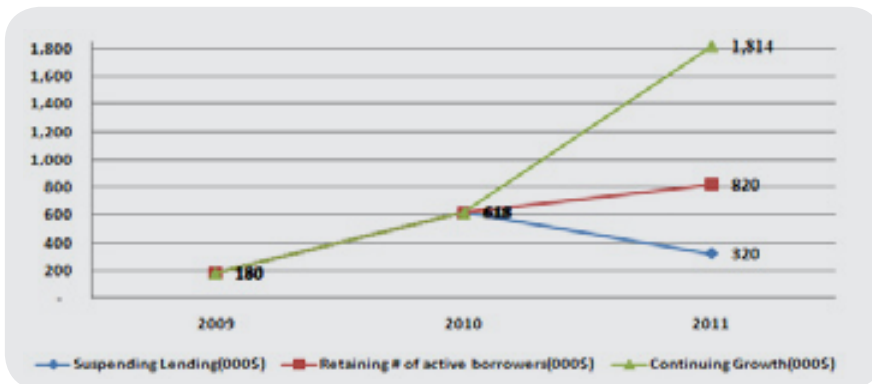
### Effective Plan and Positive Results

Having worked in accordance with the third scenario which is Continuing lending carefully and coping with the crisis and its development according to the contingency plan, the bank largely succeeded to mitigate the crisis's risk. Having a glance at other institutions in Microfinance or other sectors of the market, we would have found that thousand of companies have stopped operations and declared bankruptcy due to the crisis .

AMB was able to manage the crisis intelligently and wisely reaching a safe side. It also made use of the crisis-related halt to promote its internal capacity and has become ready for the post-crisis period based on a strong ground for offering better financial services for the poor in the coming period of time.

The use of the contingency plan during the crisis can be explained in numbers.

### Impact of VAR option:



The bank's revenues could have reached 1,814,000\$ USD till the end of the year if it followed the first scenario and could have decreased to as low as 320,000 \$USD in case of following second scenario. However, by following the third scenario, the Bank made up to 820,000 \$USD. The third scenario was achievable and suitable for adapting to the crisis.

### The results of applying the contingency plan and Value At Risk (VAR)(the third scenario):

Though applied in the bank for the first time, the contingency plan produced largely positive results as follows:

1. Maintaining 65% of operational Sustainability.
2. Retaining staff who constitute a main resource for the bank.
3. Retaining the top ranking in the Microfinance market in Yemen.
4. Opportunity to enhance institutional building.
5. Controlling portfolio quality within 25%-.
6. Keeping fixed and financial assets in safe mode.
7. Keeping the bank completely independent from any political affiliation.

### **Influences of the Crisis on AMB Operations**

In spite of implementing the contingency plan to face the crisis, AMB was affected by the crisis as other institutions of the microfinance sector. Below are the most prominent consequences of the crisis:-

- Decrease of portfolio revenues and increase in operating expenses.
- Decrease of the number and volume of loan portfolio and increase of Portfolio At Risk (PAR) from 1% to 2.5%.
- Slow progress in the outreach plan implementation, which as a result affected implementation of the Business Plan 2011.
- Affecting the Social role of the bank.
- High risk levels that the bank is exposed to.
- Depriving the bank of financial and technical assistance due to stopping operations of some international organizations in Yemen.



Events-side of Yemen crisis in 2011



# Operational Report 2011



## Credit Productivity

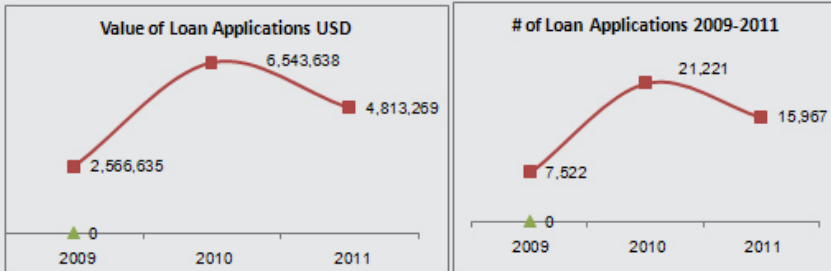
### Loan Applications:

In spite of the difficult situation the country has gone through in 2011, AMB received loan applications numbering up to 15,967 with a total portfolio amounting to 1,2 Million YER (equivalent to \$4.8 USD).

The table below shows the number and volume of loan applications for 2009- 2011

Item	2009	2010	2011
<b>Number of Loan Applications</b>	7,522	21,221	15,967
<b>Value of Loan Applications YER</b>	513,327,000	1,393,794,840	1,025,226,300
<b>Value of Loan Applications USD</b>	2,566,635	6,543,638	4,813,269

The below Figures show the number and volume of loan applications for 2009 - 2011



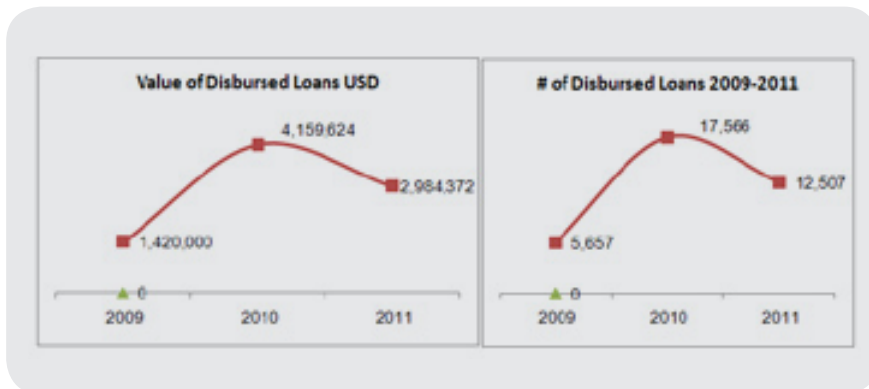
## Disbursed Loans

As a commitment to its social responsibility by not stopping its credit activities due to critical economic, political and security situations Yemen experienced in 2011, AMB could disburse about 12,507 loans in 2011 with a loan portfolio amounting to 635 Million YER (equivalent to \$3 USD million). Loan average equals 50,825 YER (\$239 USD per loan).

The table below shows the number and volume of Disbursed loans for the period 2009- 2011

Item	2009	2010	2011
# of Disbursed Loans	5,657	17,566	12,507
Volume of Disbursed loans YER	284,000,000	886,000,000	635,671,250
Volume of Disbursed loans USD	1,420,000	4,159,624	2,984,372
Average of Disbursed loans YER	50,203	50,438	50,825
Average of Disbursed loans USD	251	237	239

Figures below show the number and volume of Disbursed loans for the period 2009 - 2011



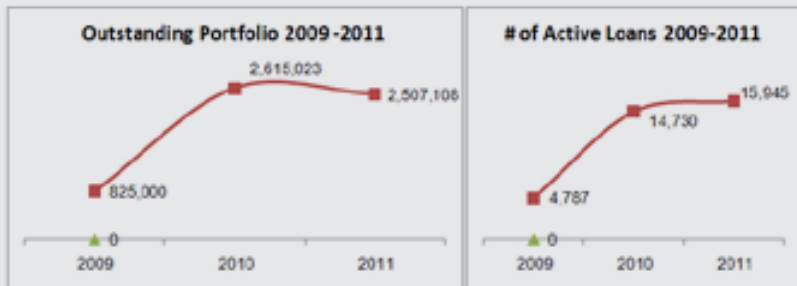
## Active Loans

Despite the dire situation in Yemen in 2011, AMB was able to retain its active clients whose number also increased to 15,945, which is considered a big achievement under such a situation in the country. The outstanding portfolio of the bank in 2011 is estimated at 534 million YER (equivalent to \$2.5 USD) and the loan average is 33,491 YER (equivalent to \$157USD).

Table below shows number and volume of active loans in 2009- 2011.

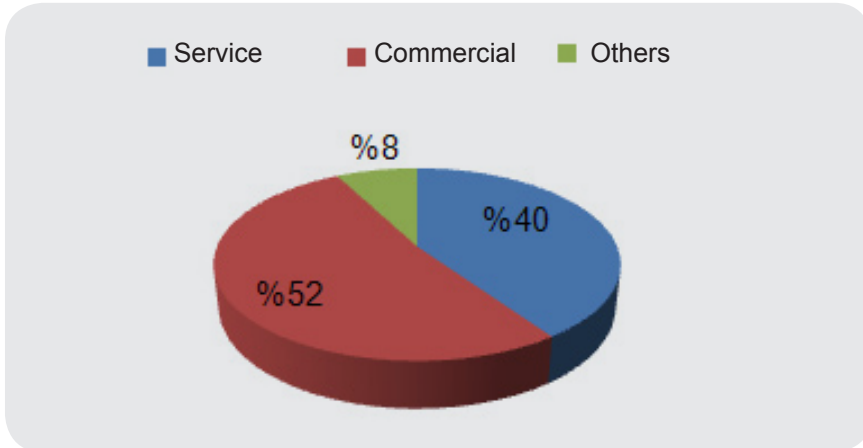
Item	2009	2010	2011
Number of Active Loans	4,787	14,730	15,945
Outstanding Portfolio YER	165,000,000	557,000,000	534,014,070
Outstanding Portfolio USD	825,000	2,615,023	2,507,108
Average of active loan YER	34,468	37,814	33,491
Average of Active loan USD	172	178	157

The Figures below show number and volume of active loans during 2009- 2011.



## Distribution of Active Loans per sector 2011

The following Figure shows the distribution of active loans per sector in 2011

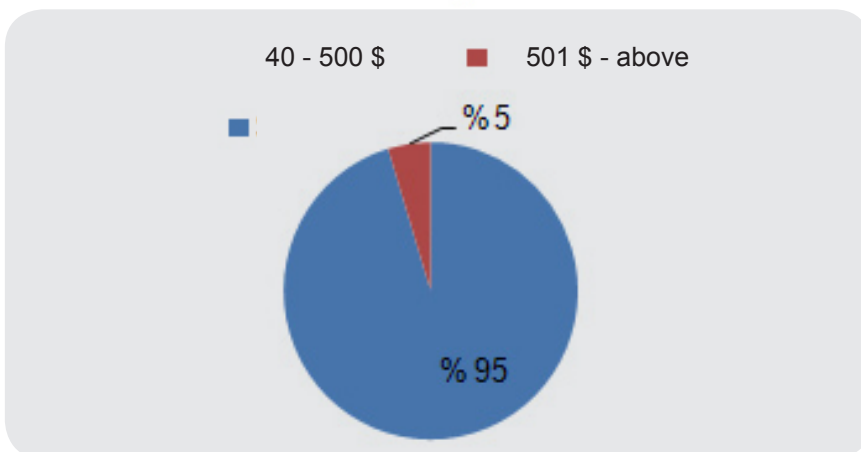


## Distribution of loans Per Amount

From the figure below, it can be figured out that 95% of the total disbursed loans in 2011 are below \$500 USD, which means that AMB is targeting extreme poverty . Only 5% of the total disbursed loans are above \$501 USD.

This Figure shows the ceiling of disbursed loans in 2011

## Disbursed Loans per Amount



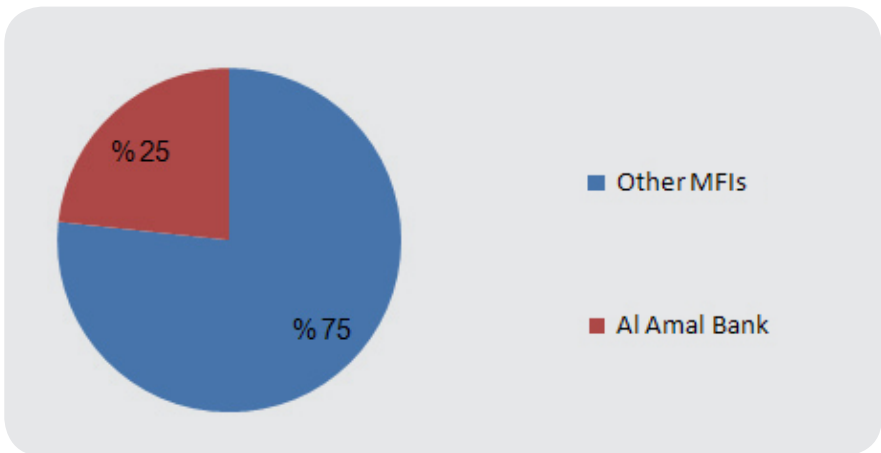
## Market Share

In 2011, Microfinance sector in Yemen witnessed a decline of 1.1% for being affected by the political and economical crisis Yemen has gone through over the year. This caused performance of Yemeni Microfinance sector – which was the best in the Arab World in 2010 - to be in the worst in 2011. According to Economist Intelligence Unit report 2011, Yemen fell 16 places in the world microfinance ranking, dropping from rank 25 to 44. However, AMB has achieved a good growth rate up to 1.3% in 2011 and could retain the top market share with 25% in terms of active loans in the Yemeni market as of the end of 2011.

The Table shows Market Share of the bank in comparison to other MFIs

Item	2009	2010	2011
Number of Active Loans	40,342	66,419	63,618
Number of Active Loans at Al AMAL Bank	4,787	14,722	15,939
Market Share of Al Amal Bank	11.80%	22%	25%

The Figure Shows Market Share of the bank in 2011



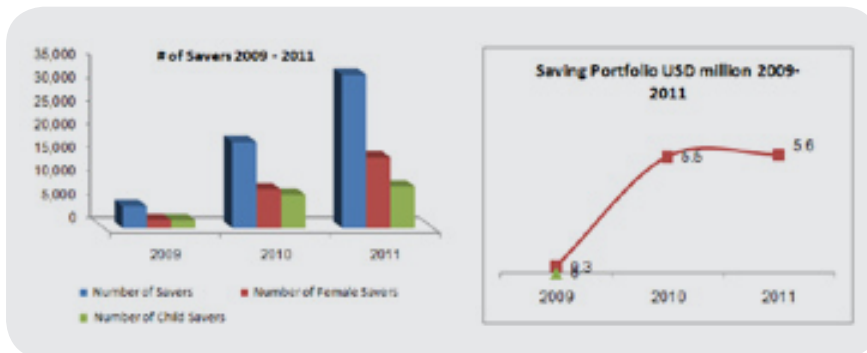
## Saving Accounts

In 2011, AMB was able to attract a large number of savers, thanks to diversity of the saving products the bank offers such as Current Account, which is developed in MFIs in MENA for the first time. As of the end of 2011, the number of active savers increased to 33,047, including children and women with the aim of promoting the saving culture amongst the target groups for the advantages it brings to such people. Saving portfolio reached to 1.154 Billion YER (equivalent to \$5.5 USD million) while female savers account for 46% of the total savers.

The Table below shows number and volume of saving for the period 2009- 2011

Item		2009	2010	2011
Number of Savers		4,758	18,512	33,047
Number of Female Savers		1,730	8,317	15,207
Number of Child Savers		1,667	7,167	8,929
Investment Funds YER million		0	1,048	1,040
Saving Portfolio	YER million	59	1,197	1,120
	USD million	0.3	5.5	5.6

The Figure shows number and portfolio of saving for the period 2009- 2011

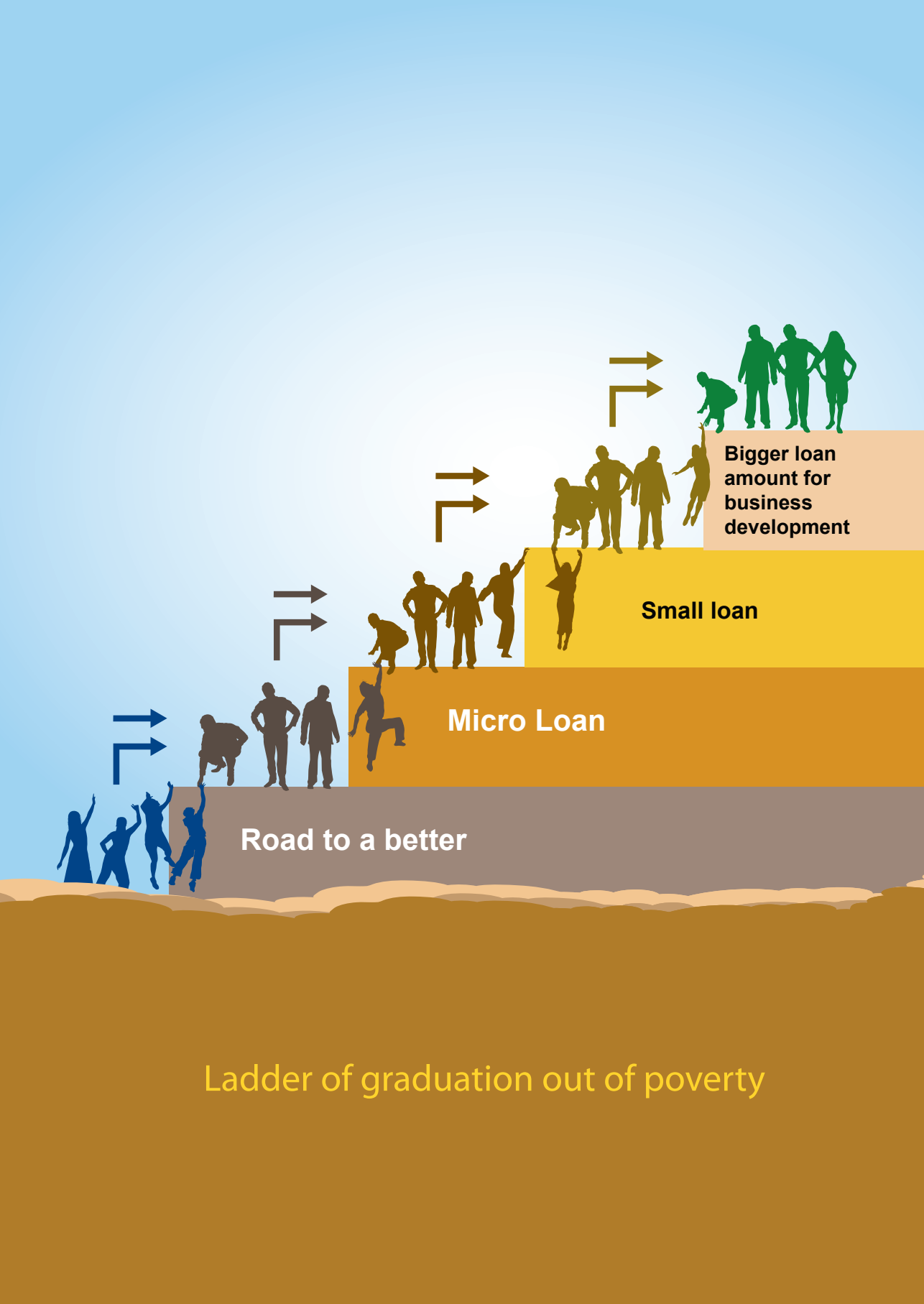




AMB was established for the purpose of reducing poverty and unemployment rates amongst low/limited-income groups in Yemeni society, and the micro and small entrepreneurs who are excluded by the formal banking sector. AMB serves such groups through offering a full package of sustainable financial services that meet the demand and needs of the target groups.

AMB is focusing in particular on youth and women since these two segments constitute a majority of the Yemeni population and are the pillar for the wheel of development in the country. In this regard, AMB has devoted its efforts to serving such target groups and achieving high indicators of social performance by making use of all possible methodologies and partnerships with organizations and international donors.





Road to a better

Micro Loan

Small loan

Bigger loan amount for business development

Ladder of graduation out of poverty

## Focus on Women

Woman is the man's partner in all aspects of life, including development, due to the active role she plays in providing for her family and helping the man in affording and covering home expenses, as well as building a family able to cope with living challenges. Females constitute 49% of the total population of Yemen. AMB cares about women by promoting their role in society as employees and clients; and by integrating them among staff and decision-makers. Therefore, women constitute 34% of the bank staff totaling 135 employees.

As clients, AMB focuses on women by offering financial services meeting their demand and aspirations. The bank seeks to change the public view on women by empowering them economically and financing their home-based enterprises which generate income for women and their families, as well as helping them be productive and effective in society. In addition, AMB is offering women a saving service for building the saving culture and encouraging women to save even simple amounts of money per month for ensuring their future against any economic risks or shocks. Besides, AMB has held a number of training courses for equipping women with skills required for running their enterprises.

The figures below show the Bank's key social performance indicators in supporting women for the period 2009 -2011:


Item	2009		2010		2011	
	#	Value	#	Value	#	Value
Disbursed Loans	3,007	3,429,000	0,910	360,095,000	7,752	299,851,250
Active Clients	2,684	46,145,312	9,045	234,510,418	8,900	240,335,760
Women Savers	1,546	11,672,436	6,789	12,688,057	6,343	13,891,695
# of beneficiaries	15,035		54,550		38,760	
# of job-opportunities created	734		3,601		2,999	

Client Name:- Luluwah Ali Al Arasi  
Location:- Baghdad street, Sana'a

Luluwah is a woman who is skilled in sewing with fingers dancing in the air without rhyme or echo. To translate her fingers' skill, she doesn't need more than a needle and a thread. Surrounded by living conditions over the siege of the small humble home, Luluwah becomes more depressed but through the narrow

window of her room she releases her thoughts and dreams accompany the traveling clouds.

But Luluwa's creativity and dreams didn't become a reality only after a long journey of suffering in search for a capital to enable her purchase threads and needles. One morning, the beams



"Give a man a fish, he'll eat for a day. Give a woman microcredit, she, her husband, her children and her extended family will eat for a lifetime".  
Bono

of hope shined to her life, not through the window of her room, but through Al Amal Microfinance Bank which supports micro-enterprises. Luluwah took a loan of 20,000YER (equivalent to \$90USD) from AMB to purchase good quantities of colored yarns, spindles and needles. She marketed what her fingers made and expanded her customers and as a result her living conditions

greatly improved. Her productions attracted the hearts of her customers and mesmerized their eyes. Luluwah was able to pay all installments and never hesitated to promote for the bank services among her peers, by doing so she emphasizes the bank's social mission and development objectives taking herself as the best example.

## Supporting Women Victims of Violence

Realizing the significant role of women in the community, the risk of being exposed to violence and the necessity of taking care of women after being released from custodies and prisons, Al Amal Microfinance Bank and its partners have established the program of Women's Economic Empowerment and supporting women victims to violence with the aim of rehabilitating and re-integrating them in the society. The program includes granting micro-loans to women victims to violence with the aim of developing and improving their enterprises in a way generating better income for them and their families. Through this program and before disbursing the loan, women are enrolled in training sessions for rehabilitating them and equipping them with the required skills.

Below are the main indicators of this program:-

- The number of loans disbursed to women victims to violence through this program reached 62 loans as of Dec 2011.
- About 80 women have been equipped with basic skills required for business management and returning home to contribute to social development.
- The number of beneficiaries exceeded 310.
- The portfolio of loans disbursed reached 2.5 million YER (equivalent to 11,737\$USD).

## Focus on Youth


AMB has paid close attention to the youth group through offering financial and non-financial services, in cooperation with Silatech, with the aim of assisting youth to establish their own income-generating enterprises and enable them to secure a better future. The bank is also offering a variety of saving products targeting youth with the aim of building the saving culture that helps them overcome living challenges in the future.

Client Name:- Zahrah Abdalrahman

Location:- Mukalla

Zahrah is 43 years woman, a mother of five children who lives in Mukalla. She suffered a lot and experienced hard and difficult life, however she still has the sense of hope that one day she will perhaps enjoy a micro income-generating project through which she can get rid of

the life of misery and poverty that has been hard and heavy on her. Meanwhile, the hope shined to this woman and others who aspire to improve their living conditions through Al Amal Bank. Zahrah heard about AMB and its services through women Association in Mukalla. Immediately, she hurried



It is either go for the difficult or get dead. since only patients can achieve their goals.

visiting the bank's branch in Mukalla which enrolled her in training courses in sewing. Under the program of women's economic empowerment which AMB and GIZ jointly offer, she was provided with the basic required skills to start her enterprise.

Then Zahrah was granted a loan of 50,000YER (equivalent to \$220USD) to

purchase a sewing machine and some female's fabric. In five months time, her activity became known to all women of her neighborhood. Thanks to this project and AMB, the living conditions of her family were highly improved. In the future, Zahrah inspires to expand her project and reputation by including all types of fabric and modern sewing.

AMB targets youth through two main components of financing as follows:

## Youth Existing Enterprises Financing

Existing enterprises constitute the larger part of total disbursed loans to youth and this type of financing is carried out through offering loans to those youth who are interested in developing their own enterprises and improving their income. AMB has succeeded in financing several youth existing enterprises, which became a prominent success story for such young entrepreneurs.

**The Table shows main indicators of the bank in serving youth in 2009- 2011**

Item	2009		2010		2011	
	#	Value	#	Value	#	Value
Disbursed Loans	2,709	36,332,566	5,751	266,497,000	3,733	170,146,500
Active Clients	1,245	67,028,957	4,565	192,826,488	4,046	161,818,020
Disbursed Loans - Start up	1270	40,070,050	292	6,740,000	306	12,720,000
# of beneficiaries	13,545		28,755		18665	
# of created job-opportunities	1,363		2,665		1,701	

Client Name:- Moharam Al-Junaid  
Location:- Taiz

Moharam is 27 years, a young man from Taiz city. Like other youth, Moharam is full of ambitions and dreams but there is no way to achieve one's objectives in a country (Yemen) which lacks job opportunities and witnesses higher poverty and unemployment rates, unless owning a small business. Moharam, the tireless hard work-

ing man, has inherited his carpentry business from his father who left beside the business a number of children and Moharam as their guardian.

Due to the difficult situation Yemen has gone through and low of income, Moharam was seeking funds to restore the basic needs of his business and retain his cus-

"Though no one can go back to make a brand new start. anyone can start from now and make a brand new ending". Carl Brand



tomers but in vain. Finally, the relief came from AMB, Taiz branch, from which Moharam received a loan of 150,000 YER (equivalent to \$670USD). By this, he was able to double his productions and gain his customers' satisfaction.

Moharam is praising Al Amal Bank and its policies for supporting youth to establish small enterprises which help them achieve their objectives. Moharam in-

tends to expand his business and sales and to improve his family living conditions better. He is also saving monthly for getting marriage.

## Youth Start up Enterprises Financing

Caring about the youth segment, AMB intentionally focuses on unemployed youth who master vocational skills, but lack financial capacities. In the meantime, they are interested in establishing micro or small income-generating enterprises with the aim of utilizing such potential capacities for their own benefits and society. AMB is supporting this segment financially through offering them micro loans to establish their start up enterprises and supporting them non-financially through enrolling them in training courses for equipping them with skills required for successful management of enterprises. Most targeted of this group are those active youth and graduates of vocational institutions who are new to the labour market and lack the required practical experience.

### Client Training Courses

According to experts and Microfinance practitioners, the more trained entrepreneurs, the more successful enterprises will be. Based on this, AMB in cooperation with donors have organized a number of training courses to clients before or after financing to ensure integration between training and financing. A large number of AMB clients, including youth, females in general and those victims to violence, have been enrolled in training courses like KAB, Business Edge, ...ect to ensure success of their enterprises.

### Graduation out of Poverty

Poverty is one of the most common phenomena that threatens many people in the world in general and Yemen in particular. The phenomenon is getting wider by the day, and a large number of Yemenis are currently living below the poverty line as a result of war, crisis, lack of basic services, deterioration of national economy and


Client Name:- Kumria Ghaleb  
Location:- Sana'a

Since her childhood, she has been dreaming of her own project which will be the starting point in her bright future. Through this project which she had dreamed days and nights, she was inspiring to improve her family living conditions and help her sisters continue their studies.

Kumria Ghaleb is the hero of the story. She is a female youth in the

age of 26 years. After secondary school, she got a diploma in secretary. In spite of her early age, difficult family living conditions, and limited source of funds, Kumria tirelessly continued her efforts in converting her dream into reality by establishing a micro-project to benefit all her family members. By the help of some of her relatives



A woman wearing a black niqab is the central figure, looking directly at the camera. She is standing in a shop that is densely packed with various items, primarily stationery and gifts. The shelves behind her are filled with colorful boxes, framed pictures, and decorative objects. A purple clock is visible on the upper left, and a white clock is on the upper right. The overall atmosphere is one of a vibrant, well-stocked retail space.

Those who fear  
climbing summits  
would ever live in  
ground holes

and the money of some pieces of gold she sold, Kumeria was able to build up a capital to start her project which is a stationary with schoolboys equipments and antiques. At the beginning of the new school year, Kumria failed to provide all stationeries required for the new year as she didn't have funds for that. She looked for money everywhere but in vain and finally she was guided by one of

her friends to Al Amal Bank. She took a loan of 80,000 YER (Equivalent to \$375) through which she was able to purchase all required stationeries and gain the trust of her clients by meeting their demand as well as being able to improve her income and capital. She is very grateful to AMB which is of great help to her and other micro entrepreneurs.

lack of job-opportunities, coupled with rapid population growth. In spite of international efforts in combating poverty amongst Yemenis, the rate of Yemeni population under poverty line increased from 46% in 2008 to 50% in 2011. In this context, as a contribution of the bank to alleviating such phenomenon that becomes a threat to the community and its future economy, and based on the social mission and in the Bank's effort aiming at helping the poor get rid of poverty, Al Amal Microfinance Bank, in cooperation with donors and the Yemeni public sector, has worked on offering several programs for establishing micro income-generating enterprises, on which the poorest groups can depend for improving their living and economic conditions. The following steps show how the poor can get rid of poverty :

### **First Phase:- Training**

For assisting the poor to get rid of poverty, the bank begins enrolling the target groups in training courses for providing them with basic skills required for successful management of enterprises.

### **Second Phase:- Financing (Start up)**

Having adequately been trained, the bank then grants the trainee clients micro loans to establish their start up projects that generate income and achieve self-dependence. a

### **Third Phase:- Scaling up enterprises**


After the client has fully repaid all installments of the first loan ( start up), the client will get the bank approval for disbursing a bigger loan amount for scaling up the business, its capital and income which is a forward step towards graduating of extreme poverty. Clients with existing projects receive financing for making progress from certain

Client Name:- Abdu Mohammed Ali  
Location:- Al Hurria Street

He finished university study and is now a pharmacist. He is carefully planning in order to overcome whatever faces his life in the coming days.

Abdu went on his way searching for his livings and in Al Hurria

street – Sana'a he stopped to wake up his thoughts by opening a pharmacy as it is his major of study but finding a sufficient capital is the biggest challenge. He applied for a loan of 80,000 YER (Equivalent to \$400USD)

A man with short dark hair, wearing a dark suit jacket over a light-colored collared shirt, is smiling warmly at the camera. He is standing in a pharmacy, with white shelves filled with various boxes and bottles of medicine in the background. The shelves are organized and well-stocked.

Going one step from  
the beginning is a  
half-way to the end.

from AMB' branch in Baghdad through which he could provide his pharmacy with all types of medicine and drugs. As a result, his clients got doubled and his income increased. Abdu succeeded in repaying all installments of the loan in time and received a bigger loan

amounting to 120,000 YER (Equivalent to \$550USD). This loan helped him in expanding his capital and providing more goods, so he is highly appreciating AMB's role in scaling up micro and small projects as his own.



living level to a better one. Not only that, but the bank also offers saving service for helping clients reduce effects of economic shocks they might be exposed to over time.

Of the projects adopted by AMB is Poor's Economic Empowerment which is a project of poverty graduation targeting those [beneficiaries] registered with Social Welfare Fund. Therefore, Al Amal Microfinance Bank has entered into a partnership with Social Welfare Fund (SWF) affiliated to the ministry of Labor and Social Affairs, with the aim of empowering beneficiaries of the fund who are economically active to make use of a set of financial services it offers such as funding. Through this partnership, the bank grants loans to these groups to establish new enterprises [small businesses] or develop existing ones with the aim of improving their incomes. This partnership is expected to function as a mechanism to help a significant portion of these groups get rid of extreme poverty and create a chance for adding new cases without any restraints on the State's Public Budget. Excellence of this partnership lies in the fact that AMB proved being able to enhance the culture of self-dependence among beneficiaries targeted by the assistance rather than their dependence on grants from the government or other organizations.

**The Table shows main indicators of services offered to (beneficiaries of Social Welfare Fund) in 2009- 2011**

Item	2009		2010		2011	
	#	Value	#	Value	#	Value
Disbursed Loans	717	40,999,840	5,124	294,736,050	4,830	269,431,000
Outstanding Clients	696	29,966,466	5,120	253,413,856	8,850	319,448,849
# of beneficiaries out these loans	3,585		25,620		24,150	
# of created job-opportunities	410		2,947		2,694	

# Awards Obtained by the Bank



Though newly established, Al Amal Microfinance Bank enjoys good reputation at local, regional and international levels and competes with top international institutions and organizations, thanks to its financial services characterized by creativity and innovation and the bank's understanding of its target groups and the nature of their needs . This enables the Bank to meet their demand as well as offer its services according to international best practices in microfinance. As a result, AMB could attract both admiration and trust of many practioners of Microfinance industry in the world, thus helping the Bank won several Arab, regional and international awards [recognition and financial awards].

## Al Amal Microfinance Bank named the winner of Islamic Microfinance Challenges Award 2010



### Award Title

«Islamic Microfinance Challenges» 2010

### Award Sponsor

CGAP, Deutsche Bank, Islamic Development Bank, and Grameen-Jameel Foundation

### Field of the Award

Islamic Leasing (Ejarah)

### Description of the Award

Out of 130 Microfinance Institutions and Banks from 43 countries in the world, Al-Amal Microfinance Bank named the winner of Islamic Microfinance Challenge Award 2010. The award is worth \$104,000, and technical assistance for strengthening the bank internal capacity. AMB was selected to receive this award as it offers diversified financial services which are innovating, sustainable, scalable and Market-driven Models in line with Islamic Sharia'a. The award is organized and sponsored by CGAP, Deutsche Bank, Grameen-Jameel, and Islamic Development Bank with the aim of encouraging institutions to develop innovating, sustainable, scalable, Islamic and Market-driven Models. AMB was honored with this award during Sanabel 8th Annual Conference, which was held in Amman – Jordan in July 2011 and attended by more than 524 practioners, donors and investors in the Microfinance Sector across the world.

## AMB is crowned the global award " Most Innovative "Microfinance Product



### Award Title

«Most Innovative Microfinance Product» 2011

### Award Sponsor

C5 Group

### Field of the Award

Savings and Islamic Insurance ( Takaful).

### Description of the Award

During the C5's sixth annual Microfinance Investment Summit for the Global Microfinance Achievements Awards 2011, held in Geneva, Switzerland July 5 2011 ,8- and attended by more than 1000 microfinance practitioners from 100 countries across the world, the jury and the organizing committee have announced Al Amal Microfinance Bank the winner of the global award «Most Innovative Microfinance Product». Al Amal Bank has won the award from among a large number of candidates after being eventually shortlisted with two other institutions, Microfinance Center from Nepal ( the largest Microfinance organization in Nepal) and Deutsche Bank which offered a joint file with USAID Organization ( USA) .



**Al Amal Microfinance Bank is the first  
in the Arab world in Creativity and  
Innovation in Microfinance products**



### **Award Title**

Grameen-Jameel Award for Creativity and Innovation in the Arab World 2010

### **Award Sponsor**

Grameen-Jameel Foundation

### **Field of the Award**

All Financial Services offered by AMB (Credit & Saving).

### **Description of the Award**

Al Amal Microfinance Bank won the Creativity & Innovation Award in Microfinance products in the Arab world 2010. The award is sponsored and financed by Grameen-Jameel Foundation and is worth \$10,000 USD. Many Microfinance Institutions across the Arabic world had applied for the award.



## Al Amal Bank won Hanson Wade's regional award



### Award Title

Successful Product Innovation in Microfinance – Middle East & Africa 2011

### Award Sponsor

Hanson Wade

### Field of the Award

Al Amal Child Saving product which aims to enhance saving culture among children particularly in the poor communities.

### Description of the Award

AMB won the award of « Successful Product Innovation» in Middle East and Africa from among 60 organizations that applied for the award . This achievement of Al Amal has been announced during the Innovation & Investment Conference held in Nairobi, Kenya on 18-19 Oct 2011, organized by Hanson wade and attended by more than 120 investors and Microfinance practioners across the world.



## Al Amal Microfinance Bank won the MIX Silver Award in Social Performance 2009



AMB received the MIX Silver Award during the ceremony, held in Washington D.C in 2009. The bank is awarded for the information reported by the bank on its activities and plans improving social and economic status of the target groups of low/limited income and micro entrepreneurs.



## **Institutional Building**

## 1- Product Development

During the year 2011, AMB has worked on developing financial products meeting the demand of the target groups in the Microfinance market. Below are the developed products:-

### 1- 1 Current Account

The aim of developing the current account product is to provide a deposit service of loan installments to borrowers, and through this account loan installments can be repaid. The bank also aims through this product to distinguish between current accounts and saving accounts. This product will be used in domestic remittances and SMS service the bank aims to develop.

### 2- 1 Leasing (Ejarah)

As part of its efforts to serve micro and small entrepreneurs, AMB has decided to finance fixed assets through leasing product, ending with client's ownership to the leased asset, which is unlike other microfinance institutions in the market that finance only operating capital of enterprises. Entrepreneurs, under this project, will be able to lease assets with leasing value agreed upon with the bank and eventually (end of leasing period) the ownership of the asset will be transferred to the lessee. The design and development of this product is financed by the amount of the Award of Islamic Microfinance Challenges AMB won in 2010. and the roll out of this product will be early in 2012.

## 2- Review and Development of the Policies and Manual

2011 could be considered a year of development and institutional building and excellence in which AMB was able to review and develop a number of work manuals and policies that empower it to operate effectively in 2012 in case of crisis resolution. The bank staff have exerted huge efforts individually and in cooperation with others to develop new manuals, policies and procedures as per international best practices of Microfinance industry which have made AMB stronger than ever in terms of internal institutional building.

### 2- 1 Review and development of loan Process Map

For shortening period of loan disbursement and related procedures as well as reducing direct related costs for achieving efficiency and effectiveness in offering scalable financial services to microfinance clients, AMB has worked on reviewing and developing the process map of credit and saving products to achieve the desired goals. Such development will help the Bank achieve sustainability as well.

## 2 - 2 Developing Manual for Financial Products Design

With support from International Financing Corporation (IFC) and Social Fund for Development (SFD), AMB received Technical Assistance in design and development of financial products as per international best practices of Microfinance. This manual is considered as one of the most significant manuals in the bank for the concepts, scientific ways and methodologies it contains with regards to development of financial products meeting demands of the target groups.

## 2- 3 Developing Financial Manual

Based on the significance of the finance department as the backbone of the institution, AMB received a technical assistance in developing a financial manual as per International Accounting and SEEP standards. This manual has helped the finance department in shortening work procedures as well as suggesting administrative organism of finance department. The project was executed by MEDA and financed by both IFC and SFD.

## 2 - 4 Developing AML/CFT Manual

As part of AMB's commitment to work according to regulations and recommendations approved by international organizations and Central Bank of Yemen with regards to Anti-Money Laundering, AMB has developed AML's manual through which it ensured that financial activities of the bank don't fall into any suspicion and that they operate as per international standards.

## 2 - 5 Authorization Manual

This manual has been developed to serve future orientations of the bank in outreach and expansion as well as stimulate branch managers for improving performance. It also includes sorting and classifying of jurisdictions as well as reviewing jurisdictions related to loan ceilings for branch managers, credit committee, and officers in operation department and executive management.

## 2 - 6 Developing Procurement and Store manual

This manual has been developed for organizing purchase transactions as per the new manual and organizing the storing process of the bank assets as well means of disposal in way fairly reflecting financial statements of the bank.

## 2 - 7 Developing Electronic Archive

To ensure keeping documents and data in secure places and reducing costs of traditional archive, an electronic archiving system has been developed in 2011, which has significantly helped the AMB facilitate work procedures in branches.



## 2 - 8 Developing New Website [www.alamalbank.com](http://www.alamalbank.com)



Having been developed at inception, the previous website of the bank didn't meet expectations of explorers at the current stage, so a new website has been developed early in 2011 to reflect all services and activities of the bank as well as serving all required

reports and information needed by individuals and organizations. The new website is characterized with high flexibility and simple use.

## 2 - 9 Developing Intranet (local website)

The aim of developing intranet is to bridge the gap between head office and branches and allow staff to access circulars, administrative decrees, policies and procedures as well as involving staff in programs and training courses that will be held with the possibility of returning to them [as references] when required. Thus, communication process will be largely effective among branches' staff and head office.

## 3- Re-design of Branches

In 2011, AMB has worked on re-designing its branches internally and externally with the aim of making branches look more attractive and pleasant to clients, either borrowers or savers, as well as fulfilling aspirations of the bank in offering high quality financial services in 2012.

## 4- Opening New Branches

Going ahead with the commitment approach for expansion and outreach to the poor over all areas of Yemen, AMB has inaugurated two new branches in 2011; Al-Hawban branch in Taiz and Matar branch in Sana'a, and seeks to reach new areas in the coming years.

## 5- Contributions of the bank in support of Microfinance Industry in the region

Thanks to the international reputation of the bank and successes achieved over the past three years since inception, AMB has become an effective player in Microfinance industry locally and internationally and is considered one of the largest providers of knowledge in Microfinance.

AMB has contributed to offering technical assistance and financial consultation to a number of Microfinance Institutions inside and outside Yemen. The following are some of such services as of 2011:

- 1- Technical Assistance to Ebda Bank – Syria.
- 2- Technical Assistance to Ebda Bank – Bahrain.
- 3- Technical Assistance to Azal Program for Microfinance – Yemen.

## 6- Training and Development

Caring about building qualified staff able to serve the bank's plan in the coming phase, AMB has involved a number of its staff in training courses and workshops held internally and externally with the aim of equipping them with required skills and knowledge in different domains. The training courses are numbering up to 50 from which a large number of the bank staff benefited. The training opportunities are numbering up to 701. In the meantime, 4 clients and partners were trained through Business Edge program which were organized in cooperation with Silatech and SMEPS.



**This table shows the most prominent training courses/workshops in 2011:**

NO	Program	# of Participants	Beneficiaries	Description
1	Product Design and Development	6	R&D, IT, Finance, and Operation Deptt	This course was held in Cairo- Egypt and executed by the Consulting firm MEDA as a completion to the Technical Assistance for R & D department. The course aims to brief participants on phases of product development and its process map as well as roles of involved departments.
2	Anti-Money Laundering and Combating the Finance of Terrorism	61		It aims to brief participants on Money Laundering crime and its risk on financial institutions and ways on how to handle and reports cases to concerned parties.
3	Excellence in Customer Service	83	Customer Service	It aims to equip participants with effective communication tools and skills of purchase and response to clients
4	Branch Manager with Strategic Thoughts	26	Branch Manager	Briefing participants on sustainability and strategic relation with clients and how to modify products based on this relation
5	Training of Trainers	30		Briefing participants on the concept of training in workplace, its mechanisms, methodologies and components
6	Credit Analysis and Calculation of Portfolio Quality Rate	28	Branch Manager and Supervisors	It aims to brief participants on the concept of accounting to non-accountants, credit analysis of micro and small enterprises, calculating portfolio At Risk (PAR), written offs as well as effectiveness and efficiency of branches
7	Advanced Excel	12		It aims to brief participants on advanced use of financial functions and modules as well as data and figures
8	Development of Cashier performance	8	Cashiers	Addressing challenges facing Cashiers and weaknesses likely to face a cashier
9	Workshop on Investment Funds	85		Briefing participants on Investment Funds product and related procedures
10	Follow up of Delinquencies	22	Credit Officers	Briefing participants on repayment and its mechanisms and how to deal with delinquencies
11	Currency Exchange and Banking Fake	15	Cashiers	It aims to brief participants on the significance of dealing in foreign currencies, anticipating models, ways for examining counterfeiting currencies and cheques





**New Partnerships  
& International  
Participations  
of the bank in 2011**

## Partnerships 2011

For ensuring funding sources for financing credit activities, Al Amal Bank is the first partner for Kiva in Yemen


[Lend](#)
[About](#)
[Community](#)
[Updates](#)
[My Portfolio](#)

Empower people around the world with a \$25 loan



In mid 2011, AMB entered into a strategic partnership with Kiva for financing enterprises of AMB's clients with a portfolio cap not exceeding \$800,000USD. Therefore, AMB is the first Microfinance Institution to enter into a partnership with Kiva in Yemen. Kiva is a non-profit organization based on the USA and working in more than 61 countries across the world and the number of its borrowers exceeded 351,000.

## Al Amal Microfinance Bank inaugurating its first partnership with USAID/CLP in Yemen



For enhancing development process in Yemen and achieving mutual goals of the two institutions, Al Amal Microfinance Bank and USAID/CLP have inaugurated their first partnership. Under this partnership, AMB would receive a grant for opening new branches, staff and client training, giving compensations to clients affected by the turmoil in Yemen as well as projects supporting AMB's expansion and outreach in areas targeted by both AMB and CLP.



## International Participations

### Al Amal Microfinance at the meeting of Grameen-Jameel Partners in Istanbul – Dec 2011

Within the frame of its partnership with Grameen-Jameel Foundation that began in 2011, Al Amal Microfinance Bank has received an invitation to attend the 1st meeting of Grameen-Jameel's partners that took place in Istanbul-Turkey for the period 1415-th Dec 2011 in the presence of 15 partner institutions, Al Amal Bank was represented by Mr. Mohammed Al-lai, the CEO of the bank, and Mr. Sameh Al-Hakimi, Operation Manager Assistant. The meeting was chaired by Profess. Mohammed Yunus, the founder of Grameen Bank and aimed to share viewpoints on future partnerships. During the meeting, Mr. Mohammed Al-Lai delivered a brief presentation on AMB's experience and how it dealt with the crisis Yemen went through.



The CEO Mr. Mohammed Al-Lai with Prof. Mohammed Yunus, the founder of Grameen Bank and Nobel Peace Prize Laureate, at the conference of Grameen-Jameel partners – Turkey

### For the first time, Al Amal Microfinance Bank at the Arab Thought Conference « what After the Spring?» Dubai – Dec 2011

Under sponsorship of H.H Shiekh Mohammed Rashed Al-Maktoom, Vice President of United Arab Emirates, and Price Khalid Al-Faisal, Head of Arab Thought Foundation, Al Amal Microfinance Bank, represented by the CEO Mr. Mohammed Al-Lai, has participated in the 10th annual conference of Arab Thought Foundation that was held in Dubai during the period 57-th Dec 2011 and titled « What is after the Arab Spring?». During the conference, Mr. Mohammed Al-Lai delivered a presentation about AMB's experience in supporting youth and job-creation based on AMB's belief in youth's role in countries leadership.



10-th annual The CEOs participation at the conference of Arab Thought Foundation – Dubai

## Workshop in Design and Development of Financial Products Cairo – Oct 2011

A team from Al Amal Microfinance Bank has participated in a workshop on Product Development which was offered by IFC and SFD as part of their technical assistance to AMB for enhancing its internal capacity to ensure the achievement of its strategic plans and meeting the demand of the target groups. The workshop took place in Cairo and moderated by the consulting firm MEDA.

### AMB's participation in Taaqem Clinic for designing Monitoring & Evaluation System that AMB won

Under the program of Taaqem in Youth Employment that is sponsored and financed by Silatech, ILO and their partners, AMB was selected as one of 10 winner institutions in MENA

from among of 75 organizations, which applied for the program. Mr. Mohammed Al-Lai, the CEO of the bank, represented Al Amal Bank in this competition through its two phases, firstly in Geneva – Switzerland clinic in Oct 2011 and secondly in Doha – Qatar in Dec 2011. The shortlisted organizations for the second phase numbered 15 organizations and eventually in 24th Dec 2011 Al Amal Bank was officially announced along with other 10 organizations as the winner of the award.

### AMB's Participation in AGFUND's partner meeting – Riyadh 2011

At the invitation of AGFUND's director Mr. Nasser Bakr Al-Kahtani, Al Amal Microfinance Bank, represented by the CEO Mr. Mohammed Al-Lai, participated in the extended meeting of AGFUND partners that was attended by all partners of AGFUND in the Arab world, represented by series of banks for the poor established by H.H Prince Talal Ben Abdalaziz in Yemen, Syria, Jordan, Bahrain and Lebanon.



AMB's staff in a workshop in Product Development held in IFC's headquarter – Cairo

## AMB's participation in a workshop on Crisis Management – Cairo – Egypt

A team of Al Amal Bank participated in the event of 1st workshop of MFIs affiliated to Sanabel (Arab Microfinance Network), held in the capital Cairo. In this event, AMB was represented by Mr. Mohammed Al-Lai, the CEO of the bank, Mr. Refat Al-Mamari, Wahda Branch manager, and Miss. Najla Kamel, 26 Sep Branch manager. The workshop was organized in the frame of exchanging view-points on Emergency management of MFIs during the turmoil Arab countries went through amid the so-called « the Arab Spring».

## AMB's participation in Sanabel's Eighth Annual Conference Amman – Jordan – June 2011

Local workshops during 2011 In response to a invitation by Arab Microfinance Network (Sanabel), Al Amal Microfinance Bank with 5 members representatives headed by the CEO Mr. Mohammed Al-Lai participated in Sanabel's Eighth Annual Conference, at the Convention Center of Le Meridien Hotel in Amman, Jordan from June 7th – 9th, 2011. The theme of

this year's conference was "Microfinance in the Arab Region: Challenges of the Past and Opportunities of the Future" in the presence of more than 500 participants, including Microfinance practioners from over 28 countries across the world. During the conference, Al Amal Microfinance Bank was honored with the

Islamic Microfinance Challenge Award 2010 handed to the CEO Mr. Mohammed Al-Lai by His Excellency, the Minister of State Planning Commission, Dr. Jaafar Hassan. AMB was obtained the transparency award from Mix Market.



Awarding Al Amal Bank the Islamic Microfinance Challenges Award at Sanabel Eighth Annual Conference – Amman

## Al Amal Bank holding the First Forum of Ramadan for its staff in Taj Sheba Hotel In 25th Ramadan, 25th August 2011,

Al-Amal Microfinance Bank held the first Forum of Ramadan for the bank staff in Taj Sheba Hotel, Sana'a in which all the bank staff in the capital Sana'a along with branch managers of AMB branches in the other governorates participated . The forum aimed at strengthening the relationship and intimacy among the bank's staff and emphasizing that the bank staff are the makers of all achievements of the bank in all aspects. During the forum, a training session titled as «Elements of Excellence» was moderated by Dr. Saleh Al Kulaibi. The forum also included various activities like humor and competitions in which more than 15 in-kind prizes were in place for competition by the attendees, plus other memorial gifts that were handed to all attendees.



The first forum for AMB's staff – Sheba Hotel



# Excellence

is always our Model in the Business

Distributing the highest profit in the market in 2011



بنك الأمل

بنك التمويل الأصغر  
Al-Amal Microfinance Bank

بنك من لا بنك له