



Industry Performance Report

Final

Q3 “2022”

15/11/2022

www.tanmeyahjo.com

Content

COPYRIGHT © Tanmeyah 2022:.....	2
About Tanmeyah:.....	3
Microfinance in Jordan:.....	4
Members of Tanmeyah:.....	5
Members Profile:.....	6
VITAS JORDAN:.....	6
Micro Fund for Women:.....	7
Tamweelcom (Jordan Microfinance Company).....	7
National Microfinance Bank “Al Watani”:.....	8
Ahli Microfinance Company:.....	9
FINCA Jordan:.....	9
UNRWA Microfinance Department:.....	10
AlAmeen:.....	11
Al-Namothajieh for Islamic Microfinance:.....	12
Executive Summary:.....	13
Outreach Indicators (Periodical Comparison):.....	15
Active Borrowers and Active Loans:.....	15
Branches:.....	17
Loans Disbursement Profile (Q3 2021 – Q3 2022):.....	18
E-Wallet:.....	19

COPYRIGHT © Tanmeyah 2022:

All rights reserved.

No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the publisher.

About Tanmeyah:

Jordan Microfinance Network – Tanmeyah - was established and formally registered as a non-profit institution at the Ministry of Industry and Trade in 2007 and was incepted to become the official representative for the microfinance institutions (MFIs), replacing the Microfinance Association of Jordan (MAJ), which was operating at that time. The Network’s main objective is to develop a sustainable microfinance industry that will become an integral part of the national financial system in Jordan. It plays an active role in supporting the further development of the microfinance industry, providing advocacy and awareness-raising on behalf of its members, promoting information, and disseminating developments and trends in the industry. Most importantly, it supports the implementation of an appropriate regulatory environment, and gathers performance and benchmarking data for the sector.



Microfinance in Jordan:

The sector was formed in 1994 with the launch of a pilot lending scheme in Amman. Today, the industry is comprised of ten professionally run institutions that follow world-class lending practices and are self-sustainable. This means they do not rely on grants or subsidies for continuity. Initially, the sector focused primarily on group and business purpose lending but, based on demand, has evolved significantly to include individual enabling and supporting loans and products such as educational loans, life insurance, and business development services concentrating on productive households and low-income segment quality of living.

Microfinance has proved to be a powerful and effective tool in empowering Jordan's entrepreneurial poor to increase their family income and contribute to socio-economic growth. Tanmeyah's members prove their capability to grow on sustainable and solid bases envisioned through strong operational performance and the sustainability of the services provided.

Members of Tanmeyah:

Tanmeyah membership profile consists of the following members:

VITAS JORDAN	FINCA Jordan
Micro Fund for Women	UNRWA Microfinance Department
Tamweelcom (Jordan Microfinance Company)	AlAmeen for Microfinance
National Microfinance Bank "Al Watani"	Al-Namothajieh for Islamic Microfinance
Ahli Micro Finance Company	



Members Profile:

VITAS JORDAN:

Vitas Jordan originated as a continuation of the 1998 Cooperative Agreement signed between Global Communities (formerly CHF International) and USAID to establish the Southern Jordan Access to Credit Project (SJACP). The purpose of the project was to provide microfinance lending services to the residents of the southern Governorates of Jordan over five years, as well as building an interactive capacity with the formal financial institutions through risk-sharing partnerships with commercial banks. In response to the local community's needs, the vision of transforming the project into a sustainable local corporate entity was finally realized, culminating with the registration of MEMCC (Middle East Micro Credit Company) as a Limited Liability Non-Profit Company in January 2003. While MEMCC has achieved much in its 10 years, we feel that it is no longer the right structure to keep up with the growing and changing needs of our clients.

To position ourselves to make a more lasting impact as we grow, MEMCC has joined the Vitas Group, a wholly-owned subsidiary company of Global Communities. With this move, MEMCC becomes “Vitas Jordan” in name and values but remains true to its founding purpose: to make a difference in our communities by bringing financial opportunities to those who are not well-served by traditional banks or lenders.

Vitas Jordan has the privilege of serving over 27,000 clients across Jordan. As we move forward, we renew our commitment to fulfilling these clients’ needs. We constantly strive to live up to their expectations on all levels –in keeping up with their life changes, in making their lives easier, and in and providing comfortable and easy financial solutions that enable them to become self-sufficient and great contributors to the growth of their communities. Our clients represent our highest priority, so Vitas Jordan remains committed to keeping in constant communication with our clients dedicated and understanding to their surrounding conditions, we always keep in mind our role in being proactive to fulfill the exact need our client desires, we also dig deep to find the hidden potential of our clients to make the best out of their experience opening new endeavors and creating promising future opportunities for them.

Micro Fund for Women:

Microfund for Women (MFW) is a private non-profit company. MFW began its operations in 1996, making it one of the leading companies to provide financial and non-financial services to low-income and underserved small business owners in Jordan, especially women, to empower them economically and socially, by assisting necessary for them to engage more productively in our society. MFW currently has around 135,000 beneficiaries, of whom 97% are women, and are served by over 672 employees spread over more than 62 branches across the Kingdom. Since its inception, MFW has granted over one million and 415 thousand loans valued at more than 700 million JOD.

MFW seeks to offer its products and services on par with international standards through easy and accessible procedures, by staying up-to-date with innovative technologies, and offer its services through utilizing transparent methodologies.

MFW is particularly proud of its financial non-credit program, which is a micro insurance program. This program is specifically designed for the beneficiaries and their families. They help cover expenses associated with hospitalization and loss of life.

Microfund for women offers a wide range of Non- Financial Services, including product development for beneficiaries, marketing linkages, and networking, educational and vocational courses in addition to free medical days and giveaways.

Throughout the 25-year journey of serving and providing vast services for beneficiaries & the community, MFW received many awards that still pushing it to further expand its services to best suit many community needs.

Tamweelcom (Jordan Microfinance Company)

Tamweelcom (Jordan Microfinance Company), started with a 30,000 JOD, five employees and one branch in 1999. With the purpose of elevating employment rates, fostering socioeconomic advancement, empowering low-income individuals, and financially excluded citizens, marginalized citizens and small entrepreneurs through reliable financing solutions.

Today Tamweelcom and after many milestones, served over 382,000 clients and enterprises, with 650 million JOD amount disbursed through over 500 employees spread across a network of 39 branches.

In order to provide further convenience of accessibility and outreach that saves time and effort to our clients, Tamweelcom has embarked on a digital transformation strategy focused on promoting the use of digital channels for money disbursement, transaction, and payment.

As for Tamweelcom's social aspect and objective of recognizing its clients and promoting sustainable income growth and improved standards of living in the communities in which it operates, the financing is supplemented with complementary products and services, such as credit life insurance and non-financial services, of capacity building and awareness rising sessions.

Similarly, and as part of supporting the sustainability and growth of home-based and micro-enterprises in Jordan, Tamweelcom conducts highly promoted bazaars open to both Tamweelcom and non- Tamweelcom clients, whereby these micro-enterprises are provided booth space with no charge.

In addition, Tamweelcom execute free medical days throughout the year as well as public medical awareness sessions held by health providers, such as those addressing cancer screening, routine health checkups, etc.

Tamweelcom is the first in Jordan to receive the "Smart Campaign – Client Protection" certification, making it also the first in the Middle East, the 4th in the MENA region, and has received (A-) Financial Rating and (A-) Social Rating from MFR (the worldwide microfinance rating agency).

National Microfinance Bank "Al Watani":

The "National Microfinance Bank "is A Jordanian MFI registered as a private joint-stock institution and authorized by the Central Bank of Jordan to provide financial service for the targeted segments according to the best international practices in the microfinance industry.

On March 27, 2006, under the patronage of Her Majesty Queen Rania and His Highness' and Prince Talal bin Abdul-Aziz, "Al Watani" disbursed its first loans in parallel with the opening of three branches in Karak, Zarqa, and Wehdat, where now NMB provides its services to more than 88,000 active clients through a network of 33 branches all over the kingdom.

The concept of "Al Watani" stems from His Highness, Prince Talal bin Abdul-Aziz's initiative to establish banks for micro and small entrepreneurs throughout the Arab World, and was established as a partnership between King Abdullah II Fund for Development, AGFUND, and other private sector investors.

Ahli Microfinance Company:

Ahli Microfinance Company (AMC) was founded in mid-1999, and it is considered to be the first private-sector microfinance institution that operates in this field. Since then, AMC has provided 227 million JDs worth of loans with a total number of 271,052 to micro and small local businesses through 27 branches throughout the Kingdom. As part of its ambitious ongoing development plan, AMC continues to open new branches in different cities across the kingdom. Through specialized training and advanced management techniques in the field, AMC supports its growing operation and sustains its team's development. It is a pioneer microfinance institution that targets customers who do not benefit from the services of commercial banks; therefore, the company's services take into account the social, economic, and financial dimensions of its products.

AMC excels in providing its services through developing loan programs professionally tailored to suit a varied assortment of businesses and social segments. These include group lending, individual and business loans for licensed and unlicensed projects. The financing amount ranges from 250 JD to JD 25,000.

Under the accelerated international changes and the strong competition between different sectors, it is very essential to adopt a system that achieves and ensures quality, supports competitiveness, and helps achieve required targets, and continuously improves performance. Accordingly, AMC was granted the ISO 9001:2008 Quality Management Certificate through establishing effective methodologies to be implemented and controlled for management, marketing, operations, customer relations, human resources management, infrastructure resources, and information technology.

FINCA Jordan:

FINCA's microfinance program in Jordan started in August 2007 and the first loan was disbursed on November 18, 2007. FINCA Jordan has established its head office in Amman and has branches serving residents of Amman, Zarqa, Irbid, Jerash, Deir Alla, Sahab, Madaba, and North

Shounah in addition to five sub-branches in each of Al-Salt, Marka, Al Russaifeh, Bani Kenanah, and Al Koura.

FINCA Jordan targets women entrepreneurs in rural and urban areas that own small and medium businesses, either from their homes or from registered outlets in addition to small business sector clients. The FINCA clients have businesses in a variety of sectors from trade, services, manufacturing, and agriculture. FINCA also targets male and female young entrepreneurs under 30 years of age aspiring to start and expand their ventures. As of today, the program has more than 33,000 active clients. FINCA Jordan targets under-served rural areas of Jordan where poverty is more widespread. FINCA Jordan's staff is comprised of experienced and dedicated professionals, committed to building a sustainable microfinance program and providing long-term solutions to the needs of its clients.

UNRWA Microfinance Department:

The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was established by the United Nations General Assembly resolution 302 (IV) of the 8 December 1949 as a separate entity within the United Nations System to carry out direct relief and works programs for Palestine refugees. The Agency began operations on 1 May 1950. It operates in Jordan under a special agreement with the Government of Jordan. UNRWA Microfinance was established in Gaza in 1991 and introduced into the West Bank in 1996. It was extended into Jordan and Syria in 2003. It is headquartered in Jerusalem and is uniquely the only multinational MFI in the Middle East. The microfinance program currently operates as a special financially and institutionally autonomous department within UNRWA, operating on a sustainable and operationally self-sufficient basis, following microfinance best practice disclosure, audit, and social performance guidelines. Plans are currently underway to move the operation from UNRWA and to transform UNRWA Microfinance into an independent regional microfinance operation.

UNRWA Microfinance finances loans to both Palestine refugees and Jordanian citizens, providing loans to microenterprises, women's household income-generating activities, home improvement, and household asset-building, as well as education and healthcare. It is one of

the pioneers of social performance management in the MENA region, winning the gold category for MIX indicator reporting in 2009 and 2010 and the Platinum prize in 2011. Its microfinance outreach focuses on the poor and low-income clients, informal enterprises, women, and youth.

AlAmeen:

Al-Ameen Microfinance Co. is a Jordanian LLC that works on the financing of households for: consumers, education, and the financing of projects licensed, unlicensed, and household.

Al-Ameen (LLC) was established and registered officially as a company in the ministry of Industry and Trade on 20/12/2009 under the number 20417 for financing for small-scale projects for the development of the community.

The vision and mission of Al-Ameen are to assist low-income and poor producers to upgrade their level of living and society through their small and contribute to the payment of low-income people to set up other projects, thus limiting the problems of poverty and unemployment through the provision of sustainable financial services to serve that class.

Keep up with progress and development in Jordan and the Arab world through the microfinance sector by providing better financial services and non-financial excellence and sustainable

AL- Ameen provides financial services include credit products that serve licensed and household projects in all commercial, industrial and service sectors

There are also loans granted to mortgage vehicles and mortgage gold guarantees simple and easy and simple payments commensurate with the financial and social status of customers

The number of clients benefiting from the services of Al-Amin Company is more than 24,000 clients, 95% of whom are women, with a portfolio is exceeding 10 million

Al-Ameen is seeking to provide services in all regions of Jordan, specializes in the areas of poverty and the less fortunate in all governorates of the Kingdom, through the branches of the company's current, such as Amman, Zarqa, and Balqa.

Al-Namothajieh for Islamic Microfinance:

Al-Namothajieh for Islamic Microfinance Company was founded in 2013 as a non-profit organization owned by the Jordanian Hashemite Fund for Human Development that's specialized in financing and supporting small projects by providing them with financial products that conform to the Islamic Shari'a and the first loan was disbursed on April 16, 2016.

The organization's vision is to establish Microfinance on the domestic level to fight poverty and unemployment and to raise living standards for citizens by providing them with financial and non-financial services that conform to the Islamic Shari'a.

The services will include Financing the poor and unemployed class in poor areas.

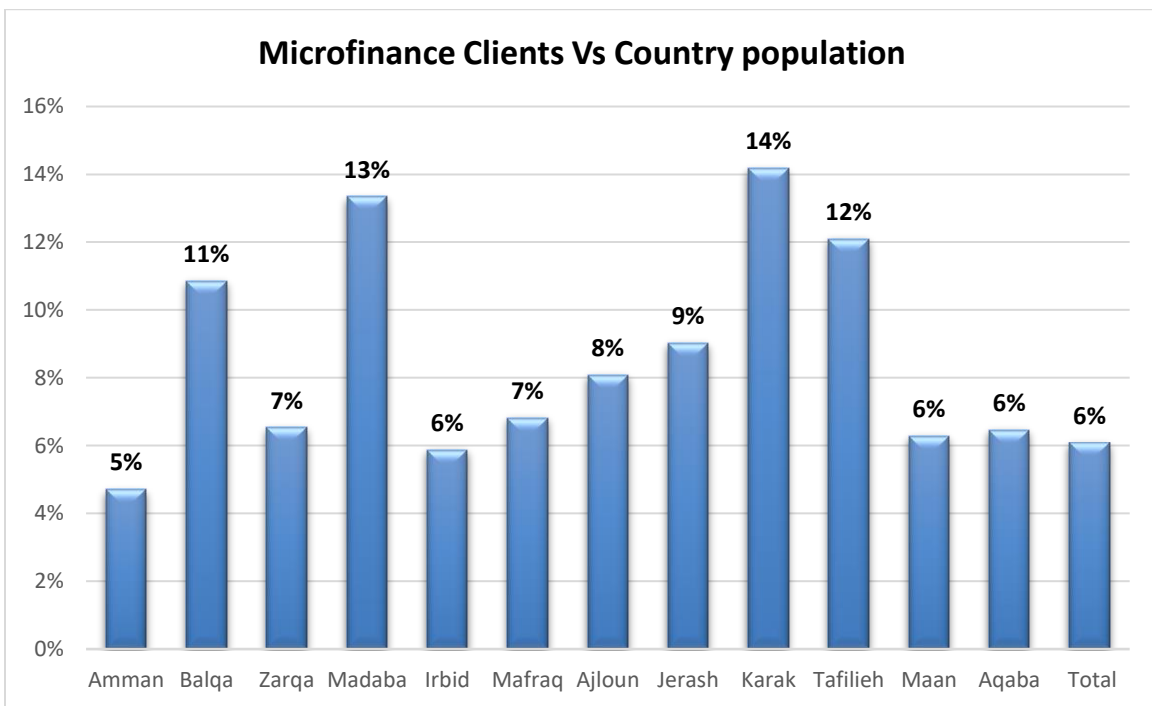
Establishing partnerships with domestic and regional organizations that are specialized in Islamic finance, to coordinate their efforts in developing Islamic financial products. Contributing to providing more jobs and building strategies to fight unemployment and poverty with the assistance of public & non-governmental foundations. Researching local society's needs, which include small projects, technical training for improving these projects, and assessing the needs of poor areas in a way that serves to accomplish the company's goals.

Executive Summary:

The performance for the Third Quarter of 2022:

The microfinance sector through the year of 2022 was able to serve around (6%) of the Kingdom’s population for the segment of **18 years old and above**; (14%) of the population of Karak, (13%) of the population of Madaba, and (11%) of the population of Balqa while in Amman only (5%) of the population were served.

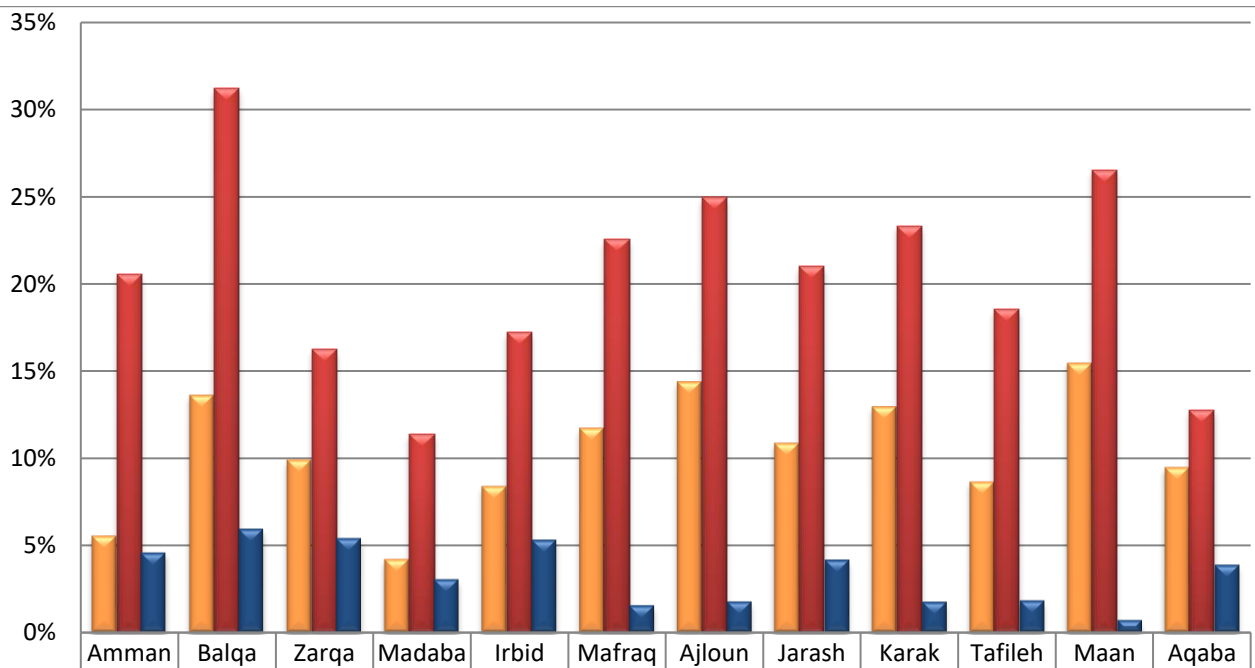
Where the total population of the above segment (more than 18 years old) reached as per the Department of Statistics (7.09) million.



Below is the performance of the Microfinance Institutions in Q3 2022 comparing to the same period of 2022, as follows:

- **The number of Active Borrowers:** increased by (9%) to reach (450,571).
- **The number of Active Loans:** increased by (8%) to reach (451,063).
- **Total Gross Loan Portfolio:** increased by (20%) reaching JD (314) million.

On the governorates level, (68%) of the industry outreach was focused outside Amman, with a positive growth rate of (9%) compared to Q3 2022. In terms of governorates' performance; and Balqa was leading with (31%) of portfolio growth, (14%) increase in the number of Active Borrowers and PAR >30 of (6%) followed by Maan with (27%) growth in the portfolio, (15%) increase in the number of Active Borrowers and PAR >30 of (1%) as per the graph below.

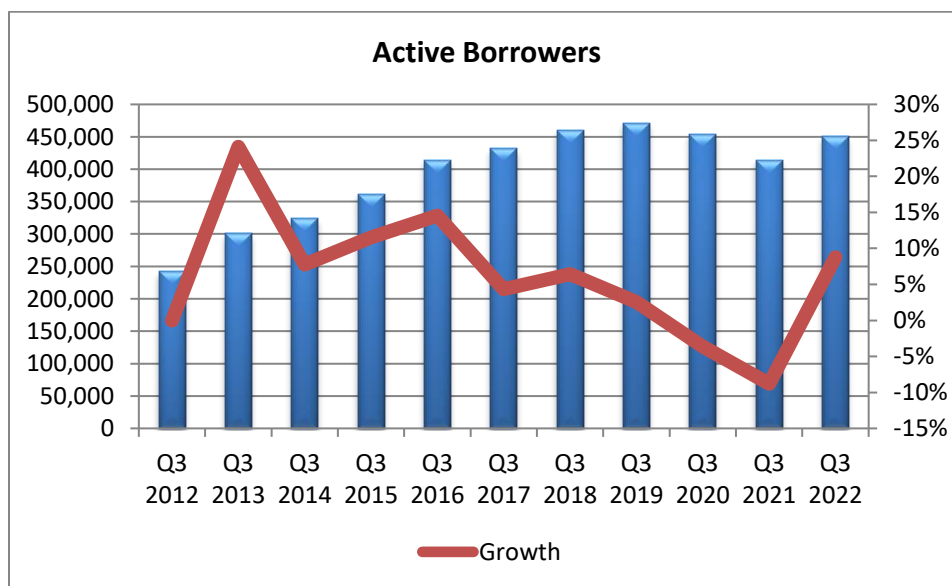


Outreach Indicators (Periodical Comparison):

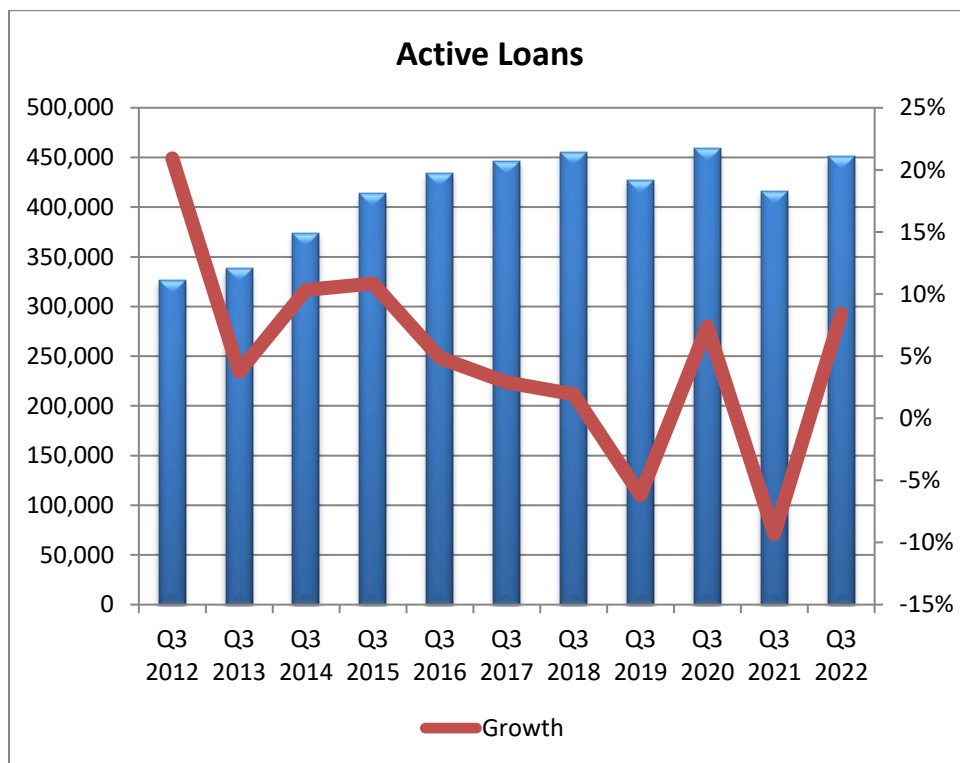
Active Borrowers and Active Loans:

According to the performance of the Active Borrowers and the related Active Loans for the period of Q3 2022, an average growth rate of (6%) for Active borrowers, and (5%) for the Active Loans for the past ten years was achieved per the table below.

Period Q3	Active Borrowers	Growth
Q3 2012	242,276	0%
Q3 2013	300,696	24%
Q3 2014	323,951	8%
Q3 2015	361,377	12%
Q3 2016	413,905	15%
Q3 2017	431,900	4%
Q3 2018	459,551	6%
Q3 2019	471,265	3%
Q3 2020	454,122	-4%
Q3 2021	414,146	-9%
Q3 2022	450,571	9%



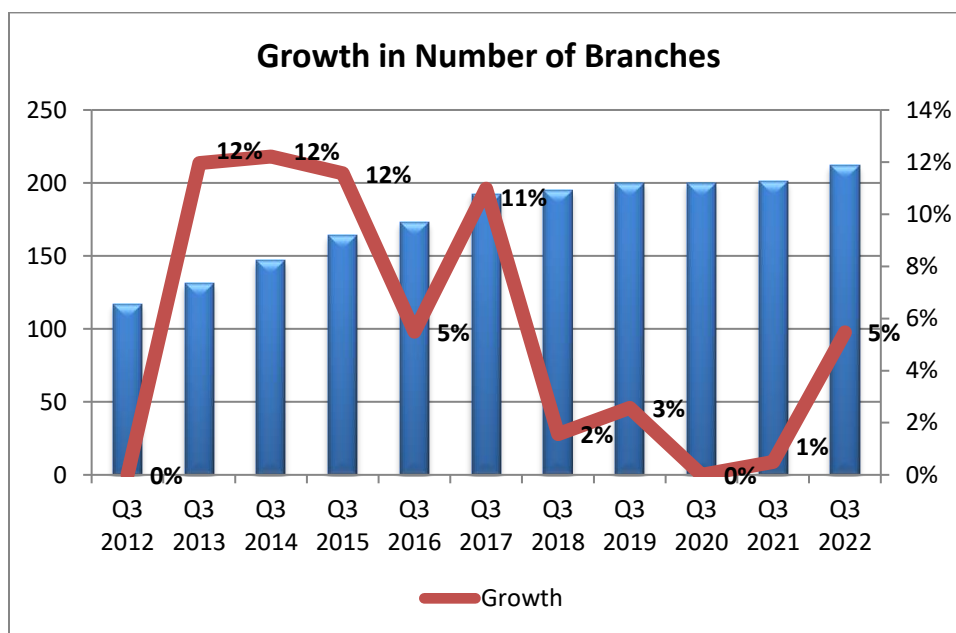
Period Q3	Active Loans	Growth
Q3 2012	326,254	21%
Q3 2013	338,438	4%
Q3 2014	373,398	10%
Q3 2015	413,905	11%
Q3 2016	434,119	5%
Q3 2017	446,665	3%
Q3 2018	455,292	2%
Q3 2019	427,141	-6%
Q3 2020	458,735	7%
Q3 2021	416,018	-9%
Q3 2022	451,063	8%



Branches:

According to the performance of the number of branches for the period of Q3 2022, an average growth rate of (6%) for the past ten years was achieved as per the table below.

Period Q3	Number of Branches	Growth
Q3 2012	117	0%
Q3 2013	131	12%
Q3 2014	147	12%
Q3 2015	164	12%
Q3 2016	173	5%
Q3 2017	192	11%
Q3 2018	195	2%
Q3 2019	200	3%
Q3 2020	200	0%
Q3 2021	201	1%
Q3 2022	212	5%



Disbursement Indicators Compared to 2021 (Periodical Q3):

Total Disbursed Loans (Borrower):

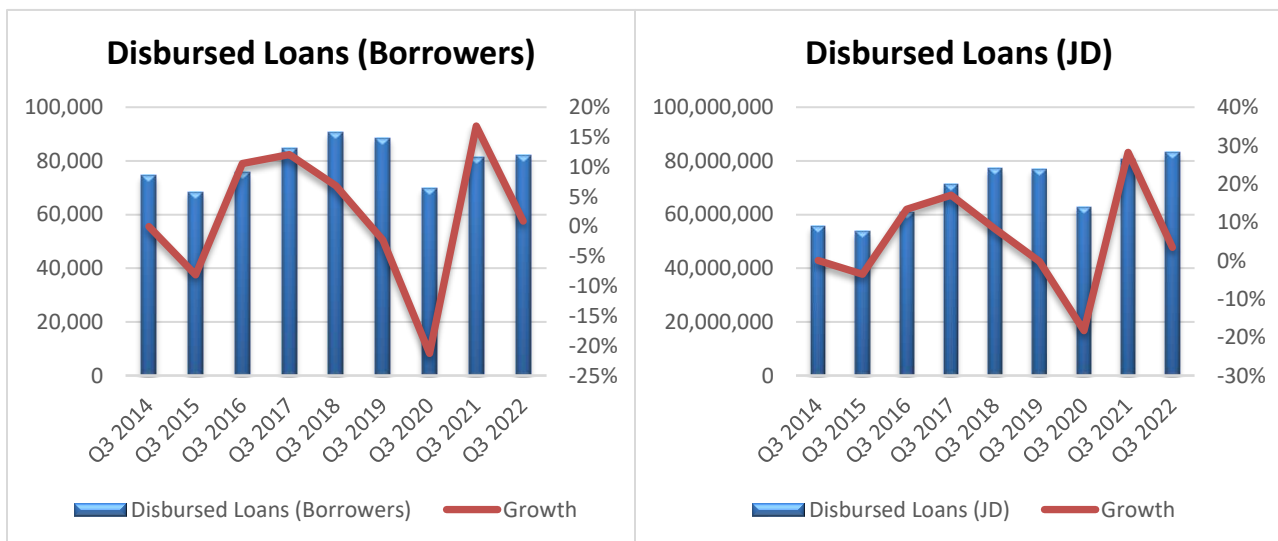
The total number of the Disbursed Loans (Borrower) increased in Q3 of 2022 by (27%) reaching (103,376) compared to the same quarter of 2021.

Number and Amount of Disbursed Loans:

The total number of the Disbursed Loans increased by (1%) in Q3 of 2022 reaching (82,265) compared to the same period of 2021, coupled with an increase of (3%) on the amount of the Disbursed Loans reaching JD (83) million.

Loans Disbursement Profile (Q3 2021 – Q3 2022):

Performance	Q3 2021	Q3 2022	Growth
Disbursed Loans (Borrowers)	81,439	82,171	1%
Number of Disbursed Loans	81,611	82,265	1%
Amount of Disbursed Loans JD Million	80,480,570	83,275,921	3%
Average Loan Disbursed	986	1,012	3%



E-Wallet:

During the third quarter of 2022, the total amount of the loans disbursed through the E-Wallet means has reached JD (43) million (42% of the total disbursed portfolio of Q3 2022), compared with the same period of 2021 in which reached JD (26) million (33% of the total disbursed portfolio of Q3 2022).

