



Industry Performance Report

Final

Q4 "2020"

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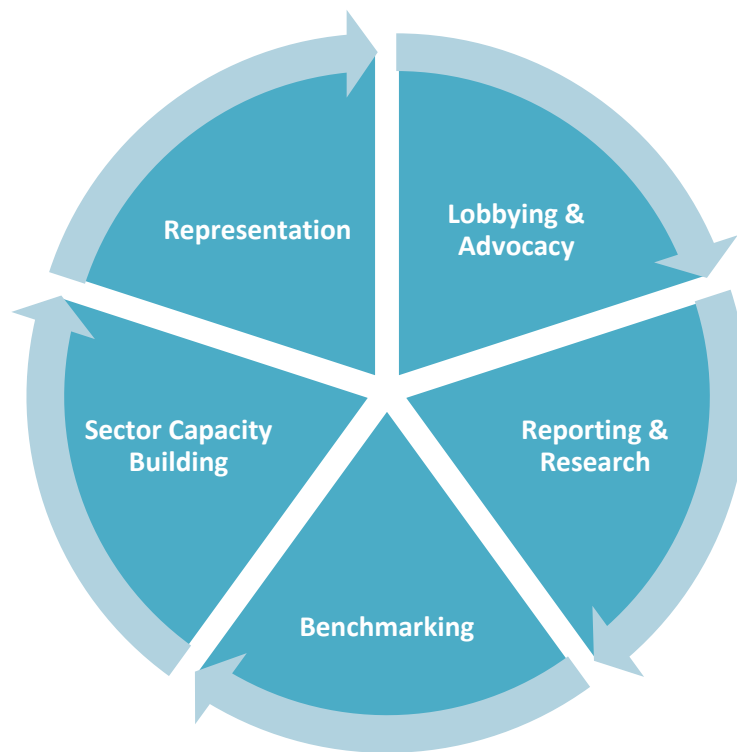
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About Tanmeyah:

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 rising on behalf of its members, promoting information and dissemination of 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)	Ethmar for Islamic Finance
National Microfinance Bank "Al Watani"	AlAmeen for Microfinance
Ahli Micro Finance Company	Al-Namothajieh for Islamic Microfinance



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 a period of 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 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 in values, but still 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 fulfill 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 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, in order to empower them economically and socially, by providing the assistance necessary for them to engage more productively in our society. MFW currently has around 146,000 beneficiaries, of whom 96% are women, and are served by over 750 employees spread over more than 61 branches across the Kingdom. Since inception, MFW has granted over one million and 240 thousand loans valued at more than 606 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 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 23-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, a Queen Noor – King Hussein Foundation institution, started with a JOD 30,000 grant, five employees, and 1 branch in 1999; with the purpose of elevating employment rates, foster socio-economic advancement and empower low-income individuals within Jordan.

Today Tamweelcom, and after many milestones is one of the most important microfinance institutions in the region. It has over 500 employees spread across a network of 36 physical branches and 2 mobile bus branches; the only microfinance institution to operate mobile branches in the Kingdom.

Tamweelcom caters to underserved income generating enterprises and financially excluded citizens through 3 business segments, which are the Retail segment, the Micro Enterprise segment, and the Small Enterprise segment. Moreover, this financing is supplemented with complementary products and services, such as credit life and hospitalization insurance, and conducted within the context of the microfinance Universal Standards for Social Performance Management, including client protection principles and high customer service levels.

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

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 which it operates, Tamweelcom conducts free medical days throughout the year and across the Kingdom. Similarly, and as part of supporting the sustainability and growth of home based and micro enterprises in Jordan, Tamweelcom conducts highly promoted bazaars throughout the year and throughout the Kingdom open to both Tamweelcom and non- Tamweelcom clients, whereby these micro enterprises are provided booth space at no charge.

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 Excellent social performance and responsible finance practices with (A-) Financial Rating and (A-) Social Rating from MFR (the worldwide micro finance 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.

In 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 Micro Finance 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 208 million JDs worth of loans with total number of 246,000 to micro and small local businesses through 26 branches throughout the Kingdom. As part of its ambitions on-going 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 and individual loans for licensed and unlicensed projects. The financing amount ranges from 250 JD to JD 10,000.

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 the male and female young entrepreneurs under 30 years of age aspiring to start and expand their own 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 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 Jordanians 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.

Ethmar for Islamic Finance:

Ethmar for Islamic Finance is a private share holding company established by King Al-Hussein Foundation (KHF) in 2015 to serve those who are financially excluded with Shari'a –compliant, innovative and flexible financial solutions. It helps individuals and small businesses owners to improve their living standards and empower them economically and socially to fight poverty and unemployment.

Ethmar for Islamic Finance is Jordan's first Shari'a-compliant finance company that adheres to innovation as an approach to design and develop its products to meet the needs of the underserved clients. The idea of Islamic Microfinance is based on the principle of sharing capital, work, effort and

risk in any business or investment project in accordance with the provisions of Islamic Shari'a Laws. Despite the spread of Islamic financial institutions throughout the region, the fact is that Jordan's potential demand for tailored Islamic finance products is still largely unmet – only the needs of 4% of clients who prefer Shari'a banking, have been met by institutions offering a mix of conventional and Shari'a-compliant products.

Our unique vision, mission and values capture the essence of who we are and how we interact with one another. In addition, it speaks to how we go to market and our commitment to delivering excellence to our clients, stakeholders, and the community.

AlAmeen:

Al-Ameen Microfinance Co. is a Jordanian LLC that works on financing of households for the purposes of: consumer, 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 the purposes of financing for small-scale projects for the development of the community,

Vision and mission of Al-Ameen is to assist low-income and poor producers to upgrade their level of living and social 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 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 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 the Microfinance on the domestic level to fight poverty and unemployment and to raise life standards for citizens by providing them with financial and non-financial services that conform to the Islamic Shari'a.

The services will include: Financing 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 provide more jobs and building strategies to fight unemployment and poverty with the assistance of public & non-governmental foundations. Doing research about 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 accomplishing the company's goals.

Executive Summary:

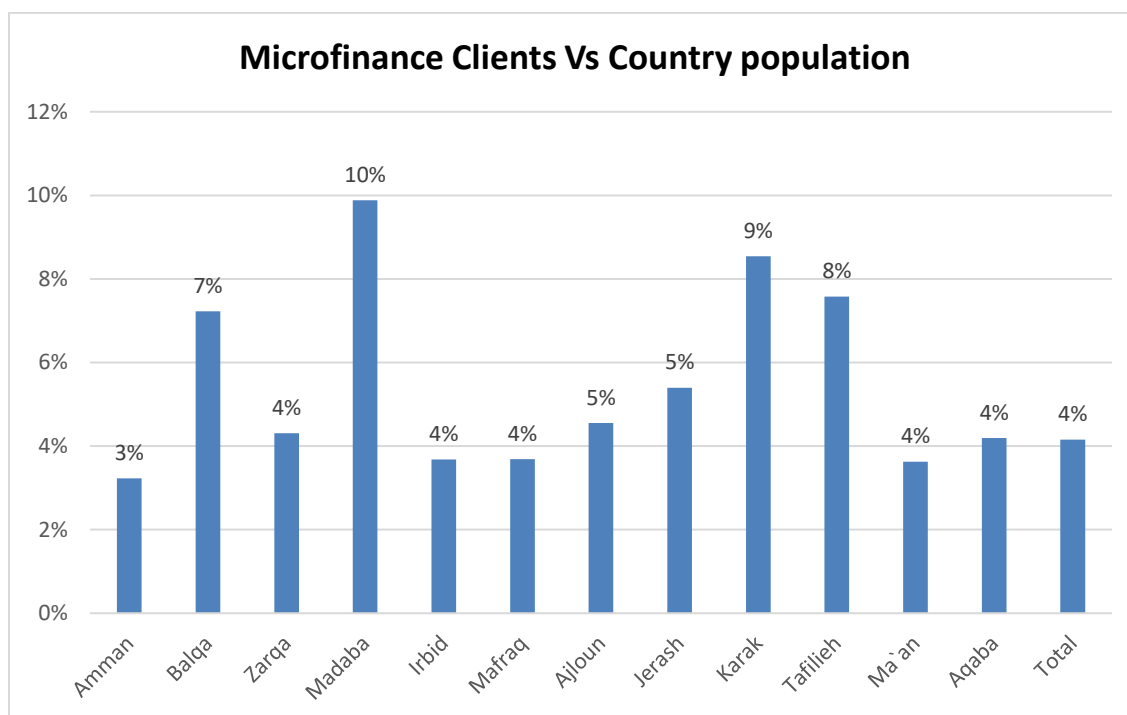
New categories added to Tanmeyah Report (Restructured Portfolio and Postponed Installments)

During this quarter of 2020, new categories were added to the performance report to reflect the portfolio that has been restructured and the installments that have been postponed, which highlights the following:

- The total volume of the restructured Portfolio was JD Million (6.5) (2.6% of the outstanding portfolio of Q4 2020).
- The postponed installments for Q4 2020 reached JD Million (5.2) (2.1% of the outstanding portfolio of Q4 2020).
- The total postponed installments for the Months of March, April, and May reached JD Million (44.6).

The performance for the Fourth Quarter of 2020:

The MFIs were able to serve around (4%) of the Kingdome’s population (10.6 M); (10%) of the population of Madaba, (9%) of the population of Karak, and (8%) of the population of Tafelah were in Amman only (3%) of the population served.



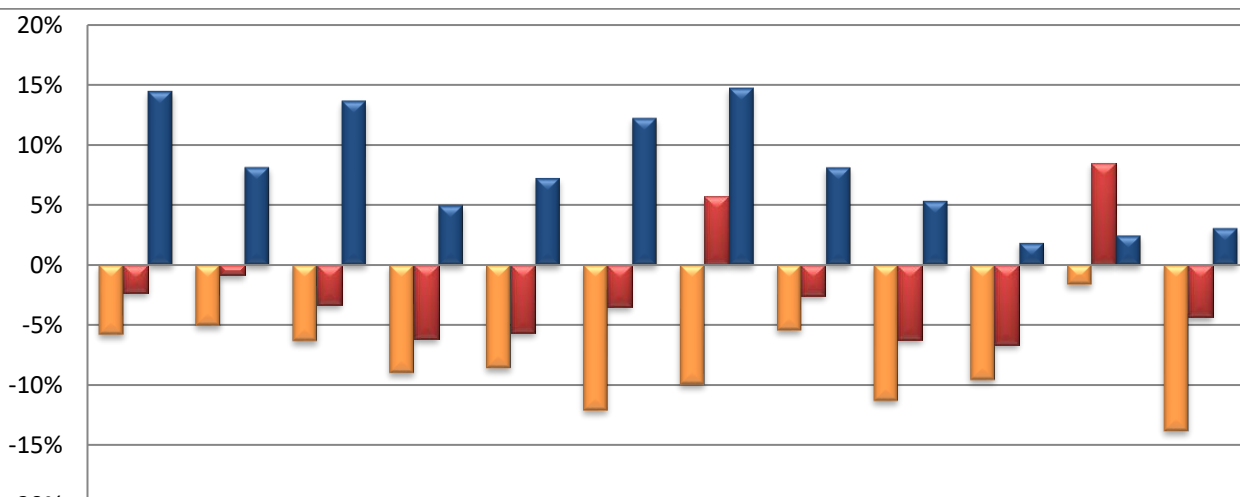
For the performance in Q4 2020, the microfinance industry continues to grow compared to the same period of 2019 as follows:

Number of Active Borrowers: decreased by (7%) to reach (440,650).

Number of Active Loans: decreased by (7%) to reach (411,802).

Total Gross Loan Portfolio: decreased by (3%) reaching JD (252) million.

On the governorates level, (67%) of the industry outreach was focused outside Amman, with a negative growth rate of (7%) compared to Q4 2019. In terms of governorates' performance; Maan was leading with (9%) of portfolio growth, (2%) decrease in the number of Active Borrowers and PAR >30 of (2%) followed by Ajloun with (6%) growth in the portfolio, (10%) decrease in the number of Active Borrowers and PAR >30 of (15%) as per the graph below.

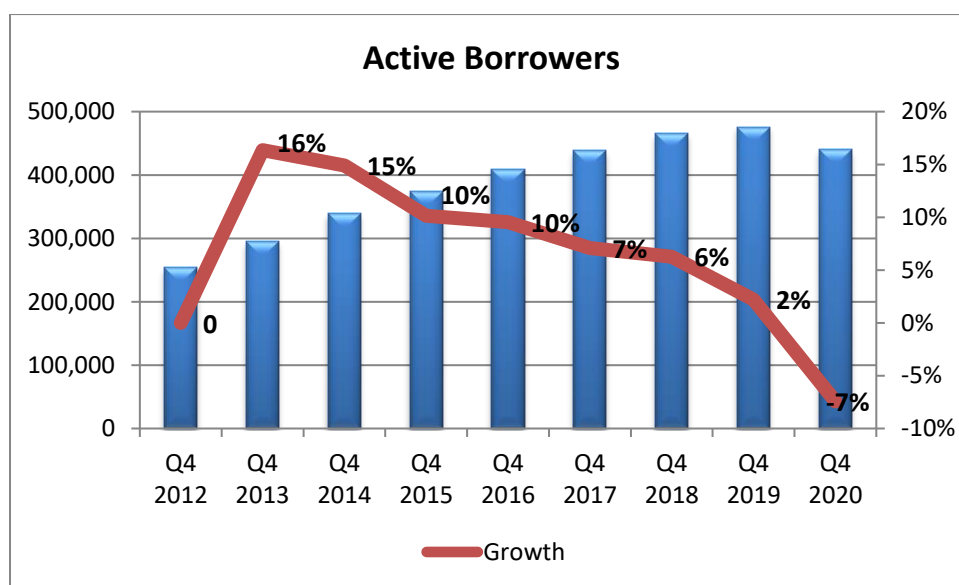


	Amman	Balqa	Zarqa	Madaba	Irbid	Mafraq	Ajloun	Jarash	Karak	Tafileh	Maan	Aqaba
Growth of Active Borrowers	-6%	-5%	-6%	-9%	-9%	-12%	-10%	-5%	-11%	-10%	-2%	-14%
Growth of Gross Loan Portfolio	-2%	-0.9%	-3%	-6%	-6%	-3%	6%	-3%	-6%	-7%	9%	-4%
Q4 2020 PAR > 30	14%	8%	14%	5%	7%	12%	15%	8%	5%	2%	2%	3%

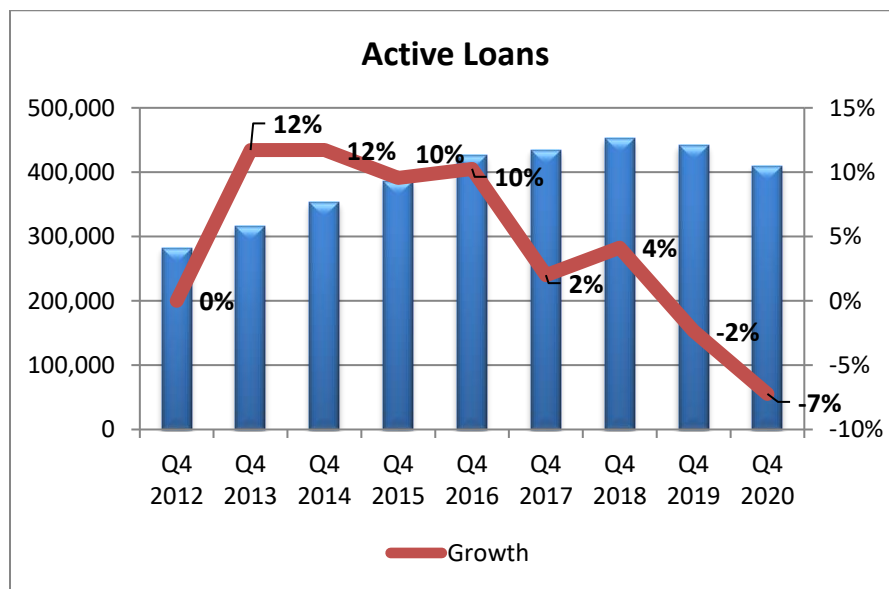
Outreach Indicators (Periodical Comparison):

According to the performance of the Active Borrowers and the related Active Loans for the period of Q4 2020, an average growth rate of (7%) for Active borrowers, and (4%) for the Active Loans for the past eight years was achieved, although the Active Borrowers and the Active Loans decreased by 7% as per the table below.

Period Q4	Active Borrowers	Growth
Q4 2012	253,700	0
Q4 2013	295,187	16%
Q4 2014	339,205	15%
Q4 2015	373,656	10%
Q4 2016	409,313	10%
Q4 2017	438,279	7%
Q4 2018	465,717	6%
Q4 2019	476,031	2%
Q4 2020	440,650	-7%

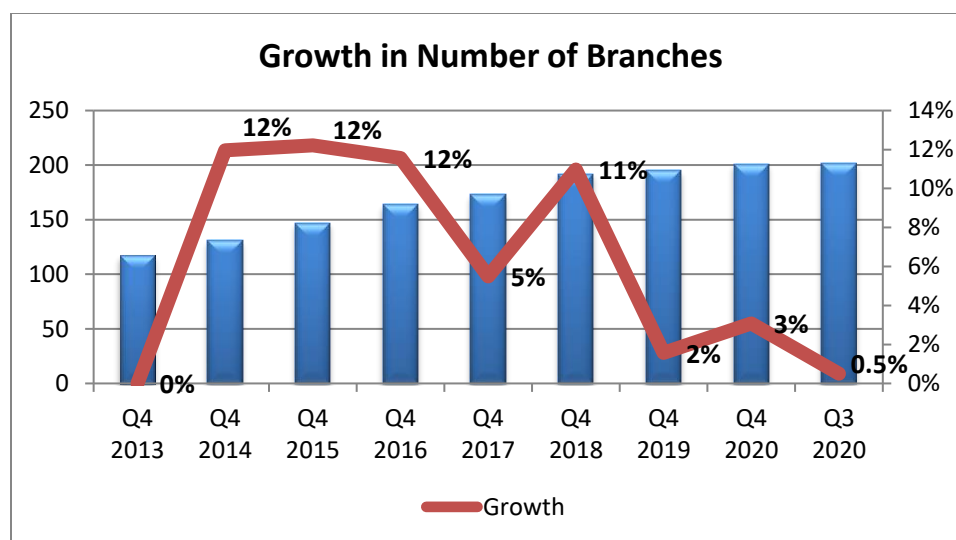


Period Q4	Active Loans	Growth
Q4 2012	282,318	0%
Q4 2013	315,396	12%
Q4 2014	352,367	12%
Q4 2015	386,070	10%
Q4 2016	425,679	10%
Q4 2017	434,175	2%
Q4 2018	452,144	4%
Q4 2019	444,282	-2%
Q4 2020	411,802	-7%



According to the performance of the number of branches for the period of Q4 2020, an average growth rate of (6%) for the past eight years was achieved as per the table below.

Period Q4	Number of Branches	Growth
Q4 2012	117	0%
Q4 2013	131	12%
Q4 2014	147	12%
Q4 2015	164	12%
Q4 2016	173	5%
Q4 2017	192	11%
Q4 2018	195	2%
Q4 2019	201	3%
Q4 2020	202	0.5%



Disbursement Indicators Compared to 2019 (annual):

- **Disbursed Loans (Borrowers):**

Disbursed Loans (Borrowers) decreased by (37%) reaching (255,508) Active Borrower.

- **Number of Disbursed Loans:**

Number of Disbursed Loans decreased by (36%) reaching (239,338) Active Loans.

- **Amount of Disbursed Loans JD Million:**

The Amount of Disbursed Loans **JD Million** decreased by (33%) reaching JD (232.6) million.

- **Average Loan Disbursed:**

Average Loan Disbursed increased by (5%) reaching JD (972).

Comparison Table 2019 - 2020:

Performance	2019	2020	Growth
Disbursed Loans (Borrowers)	405,707	255,508	-37%
Number of Disbursed Loans	376,760	239,338	-36%
Amount of Disbursed Loans JD Million	347,593,295	232,684,005	-33%
Average Loan Disbursed	923	972	5%

Disbursement Indicators Compared to 2019 (Periodical Q4):

Total Disbursed Loans (Borrower):

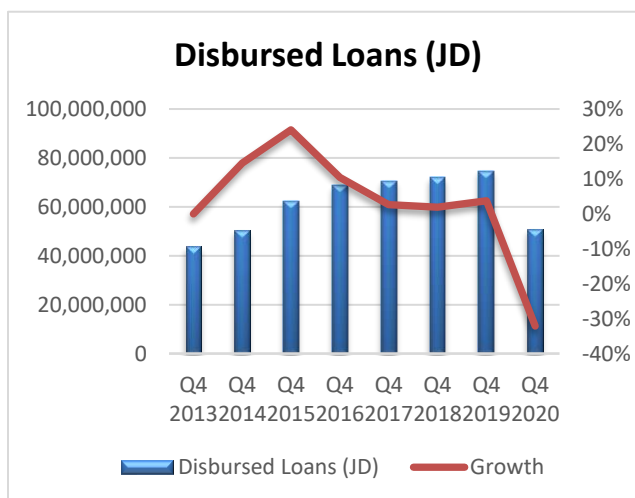
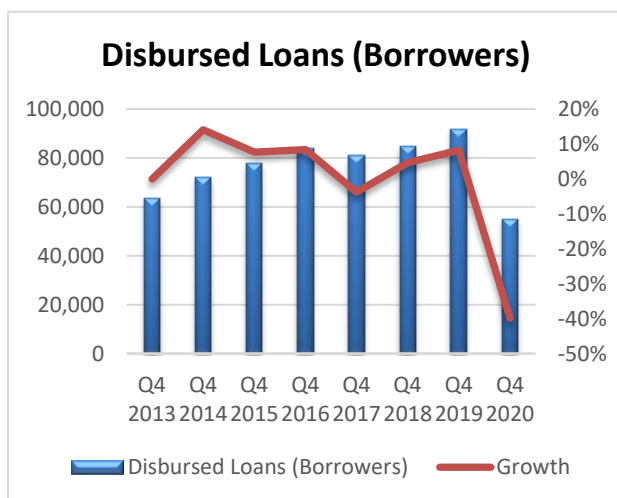
Total Disbursed Loans decreased in Q4 of 2020 by (40%) reaching (55,127) compared to the same quarter of 2019.

Number and Amount of Disbursed Loans:

The total number of Disbursed Loans decreased by (40%) in Q4 of 2020 reaching (51,055) compared to the same period of 2019, coupled with a decrease of (33%) on the amount of Disbursed Loans reaching JD (50.7) million.

Loans Disbursement Profile (Q4 2019 – Q4 2020):

Performance	Q4 2019	Q4 2020	Growth
Disbursed Loans (Borrowers)	91,760	55,127	-40%
Number of Disbursed Loans	84,934	51,055	-40%
Amount of Disbursed Loans JD Million	75,164,749	50,705,829	-33%
Average Loan Disbursed	885	993	12%



E-Wallet:

During the fourth quarter of 2020, the total amount of the loans disbursed through the E-Wallet means has reached JD million (9.5) (19% of the total disbursed portfolio of Q4 2020) compared with the same period of 2019 in which reached JD million (1) (1% of the total disbursed portfolio of Q4 2019).

Governorates Profile:

Governorates Analysis:

Generally, the microfinance institutions are giving more priority towards the Governorates, rural areas, and the poverty pockets inside and outside Amman. The objective is to offer a more focused outreach to enhance development in the kingdom, by providing better services to the targeted segments that include; productive and low-income people and micro and small enterprises (MSEs).

The latest updated statistics of the microfinance operations shows that more than 67% of the total industry's operations and infrastructure are located outside of Amman in terms of borrowers, branches, and portfolio investments.

Amman Vs. Other Governorates:

The majority of progress achieved by the microfinance industry was mainly outside the borders of Amman as outlined below:

Performance	Amman	Outside Amman	Total
Active Borrowers	144,316	296,334	440,650
%	33%	67%	100%
Active Loans	134,837	276,965	411,802
%	33%	67%	100%
Total Gross Loan Portfolio (GLP) JD	97,349,613	154,795,332	252,144,945
%	39%	61%	100%
Number of Branches	65	137	202
%	32%	68%	100%