
The State of the MENA Microfinance Industry

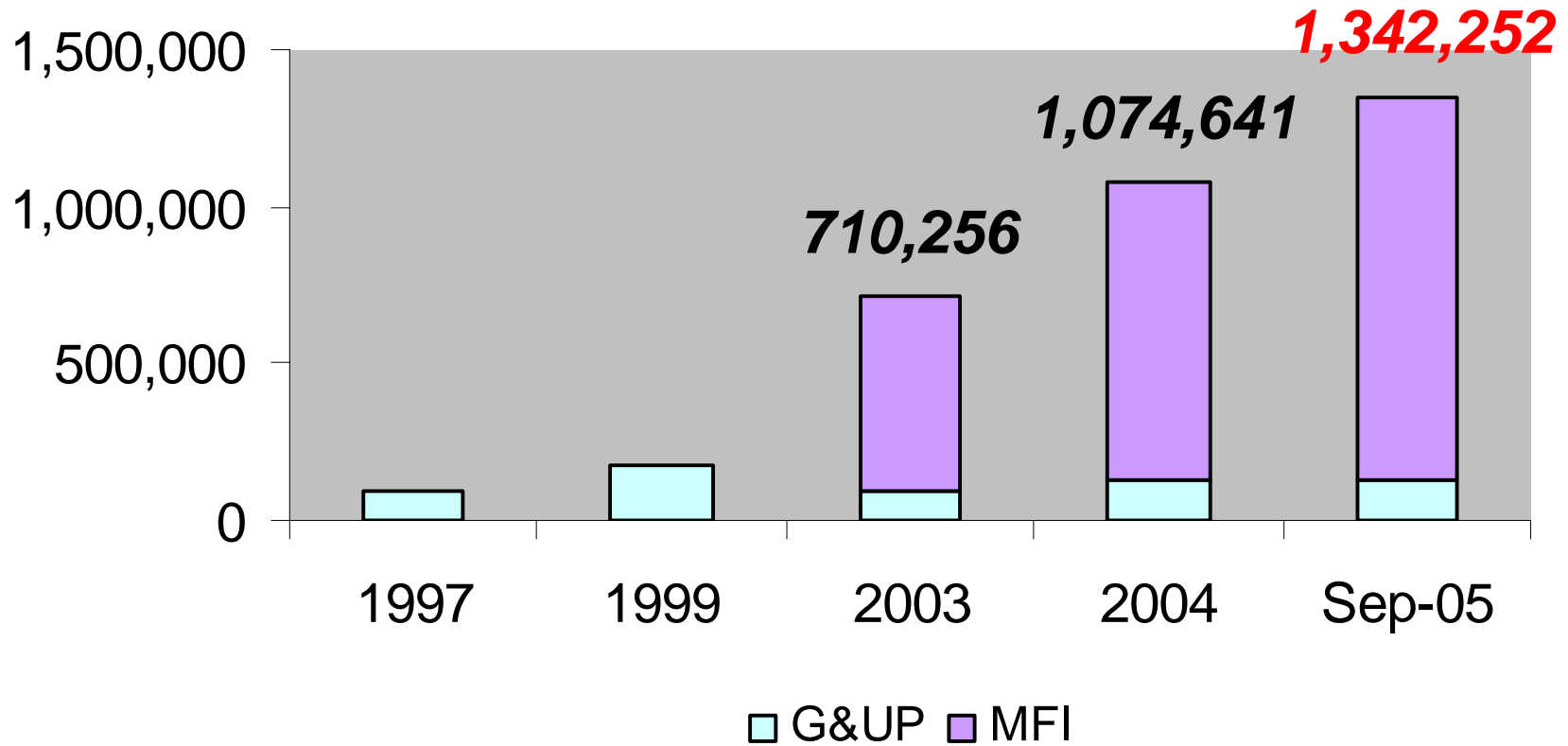
Iraq Microfinance Summit

November 14, 2006

Deepak Khanna
Senior Program Manager
IFC

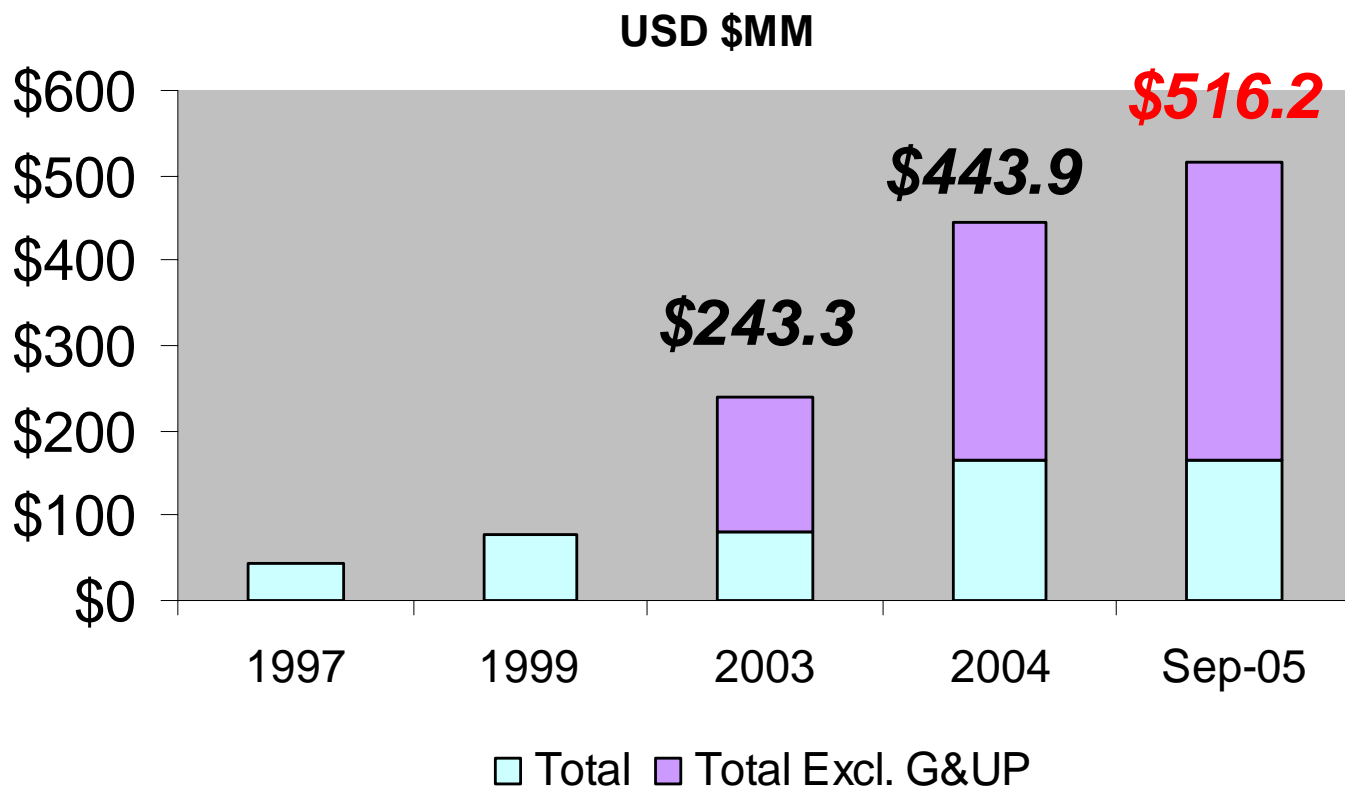
Rapid growth in client base

Active Borrowers



Rapid growth in amount of loans outstanding

Loan Portfolio Outstanding



Total Arab Microfinance Industry

30/9/05

	Active Clients	Loan portfolio outstanding (USD)	Average outstanding balance (USD)
Bahrain*	2,175	773,937	356
Egypt	455,323	96,372,228	212
Jordan	46,872	48,972,013	1,045
Iraq	11,379	16,761,220	1,473
Lebanon	37,711	29,397,654	780
Morocco	578,901	136,710,810	236
Palestine	26,900	43,694,628	1,624
Tunisia	106,092	77,537,863	731
Saudi Arabia	2,057	956,861	465
Sudan	6,757	1,109,090	164
Syria	40,797	58,355,153	1,430
Yemen	27,288	5,601,629	205
TOTAL	1,342,252	\$516,243,085	\$385

Total Arab Microfinance Industry – Excluding Government & Unemployment Programs 30/9/05

	Active Clients	Loan portfolio outstanding (USD)	Average outstanding balance (USD)
Bahrain*	2,175	773,937	356
Egypt	455,323	96,372,228	212
Jordan	33,222	21,193,480	638
Iraq	11,379	16,761,220	1,473
Lebanon	37,631	28,987,614	770
Morocco	578,901	136,710,810	236
Palestine	26,207	36,449,957	1,391
Tunisia	21,778	5,450,123	250
Saudi Arabia	2,057	956,861	465
Sudan	6,757	1,109,090	164
Syria	8,797	2,355,153	268
Yemen	26,190	2,839,561	108

TOTAL Excl. G&UP
% of TOTAL

1,210,417
90.2%

\$349,960,033
77.3%

\$289

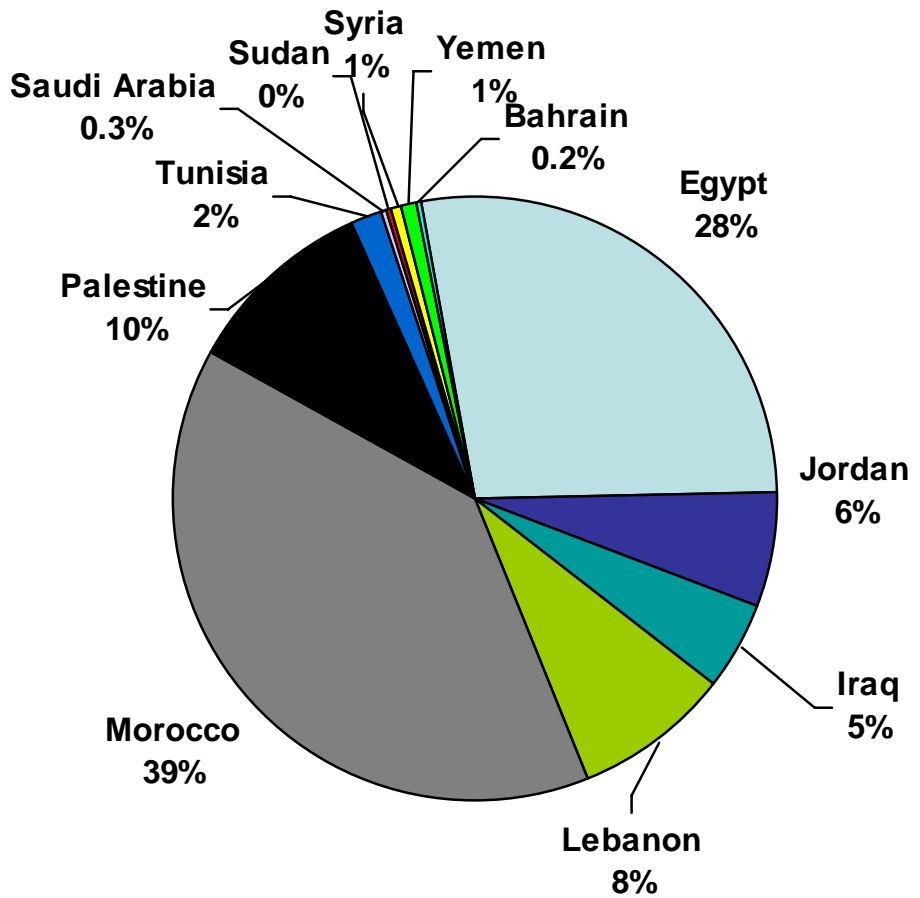
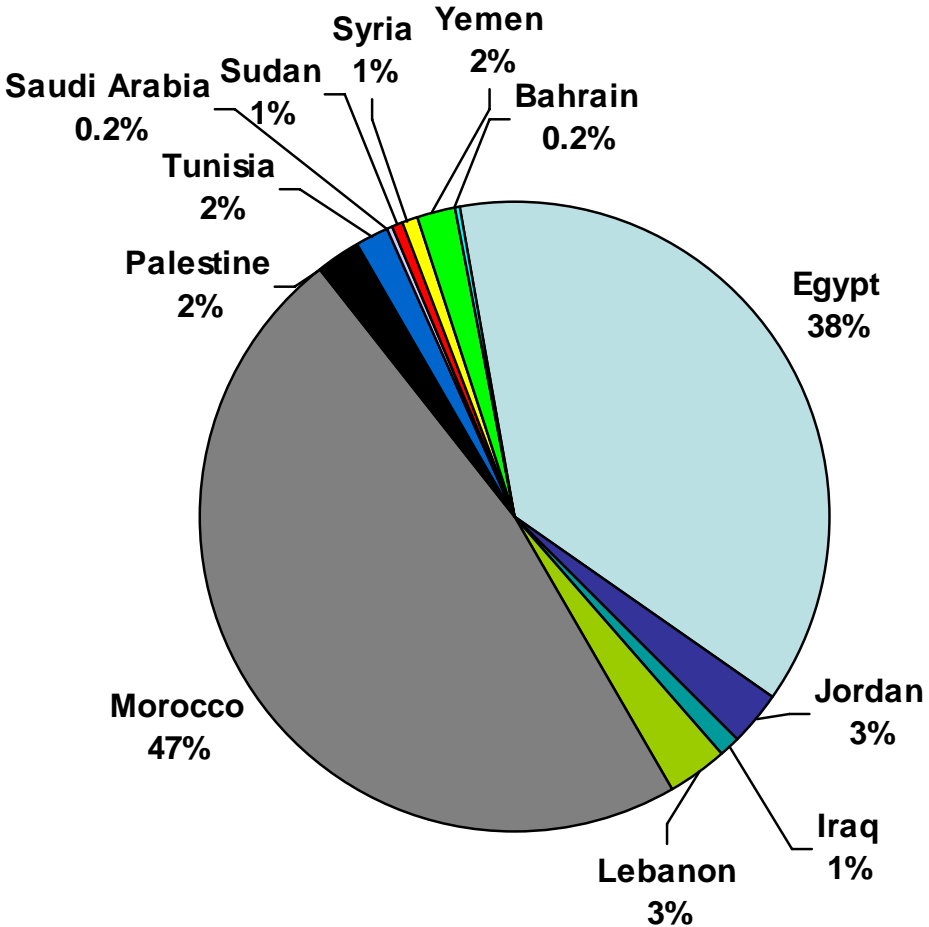
Country distribution of borrowers and loans

Active Borrowers

Total 1,210,417

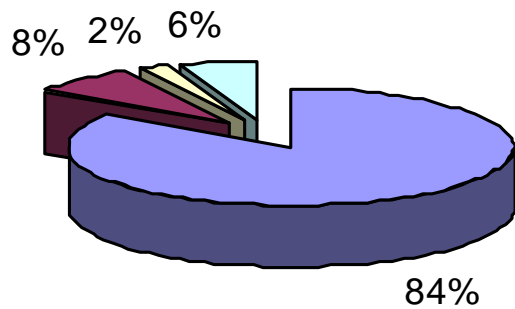
Portfolio Outstanding USD

Total \$349,960,033



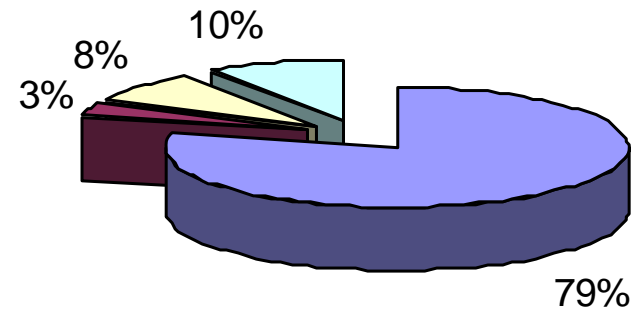
Legal Structure of MFIs

Legal Status



■ NGO ■ Company ■ Bank ■ Other

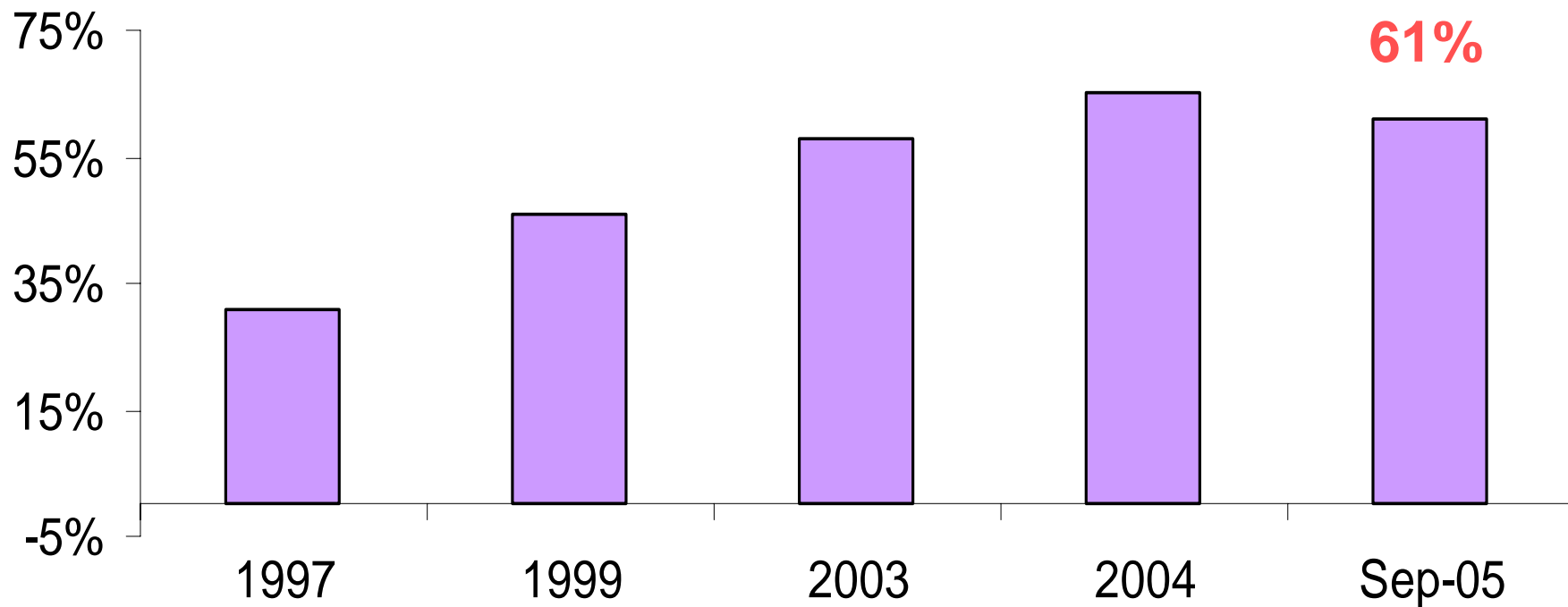
Active Clients By Legal Status



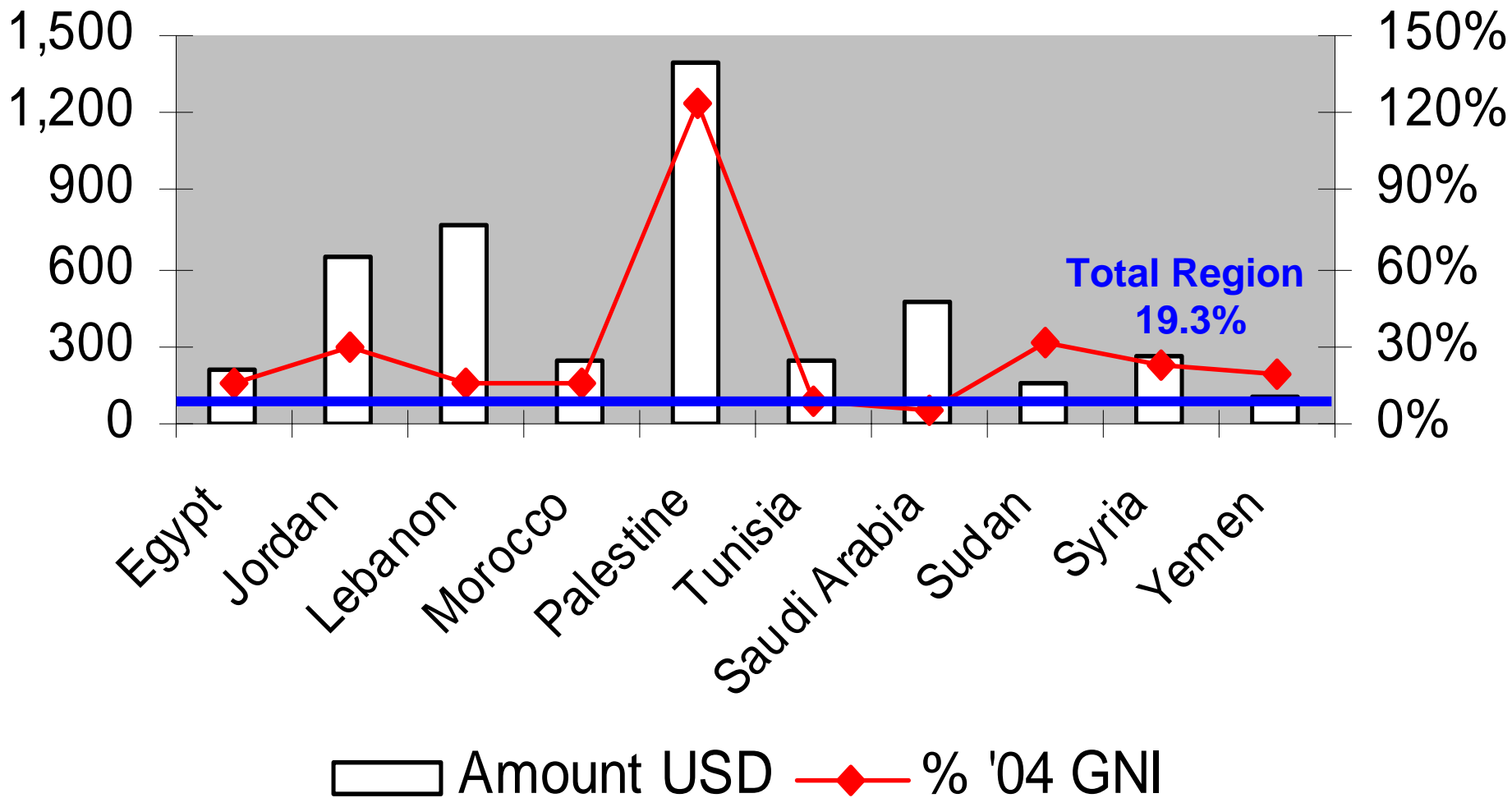
■ NGO ■ Company ■ Bank ■ Other

Distribution by Gender

Increased Focus on Women



Depth of Outreach



Product Diversification

	Credit Products				Savings		Insurance	
	Housing	Tourism	Seasonal	Consumer	C	V	Life	Health
Egypt			X	X	X			X
Jordan	X		X				X	
Iraq	X							
Lebanon	X	X	X			X		
Morocco	X	X						X
Palestine	X		X	X	X	X		
Tunisia							X	
Saudi Arabia								
Sudan						X		
Syria						X		
Yemen			X		X			

Performance of MFIs

First in....

- Real Portfolio Yield
- Portfolio at Risk
- Return on Assets
- Average loan size

Last in....

- Cost of fund
- Commercial Funding
- Equity Leverage
- Savers

Opportunities and Challenges

- ⊕ Large unmet demand
- ⊕ Political uncertainty/conflicts
- ⊕ Social/cultural barriers
- ⊕ Inadequate infrastructure/rural outreach
- ⊕ Legal and regulatory environment

Opportunities and Challenges

⊕ Capturing the market opportunity

- ⊕ New entrants

- ⊕ Bank downscaling

- ⊕ NGO transformation