

Tamweelcom, Jordan

Tamweelcom, formerly Jordan Micro Credit Company (JMCC), was created in 1999 by Noor Al-Hussein Foundation (NHF) and operates as a non-profit Limited Liability Company (LLC). Tamweelcom's **vision** is to enable low-income and productive poor to improve their social and living standards through micro and small-sized enterprises. Its **mission** is to lead the the micro and small-sized enterprises industry in the Arab world by providing the best financial and non-financial services and entrenching sustainable values of creativity and development, as well as adopting best practices and international standards by encouraging and raising the efficiency of a qualified staff that believes in its mission. As of April 2009, it served 39,339 active borrowers and had an outstanding loan portfolio of 9.5 M JOD (13.3 M USD).

Social Performance Rating

Rating

In progress



Date of the Rating

June 2009

Country Profile – 2007/2008

Indicator	Jordan	MENA
Demography		
Urban population	83%	55%
Life expectancy at birth	73	70
Health		
Access to safe water (% pop.)	97%	85%
Mortality rate (<5) per 1,000 births	24	38
Education		
Adult literacy rate (% of people ages 15 and above)	91%	70%
Primary school enrolment ratio (%)	89%	85%
Gender		
% of parliament seats held by women	8%	6%
Poverty lines		
< \$1 a day	<2%	-
< \$2 a day	7%	-
< the National line	14%	-
Gini index		
	39	
HDI		
	0,773	0,699
Rank out of 177 countries	86	-

Refer to "Socio-economic Environment"

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Rating highlights

- Tamweelcom has a clear intent to achieve social impact, as evidenced by its updated vision and mission, both widened in late 2008 to include a double bottom line. Such vision and mission are shared by the Board, management and staff, and are clearly communicated to clients.
- Social Performance Management (SPM) has been institutionalized in 2007. Social objectives are taken into account in the strategic decisions and integrated into the planning process, but the analysis of the related challenges and constraints could still be further enhanced.
- In order to monitor its social objectives, Tamweelcom has defined indicators in line with the internationally accepted ones. About to be integrated to the MIS, they are not yet systematically tracked.
- Human Resources processes contribute to staff commitment to the social mission. Fair treatment of staff is ensured thanks to standardized recruitment, evaluation and training processes, as well as formalized career path.
- Tamweelcom serves a significant portion of its target clientele with an estimated penetration rate of 6.6%. It reaches out to 95.3% of women as of April 2009. Specific targeting tools have been introduced but are still to become fully in use.
- Tamweelcom has developed a diversified range of loan services that meet its clients' needs. Various non-financial services are also offered, but do not yet reach out to a significant number of clients.
- Tamweelcom's rates have been stable since 2007 and are in line with those of its main competitors. Tamweelcom has nevertheless taken active steps to lower other transaction costs to its clients.
- Client protection is guaranteed through policies ensuring fair treatment and mitigating cross- and over-indebtedness. Commitment to transparency could be further enhanced with the disclosure of effective interest rates.

Social Performance Indicators

	Dec. 2004	Dec. 2005	Dec. 2006	Dec. 2007	Dec. 2008	Apr. 2009
Social Performance Indicators (see also annexes)						
% of women borrowers	91.5%	89.1%	92.6%	94.9%	95.5%	95.3%
% of rural borrowers	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Retention rate (C.Waterfield formula)	(16.3%)	47.1%	44.0%	56.8%	34.7%	n.a.
PAR 31-365	0.2%	0.1%	0.0%	0.2%	0.4%	0.5%
Portfolio Yield	28.6%	30.4%	29.7%	30.1%	35.4%	38.1%
Number of training days per staff	n.a.	n.a.	n.a.	2.5	2.9	0.4
Institutional Performance Indicators						
Loan portfolio (M USD)	3.47	4.86	8.09	11.53	14.53	13.30
Active borrowers	8,352	10,665	17,729	31,412	39,352	39,339
Staff	63	78	98	120	156	175

Socio-economic Environment

Over the last decade, Jordan has achieved impressive socio-economic and human development performances. GNI per capita grew significantly since 2000 from 1,790 USD to achieve 2,840 USD in 2007, which compares favorably with the MENA region (2,820 USD in 2007). The Human Development Index (HDI) followed a similar upward trend over the last three decades from 0.647 in 1980 to 0.773 in 2005 (ranking 86 out of 177 countries), which is above the HDI in the Arab States (0.699 in 2005). The population living below the national poverty line fell from 21.3% to 14% between 1997 and 2004 and, according to the Human Poverty Index¹ (6.9 in 2004), Jordan ranked 11th among 108 developing countries. Jordan is on track to achieve most of its Millennium Development Goals (MDG) with considerable improvements made in health, education, and living standards of the population. Life expectancy (73 years in 2004) and adult literacy rate (91.1%) are indeed higher than regional benchmarks (respectively 70 years and 70.3% in the MENA region) and nearly all Jordanians have access to safe drinking water (97%). Nevertheless, the health sector is yet to be improved, as the mortality rate (24 per 1,000 births), the underweight of children (4%), and the population undernourished are still higher than Jordan's 2015 MDG.

The Middle East political situation impacted deeply the Jordanian economic performance and population structure, as Jordan recorded high rates of immigration and the Jordan population more than doubled since the 1970's², reaching 5.7 million inhabitants in 2008³. The population is estimated to grow at a slower rate in the coming years, up to 7 million in 2015⁴. To date, a large part of the Jordanians are of Palestinian origin and there are still several Palestinian refugee camps in the Western and Northern parts of Jordan. The vast majority of the population lives in urban areas (82.6% vs. 55.1% in the MENA region) and over 30% is of less than 15 years old⁵, making Jordan one of the youngest lower-middle income countries according to the World Bank.

After the economic crisis of the late 1980's that led to a significant increase in poverty and worsening inequalities, the Jordanian government implemented reforms to boost

economic growth, improve human development and fight poverty. In 2002, the Ministry of Social Affairs launched a "National Strategy to Alleviate Poverty", which aims at reducing poverty through reforms in education, health and labor market while revamping the National Aid Fund (NAF), created in 1986 to help low-income households. In addition, in 2005, the government set up a 10-year "Global Strategy of Modernization" (2005-2015) with a multi-dimensional approach including political development and inclusion, economy and finance, justice, education, and the social welfare system.

Despite efforts made towards improvement of women rights through the ratification of the UN CEDAW⁶ in 1979 and the King setting up a compulsory women's quota in the Jordanian Parliament starting 2002, gender inequalities are still present in Jordan. Women conditions improved over the past few years (women benefit from social security) and are in general better than in the MENA region, as highlighted by the women's literacy rate (87% vs. 39% for MENA), the number of seats held by women in the Parliament (7.9% in 2007 vs. 6% for MENA). However, women in Jordan have one of the lowest workforce participation rates in the Arab countries (12%)⁷. Besides, efforts still need to be made towards an efficient application of the ratified international conventions, especially regarding violence made to women and honor crimes, which are still commonly found in Jordan.

To date, protecting the environment has not been set as a priority by the Jordanian Government, but should be taking more of its attention as the Kingdom is facing some critical environmental problems that could affect the biodiversity and its ecosystem in the coming years (scarcer water resources, poor waste management system, growing erosion of the soil, etc.).

Unemployment (12.9% in 2008⁸), as well as the imbalance between employers' needs on the one hand and the education and professional training systems on the other hand, are the most serious problems of the Jordan labor market. As a consequence, many qualified Jordanians choose to migrate to the neighboring countries (especially the Gulf countries), while workers from Asia and the Middle East fill in the required positions in the Jordanian agriculture and industry sectors. Jordan ratified all the conventions on human and labour rights from the ILO but made reserves in regard to the freedom of association.

¹ The Human Poverty Index for developing countries (HPI-1) focuses on the proportion of people below a threshold level in the same dimensions of human development as the HDI. By looking beyond income deprivation, the HPI-1 represents a multi-dimensional alternative to the \$1 a day (PPP USD) poverty measure.

² Palestinian immigrants after the Israeli wars of 1948 and 1967, return of Jordanian workers from Kuwait following the 1990-1991 Gulf War, etc.

³ Source: "Web country brief -Jordan", World Bank, September 2008.

⁴ Source: Idem.

⁵ Source: "The World Factbook – Jordan", CIA.

⁶ The Convention on the Elimination of All Forms of Discrimination against Women was adopted in 1979 by the UN General Assembly.

⁷ Source: "Unemployment in Jordan", the European Training Foundation, 2005.

⁸ Source: CIA, the World Factbook, Jordan.

Socio-economic Indicators	Jordan	MDG	MENA
HDI	0.773	n.a.	0.699
Rank out of 177 countries	86	n.a.	n.a.
Demography			
Total population (millions)	5.7	n.a.	313.3
Urban population (% pop.)	82.6%	n.a.	55.1%
Total fertility rate (birth per woman)	3.5%	n.a.	3.6%
Life expectancy at birth	73	n.a.	70
Health & Nutrition			
Mortality rate (<5) per 1,000 births	24	13	38
Underweight of children < 5 (%)	4.0%	3.2%	n.a.
Population undernourished (% pop.)	6.0%	3.3%	n.a.
Access to safe water (% pop.)	97.0%	97.0%	85%
Education			
Adult literacy rate (% of people ages 15 and above)	91.1%	n.a.	70.3%
Primary school enrolment ratio (%)	89.0%	100.0%	85%
Gender			
Women literacy rate	87.0%	n.a.	38.8%
% of parliament seats held by women	7.9%	n.a.	6.0%
Poverty and inequality			
Below \$1 a day	<2%	n.a.	n.a.
Below \$2 a day	7.0%	n.a.	n.a.
National	14.2%	n.a.	n.a.
GNI per capita (current USD)	2,840	n.a.	2,820
Gini index	38.8	n.a.	n.a.
Environment			
Forest area (% of land area)	0.9%	n.a.	7.2%
Economy			
Foreign debt (% GDP)	94.5%	n.a.	n.a.
Internet users (%)	19.7%	n.a.	17.1%
Inflation (%)	4.0%	n.a.	5.4%
Unemployment	12.9%	n.a.	n.a.
Agriculture (% GDP)	3%	n.a.	11%
Industry (% GDP)	30%	n.a.	40%
Service (% GDP)	67%	n.a.	49%

Source: UNDP (2007-08), World Development Indicators database (2007), CIA (2008 Estimates), Jordan National Statistics (2006), COFACE (2007), IMF (April 2009). MDG: Millennium Development Goals for 2015.

Microfinance sector

Microfinance in Jordan started in the mid-to-late 1990s, and is characterized by the presence of both market-oriented and subsidized credit providers. Through the AMIR program, USAID has played a leading role in supporting a sustainable microfinance environment: AMIR program has provided funding, technical assistance, and advocacy, and has engaged in broader economic development activities as well⁹. The approved budget for the program over the years exceeded 70 M USD, with over 10 M USD specifically allocated to micro-entrepreneur support¹⁰. USAID has launched a new program called Sustainable Achievement of Business Expansion and Quality (SABEQ), but its microfinance component directly targets micro-enterprises.

⁹ The initial program, started in 1998 and renewed in 2002 and 2004, ended in 2006.

¹⁰ 2005 figures.

Other bilateral and multilateral organizations have been active in the sector, including IFAD (International Fund for Agriculture Development) that has also provided funding for NGOs and government providers for agricultural loans.

The total potential market for microfinance services in Jordan was estimated at around 150,000 micro-enterprise clients¹¹ before the Iraqi war: since then, immigrants' influx could have raised the number of potential clients up to 250,000. When counting in either small enterprises and private businesses, or other loans (education, housing, etc.), this figure could go up to 5-600,000¹². The market coverage thus ranges from a low estimate of 30% to a high estimate of 60%, in both cases one of the highest in the MENA region.

MFI As of Dec. 2008	Portfolio in M USD	%	Active loans	%
DEF	50,138,776	38.2%	17,515	11.9%
MEMCO	15,922,428	12.1%	11,552	7.9%
Al Watani	15,311,580	11.7%	20,900	14.2%
MFW	15,405,639	11.7%	34,349	23.4%
Tamweelcom	14,537,114	11.1%	39,352	26.8%
AMC	4,647,175	3.5%	2,946	2.0%
UNRWA	2,925,440	2.2%	3,562	2.4%
FINCA	2,394,709	1.8%	9,062	6.2%
Others	10,065,329	7.7%	7,665	5.2%
Total	131,348,190	100%	146,903	100%

Source: MiX; CGAP; MEMCO and UNRWA as of Sept. 2008.

As of December 2008, the four MFIs¹³ funded by the USAID/AMIR program were serving 90,794 clients for an outstanding portfolio of 50 M JOD (71 M USD). The National Microfinance Bank (NMB or Al Watani), a government initiative funded by AGFUND¹⁴ and also known as the "Bank for the Poor", was launched in March 2006. It offers loans ranging from 200 JD (300 USD) to 15,000 JD (21,000 USD) and had plans to reach 50,000 clients by 2010. Other sustainability-oriented loan providers include FINCA, the latest and fastest growing entrant on the market, the United Nations Relief and Works Agency (UNRWA), which solely works with Palestinian refugees, and the private banking sector, which has been making consumer loans increasingly accessible to those with a salary¹⁵.

Funded by the Jordanian government, KfW and the EU, the Development and Employment Fund (DEF) was created in 1991, with the aim of providing microfinance for poverty alleviation: it currently provides loans at substantially lower

¹¹ 2002 AMIR estimates.

¹² Source: MFIs own studies; "Access to Finance" March 2009, CGAP.

¹³ JMCC, MFW (WWB affiliate), MEMCO (CHF affiliate), and AMC.

¹⁴ Arab Gulf program For United Nations Development Organizations.

¹⁵ Cairo-Amman bank also launched its microfinance program, but has had little impact on the market so far.

rates than other MFIs. To avoid market distortion¹⁶, the 2005 National Strategy for Microfinance¹⁷ recommended all governmental retail programs be shut down: in accordance, and despite its good performance, DEF was to start acting as a wholesale provider; yet, it didn't stop direct lending but focused on loans over 2,000 JOD (2,807 USD).

Subsidized providers include the National Assistance Fund (NAF), a governmental program aimed at unemployed poor, and the Industrial Development Bank (IDB), a private bank in operation for several decades authorized under special laws with a mixed public/private sector Board. Funding for agriculture is served by government organizations such as the Agricultural Credit Corporation. A myriad of other smaller government and quasi-government players also exist. Little information is available regarding these institutions¹⁸.

The lack of a Credit Bureau, which has been waiting for official authorization since 2003, has been recently compensated by the creation of an information sharing platform hosted by Delta Informatics, which has provided the loan-tracking system for most MFIs. As a positive result, cross-indebtedness decreased from an allegedly high level of 30%-40%¹⁹ down to 13%.

Legal and regulatory environment

Although publicly microfinance is a concept that receives government support, Jordan's regulatory environment does not explicitly recognize the industry and, as per law, any legal entity may provide loans. Oversight of the industry, as well as registration of MFIs as non-profit Limited Liability companies (LLC), has so far been the responsibility of the Ministry of Trade and Industry (MTI). MTI collects quarterly information, but does not publish them, nor does it actually conduct supervisory visits. All MFIs also report to the Ministry of Planning and International Cooperation (MOPIC), which plays an important role in supporting the industry. When initially passed, the authorizing law for NMB also provided numerous tax exemptions, since then extended to all MFIs.

This lack of formal recognition leads to policy constraints within which local MFIs must operate, notably the inability to collect savings. Microfinance stakeholders are working to address these issues, but the National Microfinance Strategy did not result in any concrete measures to provide

¹⁶ DEF has not received any external funding since 2004 and claims it does not subsidize loans.

¹⁷ Drafted by MOPIC (Ministry of Planning and International Cooperation) with CGAP's technical assistance, it states that all government agencies will "withdraw from microfinance lending activities".

¹⁸ 2001 total portfolio estimated at 64 M JOD (46 M SD), but probably including many loans never written off; cf. "Microfinance/Microenterprise Assessment" April 2001, Graham Perrett.

¹⁹ Practitioners estimation in 2007.

a better legal environment for MFIs. On the contrary, the institutional set-up of private MFIs is presently endangered by the latest law on associations, which requires non-profit companies to change their name to "association" and start reporting to the Ministry of Social Affairs (MSA) by year-end. Lobbying is being carried out to have the industry benefit from a special "closed status" where MFIs would be kept under the MTI while reporting to both MTI and MSA. At the time of the rating, reporting to MOPIC was still ongoing.

Code of Ethics

In 2008, seven of the most prominent Jordanian MFIs (all except UNRWA) drafted and ratified a Code of Ethics stipulating microfinance's main objective is to support low-income individuals on the long run and in a sustainable way. Its general guidelines include:

- Fighting poverty and unemployment by spreading the culture of self-employment, and expanding financial services to the poorest areas;
- Adopting international best practises, including in collection processes and client relationship;
- Recognizing microfinance on its own cannot put an end to poverty;
- Achieving financial sustainability and growth without harming the local communities.

The code also comprises specific clauses aimed at fostering a responsible behavior towards clients, staff, competitors, communities, environment, funders, and public authorities. Most notably, it includes the respect and fair treatment of clients, avoiding over-indebtedness, and providing the clients with the needed communication channels to report their satisfaction and/or complaints straight to each MFI's HQ. It also states transparency in terms of pricing, without specifically advocating the disclosure of effective interest rates. The code also requires fair compensation for staff, capacity building, and no exposure to any activity or practice that could be harmful. For MFIs, it essentially implies sound and transparent business practices, especially regarding HR and financial reporting, as well as ongoing communication.

Institutional Presentation

Social Mission

Tamweelcom's core vision and mission were defined and formalized at inception, then refined in 2004 and 2008. Originally focusing solely on leadership and excellence²⁰,

²⁰ Tamweelcom's former vision was "to become the leading microfinance institution that provides credit services inline with the industry's best practices to enable micro, small and medium-sized projects and businesses to develop, improve and prosper".

the vision and mission were widened in 2008 to include both the double bottom line orientation of the institution and the role Tamweelcom foresees in the Arab world. The refined **vision** is to “enable low-income and productive poor to improve their social and living standards through micro and small-sized enterprises” thus reflecting the social responsibility Tamweelcom endorses as a non-profit organization owned by the Noor Al-Hussein Foundation. This vision is put in practice through the institution’s new **mission**, which is “leading the micro and small-sized enterprises industry in the Arab world by providing the best financial and non-financial services and entrenching sustainable values of creativity and development, as well as adopting best practices and international standards by encouraging and raising the efficiency of a qualified staff that believes in the Company’s mission”.

Tamweelcom defined its ten organizational **core values** in line with the industry Code of Ethics: 1) Transparency; 2) Professionalism and moral conduct; 3) Excellence in the provision of high quality services; 4) Developing the work team and raising their efficiency; 5) Social responsibility; 6) Creating and maintaining a positive working environment; 7) Mutual respect; 8) Equality and standards across the board; 9) Team spirit and participation; 10) Raising the level of the national economy.

Characteristics of Outreach

No nationally or internationally benchmarked data is available on the poverty or level of financial exclusion of Tamweelcom’s clientele. A combination of general statistical data about the particular nature of poverty in Jordan and general characteristics of Tamweelcom’s clientele can be used to make rough assumptions about its poverty status, but clearly cannot be used to compare Tamweelcom’s depth of outreach with another institution. The following information is thus only provided to draw a rough picture of the institution’s clientele:

- As of April 2009, women represented 95.3% of Tamweelcom clientele. Women are identified as more vulnerable groups as Jordan has one of the lowest female economic participation rates in the Arab countries (only 12%)²¹ leading to higher unemployment rate among women (20.8% in 2003) than men (13.4%).
- As of April 2009, 56.8% of Tamweelcom’s clientele is located in semi-rural areas²² where the incidence of poverty is higher than in urban areas. In addition, Tamweelcom operates in 3 governorates (Zarqa, Balqa and Aqaba) where more than 15% of the population lives under the national poverty line²³. Indeed, progress

in poverty reduction in Jordan has been geographically uneven leaving behind some Governorates where poverty pockets have been identified. The latter are mostly located in remote desert areas where incidence of severe poverty is high and literacy rate very low (around 20%)²⁴. Tamweelcom does not operate yet in Jordan’s poverty pockets but plans to expand to some of them in the coming years.

The table below provides, per governorate where Tamweelcom operates, a more detailed overview of the health, geographic, education, and poverty status as of December 2006²⁵.

Governorate As of Dec. 06	Branches	Clients	Life Expec.	% Rural pop.	Poverty ratio (2003)	Literacy Rate
Amman	6	9,149	78.7	6.0%	9.2%	93.2%
Aqaba	1	325	83.2	14.2%	15.2%	89.5%
Al Balqa	1	1,872	73.5	28.2%	17.8%	88.6%
Irbid	2	1,312	80.3	17.1%	13.8%	90.2%
Madaba	1	406	82.2	28.6%	10.7%	89.6%
Zarqa	2	4,667	77.8	5.5%	22.3%	91.4%
Total	13	17,731	100%	-	-	-

Source: Planet Rating and Tamweelcom for the number of branches and clients; Jordan National Statistics. Data as of December 2006, except for “Poverty ratio” (2003).

Penetration of the Services

Tamweelcom is headquartered in Amman and operates through a network of 15 branches and sub-branches located in 7 out of the 12 governorates of Jordan. Originally serving urban areas in the Amman region and adjacent governorates (Zarqa, Irbid, Madaba, etc.), the network has been extended since 2005 in the Southern and Northern parts of Jordan (Aqaba, Kerak, Bani Kenana). The percentage of clientele served in semi-rural areas has constantly increased since 2006 (from 37.9% to 56.8% as of April 2009), and expansion to rural areas is planned over the coming years so as to gain a national coverage by 2013. Expansion primarily targets the closest poverty pockets.

As of December 2006, Tamweelcom had a market penetration of 1.7% when reported to the total number of households in Jordan. The table below shows the global and penetration rate per governorate of Tamweelcom of among Jordanian households as of December 2006. However, Tamweelcom has identified a more precise target clientele, which would leads to a penetration rate of 6.6% as of December 2008.

²¹ The European Training Foundation, *Unemployment in Jordan*, 2005

²² According to Tamweelcom’s definition, i.e. located outside Amman and its surrounding urban areas.

²³ Jordan National Statistics, 2003

²⁴ The World Bank, *Jordan Poverty Assessment*, December 2004

²⁵ Date of the last available National Statistics.

Governorate As of Dec.06	Branches	Penetration rate	Clients	# of households
Amman	6	2.1%	9,149	434,560
Aqaba	1	1.5%	325	22,190
Balqa	1	2.7%	1,872	68,220
Irbid	2	0.7%	1,312	181,235
Madaba	1	1.7%	406	24,560
Zarka	2	3.0%	4,667	157,435
Total	13	1.7%	17,731	1,052,820

Source: Planet Rating and Tamweelcom except "Number of Households" (National Statistics Data, 2006).

In addition to branches, Tamweelcom’s market penetration has been complemented since 2007 by two permanent showrooms (Souk Ayyadi) located in Amman and Aqaba, as well as occasional bazaars organized in different locations and governorates (cf. “Products and Services”).



Products and Services

Tamweelcom currently offers financial and non-financial services to its clients.

Financial services

Tamweelcom currently offers 6 main loan products targeting both individuals and groups. All have monthly repayments. Disbursement fees range from 0.5 JOD (0.7 USD) for group loans to 1 JOD (1.4 USD) per tranche of 1,000 JOD disbursed for the other loans. Penalties are of 5 JOD (7 USD) per day for Home Group and Amal loans, and of 10% of the monthly installment per day for the other loans.

- Home Group loans historically accounted for 50% of the portfolio and are exclusively offered to groups of 2

to 7 women who receive equal shares of the loan and make equal repayments. The loan size ranges from 200 to 600 JOD (281 to 842 USD) with an average size of 315 JOD (442 USD). The loan term varies from 13 to 15 months with an average term of 14 months. The annual nominal interest rate stands at 23% on a flat basis, yielding an average effective interest rate (EIR) of around 40%.

- Amal loans account for 30% of the April 2009 portfolio and are designed for both male and female micro-entrepreneurs developing home-based projects and small unlicensed projects. The loan size ranges from 200 to 1,200 JOD (281 to 1,684 USD) with an average size of 484 JOD (679 USD). The loan term varies from 10 to 20 months with an average term of 15 months. The annual nominal interest rate stands at 19% on a flat basis, yielding an EIR ranging from 32% to 42% with a 36% on average.
- Taqadom loans were launched in April 2008, following the split of the existing Pioneer loan into two products. Taqadom loans represent 14% of the April 2009 portfolio and are designed for both male and female holders of licensed micro-businesses. The loan size ranges from 1,200 to 5,000 JOD (1,684 to 7,019 USD) with an average size of 2,500 JOD (3,509 USD). The loan term varies from 4 to 24 months with an average term of 18 months. The annual nominal interest rate stands at 17% on a flat basis, yielding an EIR close to 30% on average.
- Pioneer loans are designed to both male and female holders of licensed micro-businesses who need larger amounts than the Taqadom loans. The loan size ranges from 5,000 to 25,000 JOD (7,019 to 35,093 USD) with an average size of 5,800 JOD (8,141 USD). The loan term varies from 4 to 24 months with an average term of 18 months. Grace periods may be granted up to six months. The annual nominal interest rate stands at 15% on a flat basis, yielding an average EIR of 22%.
- Vocational loans were launched in February 2007 and are designed to both male and female graduates from the Vocational Training Corporation for existing or under establishment projects, both licensed or unlicensed. The loan size ranges from 500 to 3,000 JOD (702 to 4,211 USD) with an average size of 1,500 JOD (2,106 USD). The loan term varies from 1 to 18 months for existing projects and up to 24 months for projects under establishment with an average term of 15 months. Grace periods are granted up to five months for start-up. The annual nominal interest rate stands at 15% on a flat basis, yielding an average EIR of around 27%.
- Seasonal loans are designed to existing clients who need additional funding during specific seasons (e.g. Ramadan, holidays). The loan size ranges from 120 to 150 JOD (168 to 211 USD) with an average size of 140 JOD (197 USD). The loan term is of 6 months. The

annual nominal interest rate stands at 26% on a flat basis, yielding an average EIR of around 45%.

Collateral requirements vary according to the loan product. They include a combination of promissory notes, one or two guarantors and car mortgages for Pioneer and Taqadom loans.

Loan insurance is provided free of charge for all loan products and covers any due payments in case of death or full disability of the client.

Non-Financial services

In early 2007, Tamweelcom launched its non-financial services, which are presently of two main types:

- School Educational Grants provide educational scholarships to the children of the institution's poorest clients. As of December 2008, 1,000 grants of 16.5 JOD (23 USD) each were disbursed, equivalent to 1.7% of the net income.
- Souk Ayyadi Services aim at helping the clients sell their products through occasional bazaars in different locations and two permanent showrooms in Amman and Aqaba. In 2008, 335 clients displayed their products. Permanent showrooms in Mecca Mall (Amman) and Aqaba reached 120 clients, generating a net profit of 9.4 K JOD (13 K USD). Related expenses amounted to 62 K JOD (87 K USD), equivalent to 6% of the net income.

Social Performance Rating

▪ Institutionalization of the Mission

Social Mission and Strategy

Tamweelcom has a clear intent to achieve social impact, as evidenced by its updated vision, mission, and core values, all reviewed in late 2008 to include a triple²⁶ bottom line and focus on improving the living standards of low income and productive poor. According to Tamweelcom's procedures, the mission is to be revised every 5 years, thus allowing it to evolve along with the social context. To define its mission, Tamweelcom relied on its in-depth experience in financial services management, comprehensive knowledge of the local market, as well as the findings of the 2008 social audit, undertaken to identify the Social Performance Management (SPM) areas for improvement²⁷. Since then actions have been taken, and various gaps (e.g. integration of the social dimension in the

²⁶ Triple bottom line is understood as a commitment to institutional, social, and environmental performance.

²⁷ Conducted by Sanabel.

mission, definition of social indicators, etc.) have either been or currently are being addressed. However, the mission statement does not mention neither the environmental orientation nor a specific target group, although 1) Tamweelcom has adopted a triple bottom line strategy in its business plan with a clear commitment to sustainability as well as social and environmental performance and 2) women are stated as a primary target in the business plan (minimum of 85%), and in fact consistently represent over 90% of borrowers since 2004.

Tamweelcom's social vision and mission are well-shared by its main stakeholders and clearly communicated to clients. Following a survey showing that 15% of the staff ignored the mission, the latter is now printed on employee badges, along with the vision and core values, and displayed in the branches and at HQ. The risk of mission drift is also limited thanks to both BOD and management's commitment to achieve the social objectives.

SPM has been institutionalized with the creation, in 2007, of a dedicated Marketing department in charge of SPM and of the management of non-financial services²⁸. SPM objectives have been spread throughout all departments, with an SPM team in charge of implementing them. The marketing plan focuses on SPM's main social projects, which are identified and broken down into detailed action plans, at times accompanied by relevant social performance indicators. Some areas for improvement are left in terms of planning, as it does not fully analyze the challenges and/or constraints posed by such implementation. Currently integrated in the decision-making process (e.g. branch opening, product launch), SPM would also be further enhanced by a follow-up on social indicators at BOD's level. Tamweelcom would finally benefit from a stronger financial analysis of the costs and benefits of its social mission, notably in order to better monitor the relationship between its two bottom lines.

Social Performance Monitoring

Following the social audit, Tamweelcom identified a wide range of social indicators (relative to breadth and depth of outreach, cost of the services, etc.) in line with its own social objectives and with the social performance indicators defined by the Social Performance Task Force (SPTF). In order to start generating SPM indicators, Tamweelcom plans to use in-house data collected during the loan application process and clients' interviews, along with external statistics from governmental and other dedicated agencies. A few social indicators have already been tracked (e.g. health status, rented or owned house, number of dependents, changes in income, etc.) but the biggest part is

²⁸ Tamweelcom's head of Marketing is a certified Sanabel Social Auditor.

in the process of being integrated in the MIS. As a consequence, to date, a valuable range of SP indicators have not actively been followed nor compiled in standard reports available for the management and BOD. In that regard, the marketing plan includes defining relevant social targets and their related indicators, as well as monitoring them on a regular basis.

In the meantime, Tamweelcom has already implemented other valuable tools to monitor its social performance: drop-out surveys are conducted on a yearly basis since 2006, and the first client satisfaction study was completed in 2008. For the years to come, Tamweelcom plans to conduct more drop-out surveys (3 per year) so as to closely monitor its retention rate, maintain yearly satisfaction surveys, and add a yearly client needs assessment survey.

Tamweelcom plans to upgrade the sampling methodology of the satisfaction survey as the 359 clients interviewed in 2008 were not representative of the portfolio composition of the institution²⁹. Tamweelcom defined a new methodology that ought to be representative of the outstanding portfolio composition in terms of gender and geographic repartition, level of clients' income, and characteristics of the client's project.

As both SPM and Internal Audit (IA) are still relatively new functions with Tamweelcom³⁰, IA does not yet thoroughly cover the social performance topics. Indeed, and although IA procedures include verifying satisfaction and fair treatment through client visits, IA controls on social performance are still to be further enhanced (e.g. results of client satisfaction's checks are not clearly highlighted in the reports, surveys are not yet verified, etc.).

Staff Mobilization

Through its HR management, Tamweelcom ensures staff is aware of and committed to social goals. Recruitment process for field staff includes a review of the mission, the nature of the job and the type of client, whereas management team criteria include specific tests on ethics and moral conduct. Though it has not yet fostered any particular behavior, the incentive system has recently been modified to include the retention rate. While this could induce the risk of LOs pushing their clients to renew their loans when not needed, such risk remains limited as the retention rate only accounts for 5% of the incentive scheme. As steps towards further improved SPM, future schemes are expected to include higher bonuses for SPM-related products (e.g. solar panels loans) and for LOs who collect SP indicators. Finally, staff input was included in the

definition of the new social mission and results of the client satisfaction surveys are shared with the LOs: they are formally discussed during the monthly meetings with BMs and remain reachable on a public folder on the server. Evaluation is the only HR process that does not yet include SPM-related factors.

■ Targeting and Service Offering

Breadth of Outreach

Tamweelcom does not actively follow its penetration rate or the proportion of the economically active poor population it serves. However, Tamweelcom's business plan comprises a detailed estimation of its target market, based on the number of micro and small enterprises, the Jordanian workforce, competition, and characteristics of potential clients (e.g. percentage meeting the loans requirement)³¹. Based on such estimation, Tamweelcom's market penetration is of 6.6% of the targeted 597,908 producers and entrepreneurs as of December 2008 (39,352 clients).

To date, Tamweelcom's market penetration among active women is not tracked as per se. However, along with FINCA and MFW, it has one of the highest ratios of women active borrowers among its clients, representing 95.3% as of April 2009 as compared to an average of 62.9% in the MENA region (cf. Benchmarking).

After expanding to semi-rural areas over the past few years, Tamweelcom now plans to expand to rural areas, while following an expansion strategy to include the Jordanian poverty pockets as identified by the Government.

Client Targeting

Tamweelcom has clearly identified its clientele, but voluntarily decided not to include more specific target groups in its mission (e.g. number of women, people under the national poverty line, etc.). So far, precise targeting remains limited. Yet, in 2009, loan application forms were modified to include an assessment of the socio-economic situation of the clients (e.g. health condition, degree, type of housing), which is expected to generate the data required for an improved client targeting. Besides, Tamweelcom is working with Grameen-Jameel on developing a PPI index for Jordan, which should be instrumental in reaching out to poorer underserved clients.

²⁹ 34 clients from Aqaba branch and 325 clients who won a trip to Aqaba as part of the non-financial services provided to the client.

³⁰ cf. GIRAFE rating report for additional information on IA.

³¹ Tamweelcom collected data from the Public Statistics Department and selected publications based on reports by the Ministry of Labor and by international organizations.

Service Design and Client Satisfaction

Since inception, Tamweelcom has set up a well-organized product development process based on a good understanding of its clients' needs resulting in a well-diversified range of financial and non-financial services offered to its clients. New services design and existing products evaluation are conducted through general economic sector analysis, market research, satisfaction and drop-out surveys, clients' needs assessment studies (cf. "Social Performance Monitoring" section) along with pilot testing and evaluation prior product launch.

Financial products are diversified enough to cover the full range from 120 to 25 K JOD (168 to 35 K USD), with different terms (1 up to 24 months), collateral requirements (promissory notes, guarantors, car mortgages, etc.) and grace periods in specific conditions. Tamweelcom's core products (e.g. Home Group and Amal loans³²) are especially designed to serve its target clientele, namely low income and productive poor, with smaller amounts (starting at 200 JOD or 281 USD and limited to 1,200 JOD or 1,684 USD) and lower collateral requirement. Apart from loans, Tamweelcom does not yet offer other financial products to its clients.

Since inception, Tamweelcom has shown a strong focus on innovation which has been included in the job descriptions and is further encouraged through staff prizes and internal awards. Tamweelcom has thus proven its ability to take timely actions to offer updated products adapted to its target clientele (e.g. change in size and conditions in 2007 and 2008), and to frequently introduce new services, such as socially-oriented loan products³³ and some non-financial services such as free loan insurance covering any due payments in case of death or full disability of the clients, bazaars, showrooms, fidelity card, or free trips. Tamweelcom is contemplating further expanding its product offering, and plans to conduct yearly studies to assess its client needs, as has been done prior the launch of the new solar panel loan. In addition, Tamweelcom implemented operational and HR policies to better fit its clients' needs through suitable branch location and opening hours, introduction of clients' reimbursement at the branches in the first months of 2009, and on-going trainings of LOs on products characteristics.

Tamweelcom monitors the satisfaction of its clientele through quantitative and qualitative tools such as the retention rates and regular satisfaction and drop-out

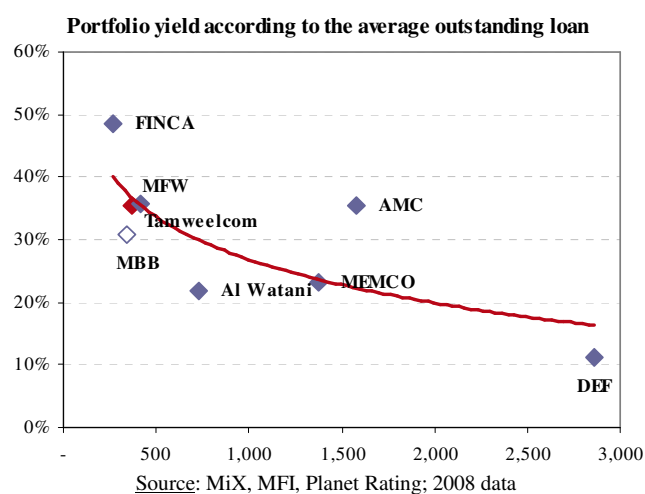
³² Home group loans and Amal Loans represent respectively 49.7% and 29.1% of Tamweelcom's outstanding loan portfolio as of April 2009.

³³ Seasonal loans for clients' emergency funding needs were introduced in 2004 and Vocational loans for graduates from the Vocational Training Corporation in 2007.

surveys. Despite the setting up of financial and non-financial incentives to clients to renew their loans, the retention rate has dropped from 71.1% to 66.1% from 2006 to 2008³⁴. This stands below the 90% target and may be attributed to rising competition, the decision not to disburse to cross-indebted clients, the Jordanian "stock crisis" and the international crisis. However, Tamweelcom's own calculation is not confirmed by the Chuck Waterfield retention formula looking at the number of active clients who decided to renew their loan as a percentage of active clients who reached a decision point³⁵, which stands at 35% as of December 2008³⁶. The 2008 drop-out survey showed that the main reasons for exiting are that clients are not in need of a loan (around 32%), or faced difficulties in providing the proper guarantors (14.3% in 2008). The client satisfaction survey conducted in 2008 had similar findings.

Cost of the Services

With a portfolio yield standing at around 30% since 2004, Tamweelcom is not the cheapest provider on the Jordanian market. In addition, the portfolio yield is trending upward since 2007 (from 30.1% in 2007 to 38.1% as of April 2009) as the portfolio started experiencing negative growth from the last quarter of 2008, coupled with interest recognition on a flat basis.



Though Tamweelcom's portfolio yield is in line with its main competitors (MFW), it still stands higher than other Jordanian peers (Al Watani, MEMCO) and best performing MFIs in the MENA region (30.8% as of December 2007). However, on its target market (the lower

³⁴ Based on the SEEP formula, presently in use within Tamweelcom.

³⁵ Chuck Waterfield retention formula: (Number of active borrowers at the end of the period - Clients on same loan) / (Number of active borrowers at the beginning of the period + New borrowers - Clients on same loan).

³⁶ The difference between the two results is explained by the number of clients remaining on the same loan during a given period, which is not taken into account in Tamweelcom's formula.

end of the market³⁷), Tamweelcom still offers competitive services compared to its direct competitors.

Even though no particular efforts were made to further reduce the financial cost since the 2006 and 2007 decreases in interest rate, Tamweelcom took initiatives to lower other costs supported by its clients. It indeed introduced specific conditions such as grace periods or discounted fees for loan renewals. In addition, Tamweelcom took measures to minimize transaction cost: disbursements through banks are free of charge, approval time is reduced to the minimum (2-3 days in most of the cases), branches are located in easily accessible places, and reimbursements have been allowed in the branches (which avoids queuing and ensures a fairer treatment of the clients). However, Tamweelcom could further decrease transaction costs, for instance by reducing the cost of lifting a mortgage.

■ Social Responsibility

Client Protection

Through its well organized loan process and frequent visits (LO, supervisor, BM, IA), Tamweelcom guarantees its clients and their loan applications are all treated equally. A formal complaint system is also in place (toll free and mobile numbers, both displayed in the branches), allowing clients to directly report potential staff misbehavior to HQ. Other systems are also in place to ensure clients' respect, with risks related to financial services being properly mitigated through procedures to prevent cross and over-indebtedness (set-up of the information sharing system, reject application when the client already has two loans with other MFIs), death and disability insurance in place, and secured financial operations (disbursements made through banks and in-house reimbursements made through a dedicated cashier desk, monitored by a camera). Throughout and at the end of the application process, client information privacy is guaranteed, notably thanks to proper archiving (closed cabinets, safe room at HQ for legal documents, etc.).

Tamweelcom is nevertheless slightly less committed to the transparency of its services. Loan conditions are well and fully disclosed (capital, interest, penalties, additional fees), but, alike competition, the effective interest rate is not. Similarly, loan conditions are clearly printed on available leaflets, but the prices are not clearly displayed in the branches. Last, the clients receive a repayment schedule as well as a voucher for each payment, but they only get a short summary of the contract instead of a full copy.

³⁷ Tamweelcom's average outstanding loan is of 241 JOD (338 USD) as of April 2009 which is 3 to 4 times more for its competitors, apart from MFW.

Although client protection is reasonably well ensured at Tamweelcom, notably after the Code of Ethics adoption, delinquency management and collection practices can still be further enhanced. For instance, the strong focus on collection in the new incentive scheme³⁸ could lead to improper practices towards clients, especially as the cases of clients sent to jail are not followed upon³⁹.

Human Resources Policy

Tamweelcom is an equal employer, with clear and fair HR processes in place. Hiring practices provide similar chances to all candidates with the desired skills. Evaluations and trainings are aimed at developing the needed internal skills as well as capacity building for staff (e.g. focus on soft skills such as English or IT classes). Career paths within the institution are already formalized: their management is expected to be further improved once all the required information is inputted the MENAITECH software. Furthermore, all staff is treated equally, with internal promotions based on objectives skills assessment and available vacancies. Remuneration and working conditions are fair, providing a good remuneration level (salary, bonus, benefits), as well as affiliation to Social Security and to a well-designed private insurance scheme for the employee and his family⁴⁰. Both the salary grid and the incentive systems are clear to all, leading the LOs to calculate their monthly bonus on their own. Tamweelcom has negotiated loans at preferred rates for its staff through local banks. Working hours are respected but remain quite flexible when and if needed. Health and security conditions are met, with regular cleaning and maintenance at HQ and in the branches, fire extinguishers in place, and organized bus pick ups.

Staff is involved in the decision-making process through ongoing and open communication, anonymous suggestion box, easily reachable management team at HQ, staff satisfaction annual survey (notably on the planning, institution's culture, assigned responsibilities, training and career evolution, relationship with the direct supervisor, working conditions such as number of vacation days, social security, and other benefits). They are also represented by an elected body, independent of the hierarchy, whose also conveys staff suggestions.

Social Responsibility towards the Community

Over the years, Tamweelcom has been contributing to the community development through other means than financial services. Though it has no written rules to ensure sub-contractors and fund providers behaviors are in line

³⁸ Collection accounts for 60% of the bonus.

³⁹ Such cases remain exceptional and follow authorized legal procedures.

⁴⁰ Covering 100% of costs, without any premium starting the third year.

with its social values, it has recently taken an active part in the efforts to ensure responsible behavior on the market and sound competition practices. This has led to the establishment of a code of ethics⁴¹ including the fair treatment of clients and the adoption of transparent conditions at the industry level.

Moreover, Tamweelcom has a strong interaction with the community it serves. It works in collaboration with the private sector and local service providers (e.g. banks, insurance companies, Post office, IT companies, etc.), as well as social programs, to deliver various additional services to its clients such as healthcare programs or free trainings (147 beneficiaries as of December 2008). It also makes sure that, by being issued from the areas they serve, LOs know the local language and culture. Also, Tamweelcom directly offers non-financial services such as the educational grants that benefit the community while fighting against child labor. On the latter issue, it has recently initiated a project with ILO to improve the working environment of its clients, decrease child labor, and promote insurance. There are no additional specific projects in regard to human rights or control of the nature of financed activities.

Social Responsibility towards the Environment

In 2008, Tamweelcom started developing strategies related to environment. In order to reduce some of the negative effects of its activities, it has established a partnership with a local NGO for the paper collection and recycling at HQ (free of charge, to be extended to the branches). No additional efforts have yet been made to minimize stationery or electricity use or to implement other internal eco-efficient policies. In 2009, Tamweelcom has also taken positive steps towards protecting the environment, notably by launching a loan for solar panels.

The opinions expressed within this report are valid for one year after the rating mission. Beyond one year, or in case of a major change during this period affecting the institution's performance, that change due to the institution itself or its operating environment, Planet Rating does not guarantee the validity of the opinions contained herein, and recommends that a new rating evaluation be undertaken. Planet Rating cannot be held responsible for investments/financings that are made based on this report.

⁴¹ Which has been compared to the Bosnia and Herzegovina's code.

■ Performance Indicators

Social Performance Indicators	Dec. 2004	Dec. 2005	Dec. 2006	Dec. 2007	Dec. 2008	Apr. 2009
Outreach						
% of women active borrowers	91.5%	89.1%	92.6%	94.9%	95.5%	95.3%
% of rural active borrowers	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Service Offering						
PAR 31-365	0.2%	0.1%	0.0%	0.2%	0.4%	0.5%
PAR > 365	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Write-off ratio	0.7%	0.2%	0.1%	0.0%	0.2%	0.2%
Retention rate (CGAP formula)	11.2%	6.0%	18.3%	24.9%	21.7%	9.1%
Retention rate (Chuck Waterfield / Microfin formula)	(16.3%)	47.1%	44.0%	56.8%	34.7%	n.a.
Retention rate (SEEP formula – in use within Tamweelcom)	81.1%	36.4%	71.1%	72.3%	66.1%	n.a.
Average amount disbursed per loan	609	683	718	586	620	534
% of GDP per capita	34.1%	36.1%	36.0%	28.1%	28.8%	24.6%
Portfolio Yield (nominal)	28.6%	30.4%	29.7%	30.1%	35.4%	38.1%
Client Protection						
% cross-over clients (with a loan of another MFI)	n.a.	n.a.	n.a.	n.a.	n.a.	13%
% of branch offices in unserved areas (no other MFI or bank branches)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
% of clients in these unserved areas	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Human Resources Policy						
% of women among loan officers	15.9%	25.6%	30.6%	55.0%	59.6%	47.4%
% of women among management	33.3%	25.0%	20.0%	33.3%	16.7%	16.7%
% of employees who received at least two days of training	6.3%	20.5%	35.7%	59.2%	44.2%	3.4%
Number of training days per staff	0.4	2.3	1.2	2.5	2.9	1.3
Min/Max LOs salary ratio	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Min/Max professional staff salary ratio	240%	300%	450%	700%	900%	1,100%
Yearly salary increase reported to inflation	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Life&health insurance expense / personal expense	0.0%	0.0%	0.0%	0.0%	0.0%	?
Traffic accidents per loan officers	n.a.	n.a.	n.a.	n.a.	n.a.	0
Instances of assault per loan officer	n.a.	n.a.	n.a.	n.a.	n.a.	-
Working hours ratio	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Vacation days ratio	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Turnover	93.2%	83.7%	42.0%	23.9%	23.9%	13.3%
Client Composition (new and active)						
% Below the national poverty line	83.3%	85.9%	77.5%	89.2%	85.9%	0.0%
% Below 50% below the national poverty line	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
% Earning less than 1 USD a day per household member	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
% Poor or low income	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Change in Active Clients (3 years or 5 years old)						
% clients who had a change in their social status	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
% old clients above the poverty line	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
% old clients who crossed the poverty line	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
% old clients still under the poverty line	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
School Enrollment						
% School enrollment of clients children	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
% girls / boys attending regularly primary school	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
% girls / boys attending regularly secondary school	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Job Creation and Consolidation						
# of full-time hired workers in enterprises supported during the year	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
# of part-time hired workers in enterprises supported during the year	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Non-financial Services						
% of clients who received enterprise training services	0%	0%	0%	0%	0%	0%
% of clients who received education training services	0%	0%	0%	0%	0.1%	n.a.
% of clients who received health training services	0%	0%	0%	0%	0%	0%
% of clients who received training services related to women empowerment	0%	0%	0%	0%	0%	0%
% of clients who received school grants	-	-	-	3.2%	2.5%	n.s.

Note: These indicators are currently being tested by the Social Performance Taskforce (SPTF) and the MiX Market for social performance reporting. The answers to the qualitative indicators being tested by the MiX are stated in the rating.

Benchmarking



Source: MiX, MFI, Planet Rating; data as of December 2008 unless otherwise stated; MEMCO as of September.

Note: In the absence of benchmarks on SPM-related indicators, institutional performance indicators are provided for informative purposes.

■ Formulas

Portfolio yield: $\text{Portfolio revenue} / \text{Average gross outstanding portfolio}$.

Retention rate (basic formula): $\text{End borrowers} / (\text{Beg. borrowers} + \text{new borrowers})$.

Retention rate (enhanced formula): $(\text{End borrowers} - \text{Borrowers with the same loan during the period}) / (\text{Beg. borrowers} + \text{new borrowers} - \text{Borrowers with the same loan during the period})$.

Retention rate (CGAP formula): $\text{Repeat loans} / \text{Repaid loans}$.

Penetration rate: $\text{Active clients} / \text{Number of households}$.

■ Rating Scale

Rating	Definition
5+ 5 5-	Advanced: Long-lasting commitment to social goals; efficient management of social performance and social responsibility risks; institution very likely to achieve a positive social impact.
4+ 4 4-	Convincing: Clear commitment to social goals; reasonable management of social performance and social responsibility risks; institution likely to achieve a positive social impact.
3+ 3 3-	In progress: Clear intent to reach social goals; social performance management systems being implemented.
2+ 2 2-	Incipient: Clear intent to reach social goals; low capacity to manage social performance.
1+ 1 1-	Intangible: Intention to reach social goals is non tangible; low level of management of social performance.