

## The General Director of the MSA speech

During 2017, the microfinance sector experienced the same growth dynamic that accompanied it for more than three years. In fact:

- The microcredits granted by MFIs increased by more than **36%** in 2017, reaching the sum of **923 million TND** against **676 million TND** in 2016.
- **88.4%** microcredits were allocated by the MFIs LTD, against only **11.6%** by the MCA MFIs despite the spectacular growth rate they recorded compared to the year 2016.
- **73%** of the outstanding debt of microcredits is held by the MFI LTD against **27%** for the MCA
- The number of MFIs active customers increased to **349 409** against **308 709** last year. That of the MCA has not yet been estimated since the verification of this number is in progress at the time of writing of this second issue of our barometer. It is recalled that the last available number of active customers of MCA was estimated on September 30, 2017 up to **106 559 customers**.
- The PAR 30 of the MFIs LTD stood at **0.84%** on December 31, 2017 against **1.17%** on December 31, 2016
- The rate of cancelled debt of the MFIs LTD increased from **1.05%** at the end of 2016 to **1.22%** at the end of December 2017.

Moreover, on January 10, 2018 an order of the Minister of Finance was enacted and extended to December 31, 2019 the time allowed to the MCA to comply with the provisions of Decree-Law 2011-117 of November 5, 2011 on the organization of the activity of microfinance institutions.

## Microfinance sector in Tunisia

In accordance with the provisions of:  
Decree-Law No. 2011-117 of November 5, 2011

### 8 Approved MFIs

2011, amended by Law No. 2014-46 of July 24, 2014

### 6 MFI-LTD Public Limited Company form

ENDTA Tamweel | Taysir  
Microfinance / Microcred  
Tunisia | ADVANS Tunisia | CFE  
Tunisia | ZITOUNA Tamkeen

➔ 125 agencies

### 2 MFI-MCA association form

ASAD Tamweel | AKDI

➔ 6 Agencies

### 287 Microcredit

the Law N° 99-67 of July 15, 1999 related to the microcredit granted by the associations

### Associations (MCA)

of which **191 MCA active**, having benefited during 2017 from BTS funding. These MCAs are required to comply with the provisions of Decree-Law No. 2011-117 of November 5, 2011, as amended by Law No. 2014-46 of July 24, 2014.

## The sector Key indicators :

On December 31, 2017: **349409 active customers with MFIs LTD for a portfolio of 591.4 million TND**

In 2017, the number of active customers of MFIs LTD and their outstanding debts increased respectively by **13%** and **41%**. The average amount of outstanding per active customer without duplicates of the MFIs LTD recorded a significant increase of **25%** between the year 2016 and 2017 from **1 359TND** to **1 693 TND**.

The microfinance sector experienced a sustained growth over the period 2015-2017, with a growth of **12%** in number of microcredits and **31.2%** in amount. According to the BTS during the year 2017, the MFIs-MCA disbursed 107 Million TND to reach a growth rate of **68.2%** over the last four years against a total disbursement of 816 Million TND and 31.3% for the MFIs LTD on the same period.

The outstanding of the microcredits granted by MFIs LTD and MCA increased from 487 million TND on December 31, 2015 to 810.1 million TND on December 31, 2017, recording an average annual growth rate during the period 2015-2017 of about 29%.

The share of men in the total value of micro-credit has increased from 43% in 2015 to 49.7% in 2017. At the end of 2017, approximately 459 million TND or 178,338 credits were allocated to men operating in all sectors. On the other hand, women benefited from 464.5 million TND that is 234 451 credits, which represents 56.8% of the total number of granted microcredits. In addition, the average microcredits of female beneficiaries stood at 1981 TND on 31-12-2017, and it remained below that of men, which amounted to 2571 TND.

The average microcredit amount of the sector recorded an average growth rate of 17.3%, rising from 1626 TND to 2236 TND between 2015 and 2017. On December, 31 2017, the average amounts of microcredit allocated to income-generating activities and improvement of living conditions were respectively up to 2534 TND and 1059 TND.

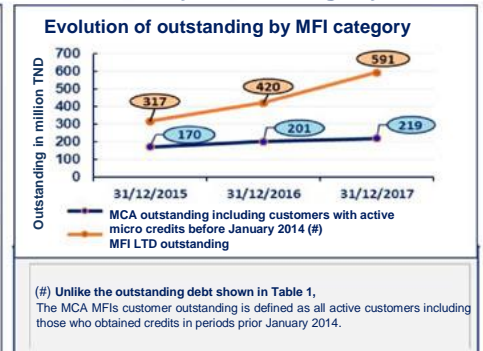
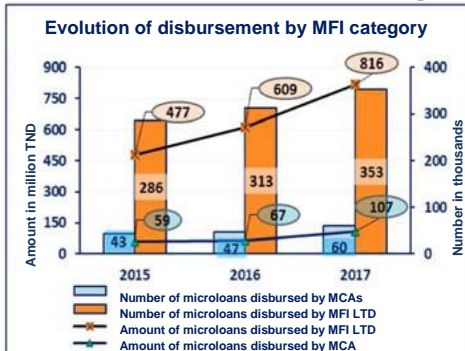
## The microfinance sector active population

Microfinance Sector (Table No. 1)	31/12/2016 (***)	30/09/2017	%	31/12/2017 (In TND)	%
Active customers of MFI-LTD	308 709	333 549	80%	349 409	ND
Active customers of MFI-MCA (*)	88 266	106 559	23%	ND	ND
MFI cross customers (LTD-MCA)	-13 395	-16 274	-3%	ND	ND
Total number of active customers	383 584	423 834	100%	ND	ND
Outstanding MFI-LTD (***)	419 675 543	523 726 784	83%	591 412 711	ND
Outstanding MFI-MCA (**)	ND	109 193 181	17%	ND	ND
Total outstanding (in TND)	ND	632 919 965	100%	ND	ND
Average outstanding amount / customer	ND	1 493		ND	

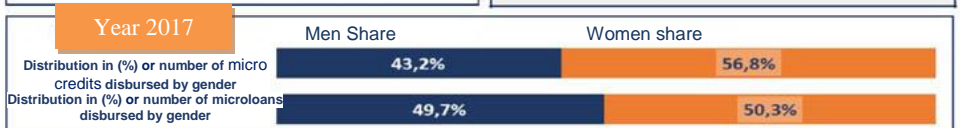
Notes to Table No. 1:

- (\*) The number of active customers of MCA-MFI does not include customers who obtained credits in a period prior to January 2014 and who have not yet paid off all of their outstanding debt. The information about these customers is not available at the time.
- (\*\*) Outstanding MCA-MFI is not available for the years 2016 and 2017.
- (\*\*\*) After adjustment in February 2018 of MFI outstanding on December 31, 2016

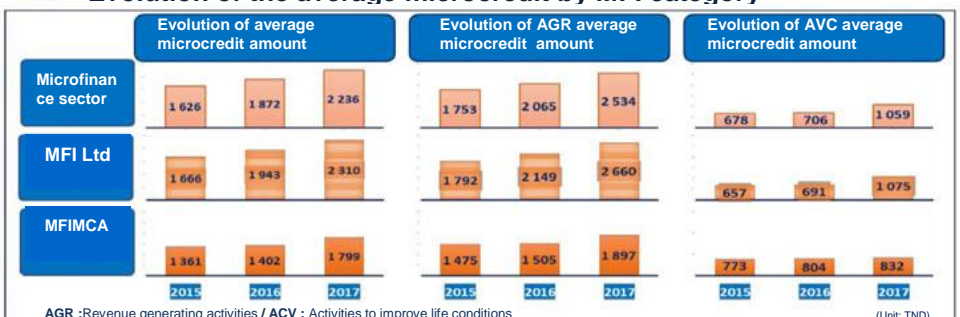
## Evolution of outstanding disbursement by MFI category



(#) Unlike the outstanding debt shown in Table 1, The MCA MFIs customer outstanding is defined as all active customers including those who obtained credits in periods prior January 2014.



## Evolution of the average microcredit by MFI category



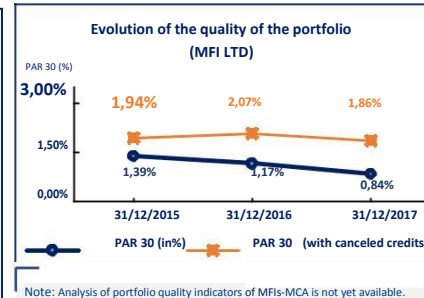
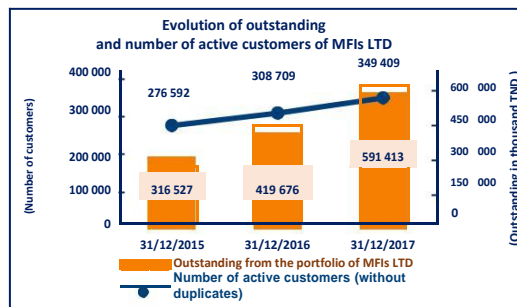
AGR :Revenue generating activities / AVC : Activities to improve life conditions

(Unit: TND)

## Evolution of the outstanding of MFI LTD risk portfolio

The establishment of new MFIs-LTD since 2014 contributed to the development of the sector. However, this remains very concentrated, in fact, Enda-Tamweel represents alone 94,3 % of the MFIs LTD active customers and 75,2% of the sector on December 31, 2017.

The PAR 30 stood at 0.84% on December 31, 2017 against 1.17% and 1.39% respectively for the years 2016 and 2015. PAR 30 total (with inclusion of cancelled credits) is maintained stable around 2% approx.

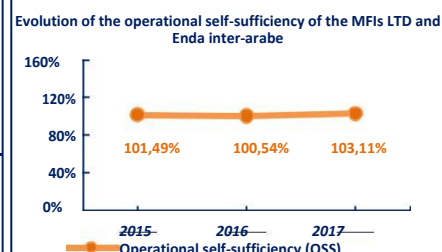
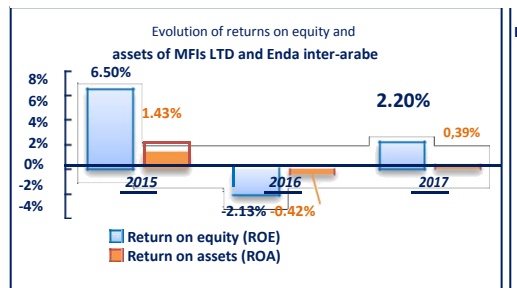


In 2017, the profitability of the equity of all MFIs LTD had a clear improvement compared to the year 2016 from -2.13% to 2.2%. In fact, four MFIs LTD have recorded a negative ROE and ROA during the year 2017 because of their young age.

In 2017, operational self-sufficiency improved by approximately 3% compared to the year 2016, it went from 100.54% to 103.11%. It is

worth noting that the five young MFIs LTD recorded a rate below 100%.

## Evolution of the financial indicators of MFIs LTD



## Microfinance Risk Central (MRC)

On February 23, 2018 the provisional acceptance of 3 batches of the Microfinance Risk Central was noted. With this third batch, the MFIs obtained rights of access to new reports relating in particular to the follow-ups of the declarations, the consultations and their portfolios. New fields have been added to the contract such as the number of existing jobs and the one to be created while the field dedicated to the beneficiary's level of study has been made mandatory. A regular monitoring of a financial inclusion indicator will now be ensured through the publication of the number of individuals who have been granted a credit over a given period as the first credit in their life by an MFI. In addition, a significant improvement in the history attached to each credit was ensured by the addition of relevant information such as the number of incidents, the amount and the number of late days.

The consultation report was enriched by the introduction of new customer information relating to the number and amount of unpaid claims and the bank risk class for indebted borrowers to banks. A table of commitments to MCAs has been planned and will be made available as soon as MCA data is uploaded to MRC.

In addition, to facilitate the automated collection of MFI management data, a new reporting flow towards MSA has been created and a new functionality has been made available to MFIs which can upload their management data (Financial Statements, Credit Portfolio Decomposition Reports and other reports) directly via the Data exchange system (SED) of the BCT.

## Key indicators on December 31, 2017

MRC indicators	Consultation	Declared
Sum on 31/12/2017	1 559 446	925 351
Average quarter 2017	235 392	89 482
Last quarter 2017	285 304	97 616

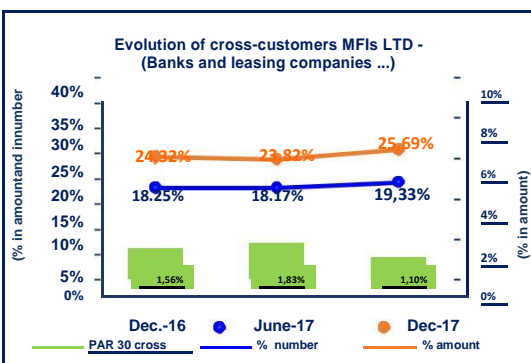
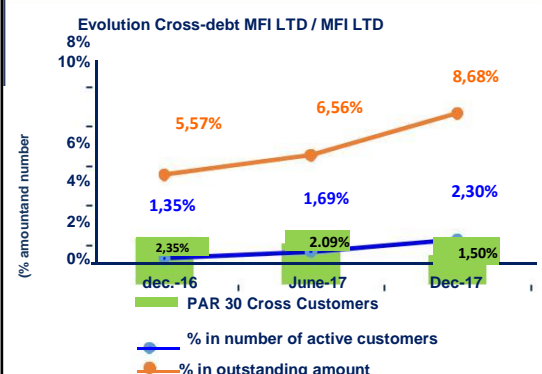
## ANALYSIS OF THE CROSS DEBT OF MFI CUSTOMERS

A generally controlled evolution, but attention is necessary.

On December 31, 2017; 67,558 customers (without duplicates) have more than one credit from more than one institution (MFI LTD - Banks and Leasing companies ...), that is 19,33 % of customers of MFIs LTD.

### FOCUS ON CROSS CUSTOMERS OF MFIs-LTD

The number of cross customers MFI LTD - MFI LTD moved from 4167 customer to 8036 customer respectively during 2016 and 2017. On December 31, 2017, the number of cross customers between MFI LTD represents 2.30% of the total customer active number MFIs LTD and has 8.68 of the MFI LTD outstanding. The PAR30 of cross customers stood at 1.50% on 31-12-2017 against 2.35% on 31-12-2016. The average outstanding debt per cross-customer MFI LTD - MFI LTD, amounted to 6 386 TND in December 2017 against 5 614 TND in December 2016 with an increase of 13,75%.



### FOCUS ON CROSS CUSTOMERS MFI LTD - (Banks and Companies of leasing ...)

19.33% of MFI-LTD customers are crossed with banks and leasing companies ... These customers hold 25.69% of ongoing MFIs LTD. This significant percentage is relatively stable over the last twelve months and does not currently appear to have risks. On the other hand, the ongoing amount of these customers with banks and leasing companies is 6 times the value of their ongoing with MFIs LTD at the end of 2017 whereas it was 7 times a year ago. The quality of the cross-customers portfolio has indeed improved with a PAR 30 of 1.1% at the end of 2017 against 1.56% on December 31, 2016.