Q1 2018 Members’ Achievements
Sanabel, The Microfinance Network of Arab Countries has 79 members, 65 of which are financial service providers (FSPs) and include the pioneers of microfinance in the Arab world. Around 63% of these FSPs served more than 2.9 million active clients in the first quarter of 2018 with a gross loan portfolio that exceeded 2 billion USD. The top three countries by the number of active clients are Egypt, Morocco and Jordan.

Many of these FSPs are operating in an environment full of economic, political and general uncertainty; therefore, the weighted average portfolio at risk (PAR) > 30 days across the region has reached to 7.99% in the first quarter of 2018. This is driven up by the FSPs in Yemen. If Yemen is excluded, the weighted average portfolio at risk (PAR) > 30 days across the region would be around 3.13% which is consider to be relatively low and indicates a healthy portfolio. It is important to highlight that the write off ratio of the region stands at 0.24%.
Quarter 1 2018 data by Sanabel's members indicates balanced outreach in terms of gender segmentation since 55% of active clients are female and 45% of active clients are males. There are still FSPs who serve mainly and even solely females and that is why the percentage of female active clients is not equal to the percentage of male active clients in several Arab countries like Egypt and Jordan, as it is illustrated in the below graph. It is noted that the percentage of male active clients is higher than the percentage female clients in the countries which facing political and economic instability such as Iraq.

In addition, the geographic outreach of Sanabel's members in Q1 2018 is considered to be more or less balanced since 51% of loans outstanding are served in rural areas compared to 49% in urban areas. Such statistics indicate that Sanabel's members have strong representation in rural areas and reasonable share of active clients in rural areas due to their sustainability and ability to reach out to rural population through non-banking agents and digital finance.
Another element worth highlighting is the lending methodology which is moving toward individual lending. In Q1 2018, 73% of loans were disbursed in individual loan methodology versus 27% in group loan methodology. There are FSPs who offer only individual loans because their demand is high due to their alignment with clients’ needs in terms of loan size, repayment period and interest rate. It is important to note that there is a correlation between loan methodology and the loan size. Therefore, the average loan size in the Arab World is increasing as the lending methodology moving toward individual lending which reached around 700 USD in Q1 2018.

According to Q1 2018 data, Sanabel’s members are targeting and serving youth (those people between the ages of 15 and 35) since 44% of their active clients are young clients. This is considered a significant percentage compared to the previous years which was around 30% of active clients were young clients. Youth is an important market segment that FSPs should target due to their high population in the Arab World. There are FSPs who have already implemented a youth strategy which focuses on how to serve such a market segment and meet their needs. It is critical to develop financial and non-financial services and products for youth in order to engage them in the formal financial system.

We can conclude from the above data that there is a balanced outreach in terms of gender, geographic and age segments. There has been growth in Q1 2018 in terms of number of active clients and gross loan portfolio accompanied with a stable quality of portfolio which confirms the sustainability of Sanabel’s members in an environment full of economic, political and general uncertainty.

The data above is based on the data of 41 FSPs members out of 65 FSPs members who provided their Q1 2018 data, so the response rate is 63%.
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