

## The General Director of the MSA speech

In this fourth issue of the microfinance barometer, we continue to focus exclusively on the data of the MFIs. The establishment of a process for periodic reporting of MCA data to the Microfinance Risk Central (MRC) in cooperation with the BTS, has begun but not yet finalized. The objective is to continuously share with the entire financial sector (MFI, Banks, leasing companies ...) via MRC regularly updated data on MSA customers on the one hand, and to have a consolidation system periodic data of the MFIs on the other hand.

As announced in the previous issue of the microfinance barometer, the MSA published on June 26, 2018 its note n° 22 concerning the implementation conditions of the provisions of article 1 of the order of the Minister of Finance of the January 18, 2012, relating to the setting of the maximum amount of microcredit and the conditions of its granting by MFIs in associative form, as amended by the order of the Minister of Finance of April 13, 2018. This note is specifically aimed at clarifying:

- The preconditions that must be met by an MFI to obtain an agreement from the MSA to grant microfinance of an amount exceeding 20 000 TND without exceeding 40 000 TND and a maximum duration of 7 years,
- The conditions to be satisfied by an MFI after obtaining an agreement from the MSA to grant microfinance of an amount exceeding 20 000 TND without exceeding 40 000 TND and a maximum duration of 7 years,
- The conditions for withdrawal of the agreement,
- The documents to be provided in the application for agreement,
- The content of the business plan requested,
- The principles governing the preparation of an application for agreement.

## The sector key data :

**On June 30, 2018: 373 644 active customers with MFIs LTD for a portfolio of 700 million TND**

Between June 2017 and June 2018, the number of MFILTD active customer sand their outstanding increased by 14.1% and 39.1% respectively. The average amount of outstanding per active customer of the MFIs SA increased by 22% during the same period, from 1537TND to 1874TND.

During the first half of 2018, the number of micro credits granted by the MFIs LTD amounted to 181 thousand for a total amount of 493 million TND against 160 thousand micro credits and for a total amount of 377 million TND during the first half of 2016.

The number of active credits of the MFIs LTD has gone from 307 thousand credits on June 30, 2016 to 403 thousand on June 30, 2018 recording an average annual growth rate about 14.6% during this period.

The share of women in the overall amount of disbursed microcredits continued to decline to become for the first time at the end of January 2018, less than 50% settling at that date to 48% against 52% for Men. Despite a slight improvement recorded in the favor of women on June 30, 2018 the share of these in the total amount of microcredits granted remained below that of men and did not exceed 49%.

The share of men in the total value of microcredits increased from 47% in the first half of 2017 to 51% in the same period of 2018. Indeed, until the end of March 2018, approximately 249.7million TND corresponding to 76,8 thousand credits were allocated to men operating in all sectors. On the other hand, women benefited from 243 million TND, representing 104.5 thousand credits representing 57.6% of the total number of granted micro credits. The average microcredit for female beneficiaries thus stood at 2326 TND on June 30, 2018, and it remained well below that of men, which amounted to 3253 TND.

The average microcredit amount of MFIs LTD recorded an average growth rate of 16.6%, amounting to 2719 TND as of June 30th of 2018 compared to 2001 TND two years earlier and 2357 TND as of June 30 of the past year. At the end of the first half of the current year, the average amounts of micro-credits allocated to income-generating activities and improved living conditions amounted respectively to 2927 TND and 1610 TND

## MFI Ltd active customers

Micro finance sector	31-12-16	30-06-17	31-12-17	30-06-18	Growth rate	
	Value	Value	Value	Value	2017 2016	H2-18 H2-17
MFI Ltd active customers	308709	327389	349409	373644	13,18%	14,13%
MFI Ltd outstanding (Thousand TND)	419676	503141	591413	700030	40,92%	39,13%
Average outstanding/customer (TND)	1359	1537	1693	1874	25,5%	21,91%

## Microfinance sector in Tunisia

**8 approved MFI**

Decree-law No. 2011-117 of 5-11-2011, as amended by Law No. 2014-46 of July 24, 2014

**6 MFI-LTD Public Limited Company form**

ENDATamweel / TaysirMicrofinance/ Microcrea Tunisie / ADVANS Tunisie / CFE Tunisie / ZITOUNATamkeen ➡ **140 agencies**

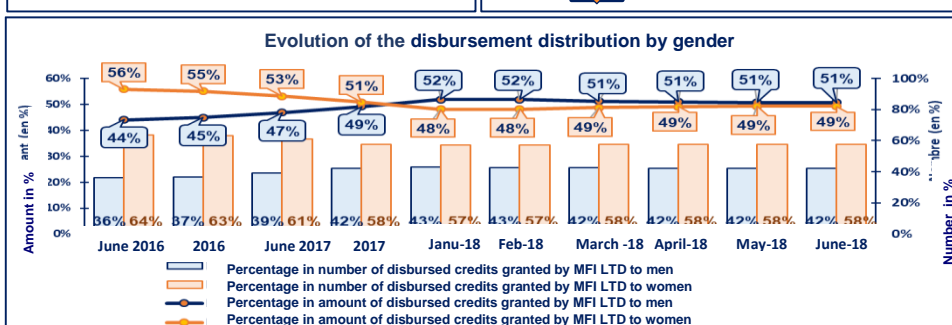
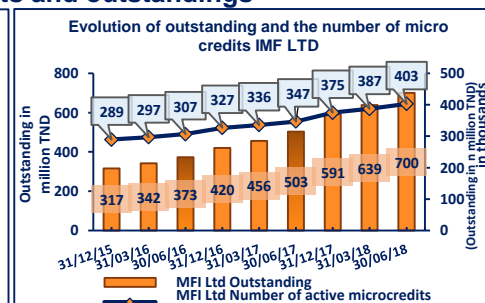
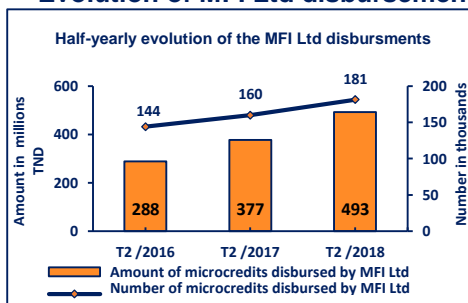
Law N° 99-67 of July 15 1999 related to microloans granted by associations

ASAD Tamweel / AKDI ➡ **6 agencies**

## 287 Microcredit Associations (MCA)

According to the latest MCA database provided by the BTS to the MSA on September 5, 2018, except for ASAD Tamweel and the AKDI, 193 other MCAs are active and among them only 130 have granted micro-credits since January 02, 2018 to the 02 July 2018. These MCAs are required to comply with the provisions of Legislative Decree No. 2011-117 of November 5, 2011, as amended by Law No. 2014-46 of July 24, 2014.

## Evolution of MFI Ltd disbursements and outstandings



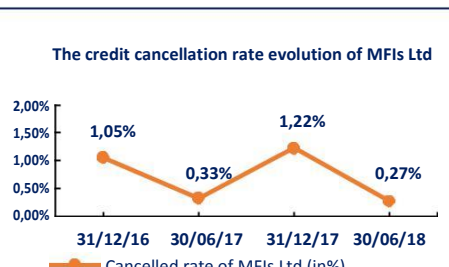
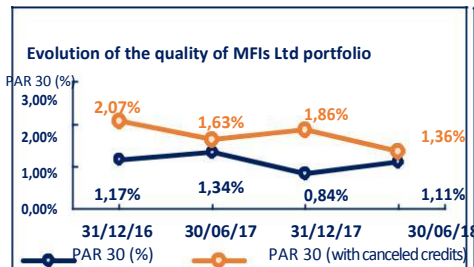
## Evolution of MFI Ltd average microcredit

Period	Microcredit average	Microloan average AGR	Microcredit average AVC	Microcredit average men	Microcredit average women
T2-2018	2 719	2 927	1 610	3 253	2 326
2017	2 310	2 660	1 075	2 689	2 033
T2-2017	2 357	2 487	1 484	2 827	2 056
2016	1 943	2 149	691	2 380	1 691
T2-2016	2 001	2 029	1 174	2 430	1 756

## Evolution of MFIs Ltd quality portfolio with risk and cancellation rate

The PAR 30 of the MFIs Ltd was 1.11% on June 30, 2018 vs. 1.30% a year ago. the PAR 30 with the inclusion of cancelled credits amounted to 1.36% on June 30, 2018 compared to 1.63% and 1.86% respectively for June and December 2017.

The rate of cancelled credits by the MFIs Ltd was at 0.27% on June 30, 2018 of their average gross portfolio compared with 0.33% twelve months earlier.



## Microfinance Risk Central (MRC)

The implementation of the third batch of MRC works well. In fact, the information of the three new fields created in the current "microfinance contract": activity address, agency code and level of study, has been made systematic by all MFIs. The information of the other two new, temporarily optional fields: number of existing jobs and number of jobs to be created, was started by the majority of MFIs. Information from the latter two fields will be made mandatory in the near future and MFIs have all been urged to raise their agents' awareness of the need to take care to collect information on existing jobs and to create and ensure their reliability. Declaring of the reporting flow via the BCT's Data Exchange System (SED) has also been initiated by some MFIs and it is expected that all MFIs will now report their Reporting via the SED on a regular basis.

Since its start and until June 30, 2018, the MFIs Ltd have declared 1129635 contracts to the MRC. During this same period more than two million consultations of the situation of commitments of the beneficiaries were made by the users of the MRC whose number amounted to 848 agents on June 30, 2018 against 587 a year ago.

The number of contracts reported to the MRC in the first half of the current year amounted to 204284 contracts compared to 165284 contracts on June 30, 2017, representing a growth rate of 23.46%.

The number of consultations reached 524 446 during the first semester of 2018 that is 2.57 consultations per contract declared against 410 431 and 2.48 consultations at the end of the same semester of 2017.

MRC Indicators	Consultations	Declared contracts
Sum on 30/06/2018	2 083 892	1 129 635
First Half of 2017	410 431	165 468
First Half of 2018	524 446	204 284

## ANALYSIS OF MFI CUSTOMERS CROSS DEBT

### A generally controlled evolution, but attention is necessary.

On June 30, 2018 ; 74 187 customers (without duplicates) have more than one credit from more than one institution (MFI Ltd - Banks and Leasing companies ...), that is 19,85 % of MFI- Ltd customers.

### FOCUS ON CROSS CUSTOMERS MFI Ltd - MFI Ltd

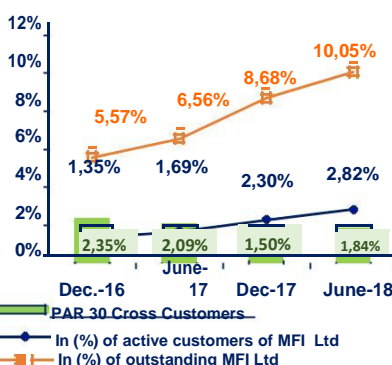
The number of cross-customers MFI Ltd-MFI Ltd has almost doubled in a single year, from 5531 customers in June 2016 to 10551 customers at the end of the same month of 2018.

On June 30, 2018, the number of cross customers MFI Ltd - MFI Ltd represents 2.82% of all active customers. These cross-customers hold 10.05% of outstanding MFIs Ltd.

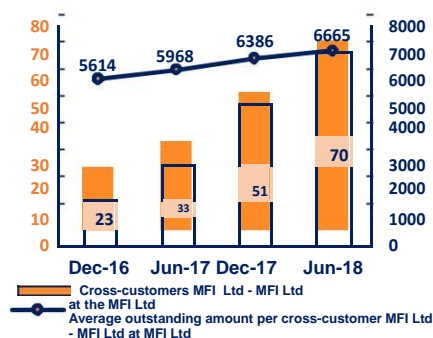
The PAR30 of the cross-customers MFI LTD - MFI LTD stood at the end of the first half of 2018 at 1.84% against 2.09% a year earlier.

The average outstanding per cross-customer MFI Ltd - MFI Ltd at the MFIs Ltd, amounted to 6665 TND on June 30, 2018 against 5968 TND on June 30, 2017 thus recording an increase of 11.67%.

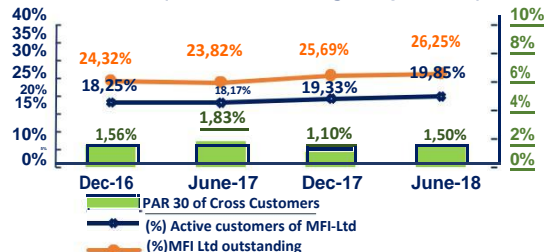
### Evolution of cross customers debt MFI Ltd / MFI Ltd



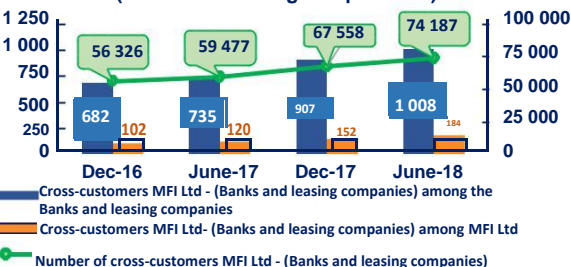
### Evolution of the average outstanding amount per cross-customer MFI Ltd - MFI Ltd at MFI Ltd



### Evolution of cross-customer debt MFI LTD - (Banks and leasing companies ...)



### Evolution of the outstanding cross customers MFI LTD - (Banks and leasing companies ...)



### FOCUS ON CROSS CUSTOMERS MFI Ltd - (Banks and leasing companies ...)

19.85% of MFI-Ltd customers are shared with banks and leasing companies ... These customers hold 26,25% of outstanding MFIs Ltd. This percentage has increased by 10.2% over in the last twelve months and does not currently appear having risks. In fact, among the MFIs, the quality of the portfolio of these cross customers improved in registering a PAR 30 of 1.50% on June 30, 2018 against 1.83% a year ago.

On the other hand, at the end of the first half of 2018, the outstanding amount of these customers from the banks and Leasing companies is equal to about 5.5 times the value of their outstanding with Ltd MFIs compared to 6.1 times a year ago.

The outstanding amount of cross customers MFI LTD - (Banks and leasing companies, etc.) amount to 1007.7 million TND and 183.8 million TND respectively to banks, leasing companies and MFIs Ltd.

### Evolution of the average outstanding for MFI LTD cross customer (banks and leasing)

#### 1. For MFI LTD banks and leasing companies ...

Jun18	16 061
Mar18	15 103
Dec17	15 676
Jun17	14 373
Mar17	13 788
Dec16	13 921

#### 2. For banks and leasing companies ...

Jun18	13 584
Mar18	12 761
Dec17	13 428
Jun17	12 357
Mar17	11 879
Dec16	12 109

#### 3. For MFI LTD

Jun18	2 477
Mar18	2 342
Dec17	2 249
Jun17	2 015
Mar17	1 909
Dec16	1 812

Unit:TND