



20
22



Annual Report

A Year of Successes



صندوق المرأة
للتطوير الأصغر
MICROFUND FOR WOMEN





His Majesty
King Abdullah II Ibn Al Hussein
May God Protect and Preserve Him



His Royal Highness Crown Prince
Al Hussein bin Abdullah II
May God Protect and Preserve Him

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Company Overview



Who We Are

Microfund for Women (MFW) is Jordan's first and largest private not-for-profit shareholding microfinance company. The organization is dedicated to empowering entrepreneurs, and women in particular, through an array of financial and non-financial services designed to support their projects and livelihoods while helping them achieve financial inclusion. Founded in 1994, MFW was one of the first MFIs to be licensed by the Central Bank of Jordan, receiving its licensing in April 2018.



Our Vision

At MFW, we envision a more equitable and just society in which women are empowered to break the cycle of poverty and realize prosperity and well-being for an integrated life.



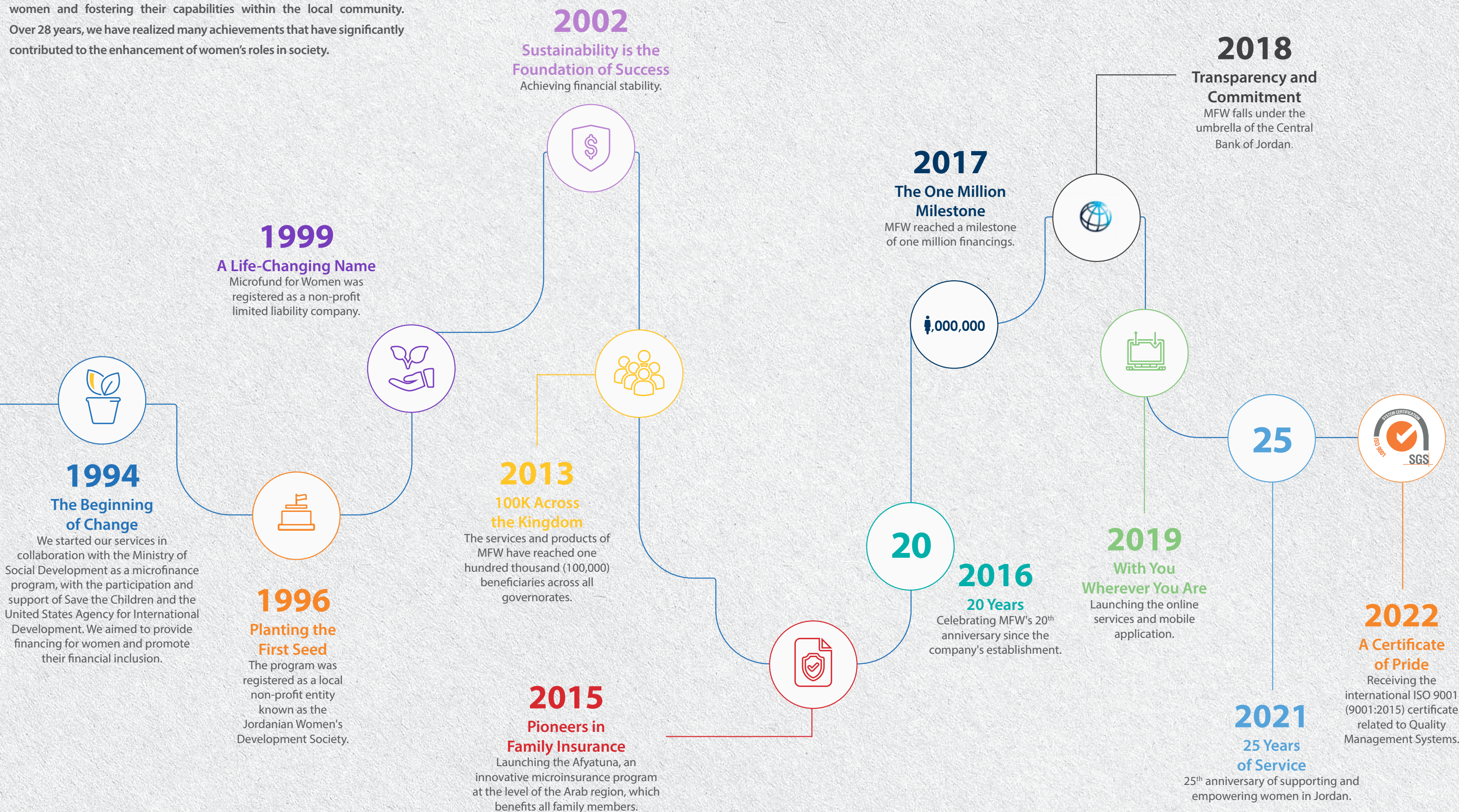
Our Message

We are dedicated to providing sustainable financial and non-financial services to women entrepreneurs of small projects with limited income. We aim to enhance their living standards and those of their families, thereby fostering economic and social empowerment for women.



Our Journey

We embarked on our mission in 1994, primarily focusing on empowering women and fostering their capabilities within the local community. Over 28 years, we have realized many achievements that have significantly contributed to the enhancement of women's roles in society.



Our Achievements

MFW has received 36 local, regional, and international awards in recognition of its efforts.

These include:



2011

Grameen Jameel Award for Financial Sustainability at the Arab World Level



2013

Women's World Bank Excellence Leadership Award



2016

Excellence in Transparency Award from the Sanabel Mircofinance Network at the Arab World Level



2020

Global Mahatma Award during the COVID-19 Pandemic



2012

Mohammad Bin Rashid 2012 for Young Business Leaders as the Best Fund to Serve Women in the Arab World Award



2014

Achieved an (A) Rating in Financial Performance and 4/5 Rating in Social Performance from Planet Rating, Reaching Among the Top 400 Microfinance Institutions Worldwide



2018

Excellence in Translating Social Mission into Actual Practices from the Sanabel Network at the Arab World Level



2022

International ISO 9001:2015 for Quality Management Certificate Related to Quality Management Systems



Board of Directors

The Board of Directors of Microfund for Women consists of the President and Vice-Chairperson, along with designated members who collectively oversee the company's activities and work.



Ghiath Sukhtian
Chairperson of the
Board of Directors



Muna Sukhtian
Vice-Chairperson of the
Board of Directors



Iyad Zawaideh
Board Member



Iciar Vaquero
Board Member



Reem Abu Hassan
Board Member



Fida Al Taher
Board Member



Lubna Touqan
Board Member



Mohammad Ali Al-Husry
Board Member

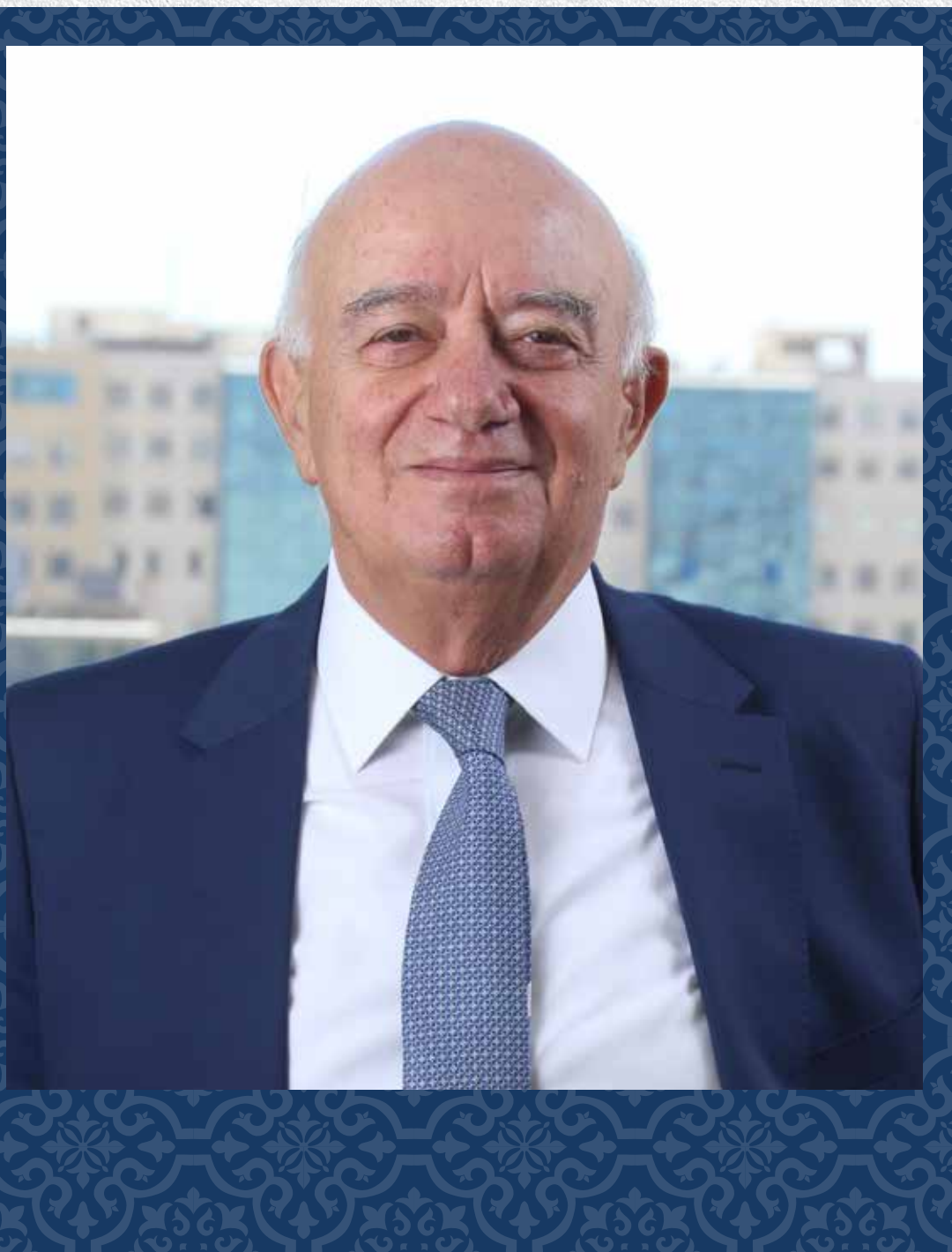


Nisreen Haddad
Board Member



Nedjma Koval
Board Member

Letter from the Chairperson



Ghiath Sukhtian

Chairperson

Today, I take great pride and honor in communicating the successes that women have achieved in our society. Women are the fundamental pillar of our community that we rely on in our endeavors. They have been and continue to be, alongside men, a source of our inspiration and strategic partners in taking responsibility and creating a positive impact that influences our families and communities. Women continue to be exemplary in their commitment to their families and projects, persistently developing their personal and professional capabilities and leaving a noticeable mark on our society.

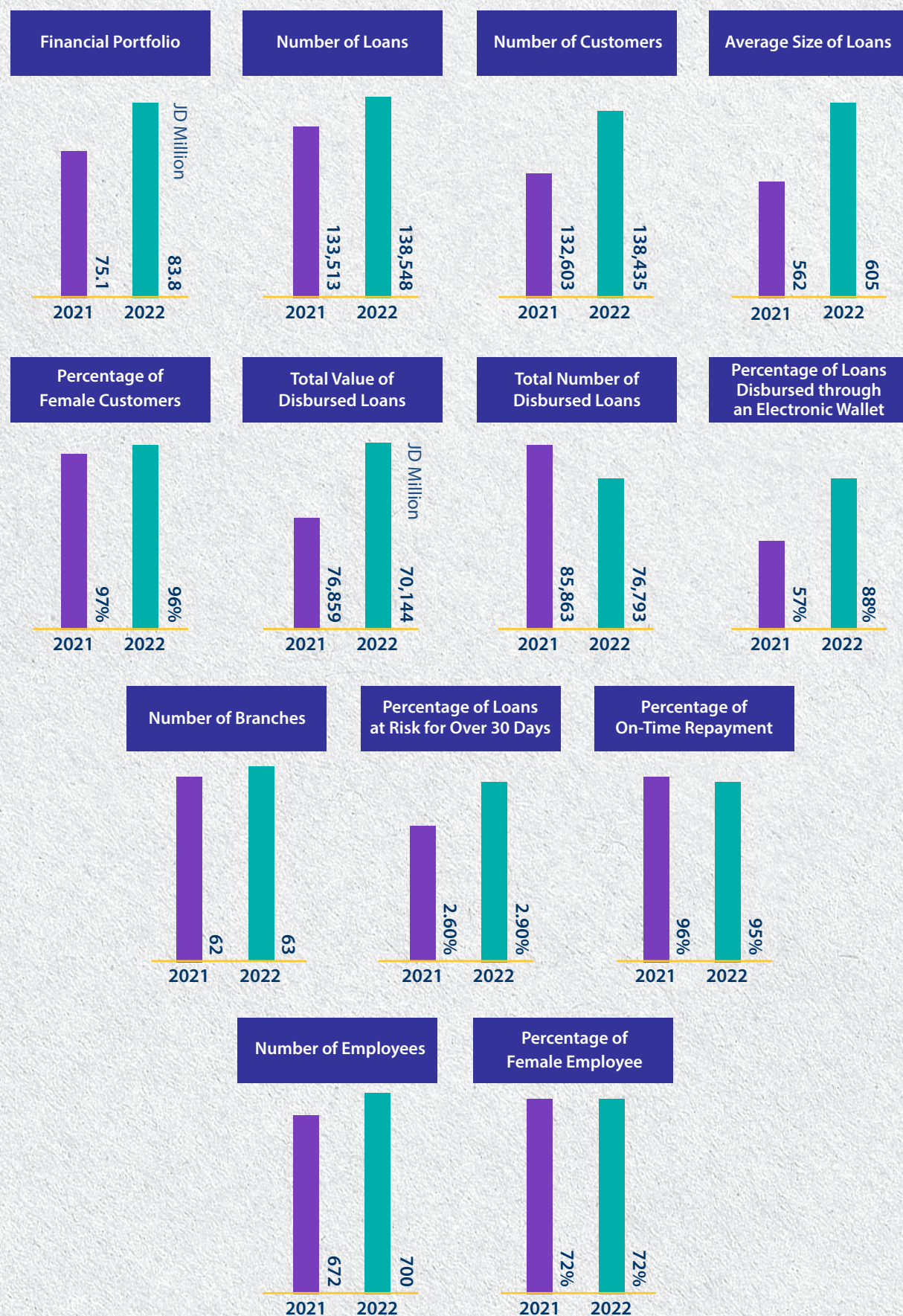
Our successes are embodied in achieving more accomplishments despite our beloved nation's economic and social challenges. We take pride in being at the forefront of microfinance companies in the Kingdom, where we rank first in the number of beneficiaries and market share. We provide innovative services and products that reflect the importance of satisfying our beneficiaries, who are our top priority.

MFW has played a prominent role in reducing unemployment in our society by supporting small projects, which are a fundamental pillar in maintaining and increasing the current workforce over time. The company has contributed to achieving social balance within households by providing women with opportunities to establish their own projects, generate income for their families, and gain financial independence. In addition to providing a wide and diverse range of free financial and non-financial services the company supports thousands of success stories that continue to impact our society.

Our company actively strives to achieve sustainable development goals, where we have effectively supported financial inclusion. We have expanded our diverse financial and non-financial services to include all segments of society, including Syrian refugees and non-Jordanians, whom we have assisted in developing their projects and supporting their families and communities.

Today, after overcoming many challenges facing the digital system, we have employed technology in all the operations and services we provide to our beneficiaries. We have been at the forefront of companies that have introduced digital financial services, enabling them to conduct their financial transactions electronically with ease, speed, and safety, and reducing transportation costs. We continue to automate many procedures and operations to enhance the company's capabilities locally and globally.

Performance Indicators for the Year 2022



Financial Position Analysis and Results of Operations for the Year 2022

In 2022, MFW continued achieving the highest market share among microfinance companies, which constituted 30% with regard to the number of active customers. This indicates the company's ability to compete under the difficult economic conditions that Jordan is going through.

Below is a presentation of the company's financial position analysis and results of operations for the year 2022.

First: Financial Position for the Year 2022

Assets:

MFW's assets increased to JD 98,429 million at the end of 2022, compared to JD 85,403 million at the end of 2021, a growth rate of 15.3%. This increase primarily resulted from the rise in cash assets by 64.1%, followed by the net financial portfolio by 11.6%. This was due to the borrowing of funds at the end of the year and the significant increase in the net financial portfolio.

The table below shows the development of the main assets during the years 2018-2022:

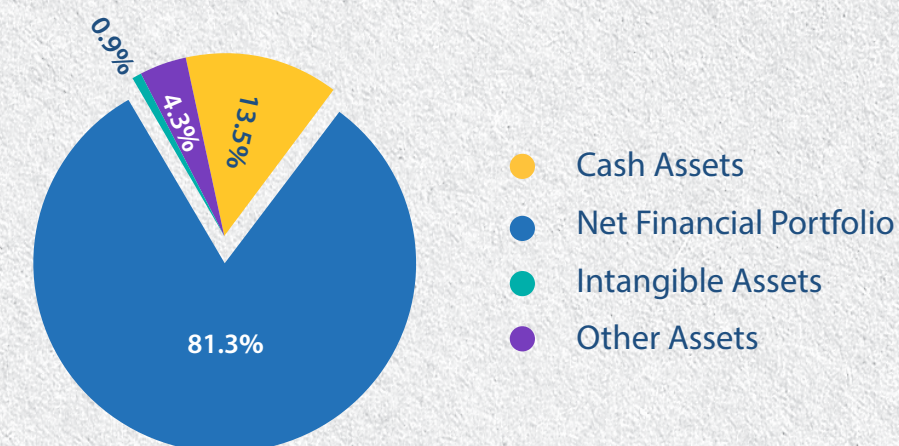
Statement	JD Million					Change Percentage 2021-2022
	2018	2019	2020	2021	2022	
Cash Assets	3,206	7,654	5,458	8,123	13,329	64.1%
Net Financial Portfolio	59,812	55,725	52,329	71,849	79,993	11.3%
Intangible Assets	1,286	1,372	1,037	834	898	7.6%
Other Assets	5,118	5,431	6,228	4,595	4,208	(8.4%)
Total Assets	69,422	70,182	65,052	85,403	98,429	15.3%

Company's Assets Relative Importance for the Year 2022:

Regarding the relative importance of the company's asset for the year 2022, the net financial portfolio still occupies the forefront, representing 81.3% of the total assets, compared to 84.1% in 2021. This is followed by cash assets, which constituted 13.5% compared to 9.5% at the end of the previous year.

By analyzing the role of these assets in generating the returns that MFW earns from employing its finances, taking into account the followed policies, procedures, and risks for each of the sections, it reflects the company's ability to manage its assets optimally and use its financial sources in re-lending beneficiaries or financing new beneficiaries.

Relative Importance of Assets



Net Financial Portfolio:

This section represents the total net loans granted to customers. The total value of the financial portfolio for 2022 amounted to JD 83,823 million (compared to JD 75,091 million at the end of 2021), an increase of 11.6% compared to 2021. This increase is due to modification, merging, and adding new products that serve a new customer segment while maintaining a customer turnover rate of 84%.

The balance of the provision for expected credit losses was JD 3,829 million at the end of 2022 (compared to JD 3,242 million at the end of 2021). It is worth noting that the coverage ratio of the provision for credit losses to the total loans granted reached 4.6% at the end of 2022 (compared to 4.3% at the end of 2021).

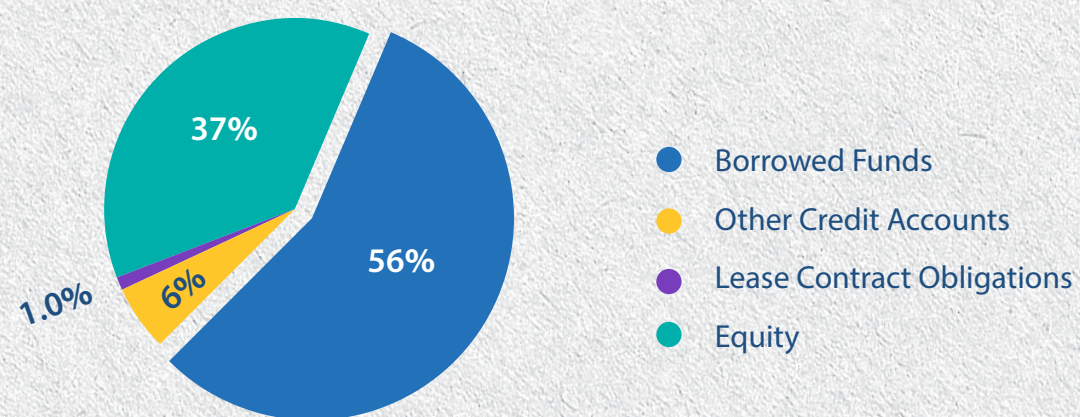
Liabilities and Equity:

The table below shows the development of the main sections of liabilities and equity over the years (2018-2022):

Statement	JD Million					Change Percentage 2021-2022
	2018	2019	2020	2021	2022	
Borrowed Funds	38,528	37,558	31,681	48,281	55,173	14.3%
Other Credit Accounts	4,356	3,591	3,823	5,323	5,624	5.6%
Lease Contract Obligations	0	1,015	981	769	944	22.7%
Equity	26,539	28,017	28,569	31,028	36,688	18.2%

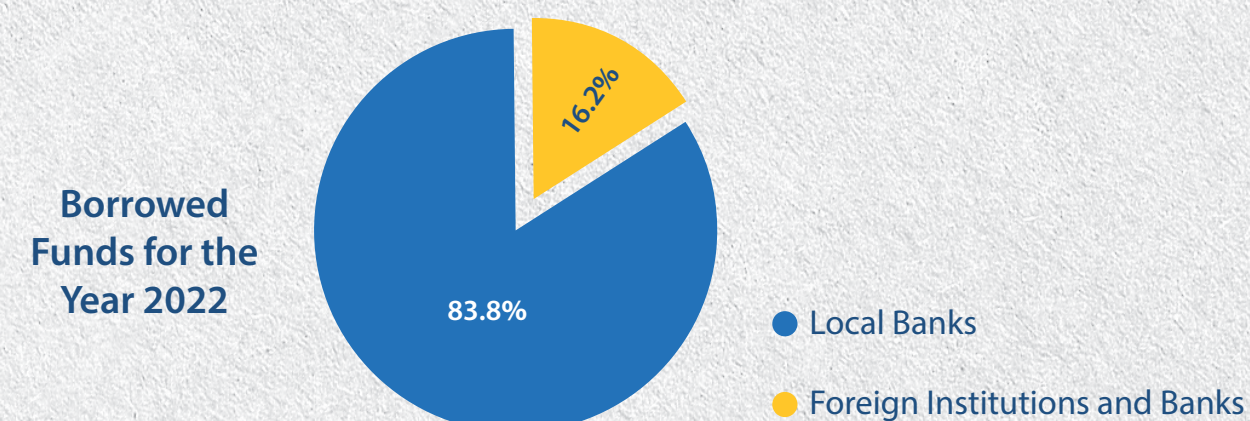
Considering the relative importance of the company's liabilities and equity components, as illustrated in the chart below, the borrowed funds constituted 56.1% compared to 56.5% at the end of 2021. In addition, the equity accounted for 37.3% compared to a rate of 36.3%.

Relative Importance of Liabilities and Equity



Borrowed Funds

The company's financial statements for the year 2022 showed a growth in the total borrowed funds by 14.3% compared to 2021, reaching JD 55,173 million. This increase primarily resulted from the surge in the financial portfolio, as the company borrows to lend to its customers. The proportion of funds borrowed from local banks amounted to 83.8% in 2022.



Equity

MFW's equity has increased with a growth rate of 18.2%. It is also worth mentioning that the return on equity achieved a rate equal to 17.0%, reflecting the outstanding performance achieved for 2022.

Key Financial Indicators

Statement	2018	2019	2020	2021	2022
Return on Total Assets	3.7%	2.2%	0.8%	3.5%	6.3%
Return on Equity Rate	9.6%	5.7%	2.0%	8.4%	17.0%
Financial Stability	111.6%	109.7%	100.8%	108.0%	127.6%
Financial Leverage Ratio	1.62	1.50	1.27	1.75	1.68
Net Profit Margin	13.2%	8.9%	3.6%	12.8%	23.5%

Second: Company's Results of Operations for the Year 2022

The company has continued its excellent performance over the past five years despite the challenges it faced during the Covid-19 pandemic. This reflects the efficiency of the company in managing its financial resources to provide ongoing and substantial support to its customers.

The table below demonstrates the development of income sections for the years (2018-2022):

Income Statement	2018	2019	2020	2021	2022	Change Percentage 2021-2022
Interest Revenues	15,427,156	15,393,308	13,576,922	17,228,893	22,016,216	27.8%
Other Revenues	2,574,520	2,125,562	1,734,875	2,071,488	2,090,651	0.9%
Total Revenues	18,001,676	17,518,870	15,311,797	19,300,381	24,106,867	24.9%
Interest, Expenses, and Paid Commissions	2,572,297	3,238,951	2,667,024	2,377,938	3,656,971	53.8%
Total Income	15,429,379	14,279,919	12,644,773	16,922,443	20,449,896	20.8%
Total Operating Expenses	12,071,718	11,847,667	9,661,315	10,601,297	11,732,879	10.7%
Operating Income	3,357,661	2,432,252	2,983,458	6,321,146	8,717,017	37.9%
Expected Loan Losses Provision	940,311	843,624	2,379,672	3,822,272	2,989,964	(21.8%)
Other Non-Operating Expenses	33,284	29,798	52,283	31,878	66,993	110.2%
Total Non-Operating Expenses	973,595	873,422	2,431,955	3,854,150	3,056,957	(20.7%)
Net Income	2,384,066	1,558,830	551,503	2,466,996	5,660,060	129.4%

Interest Revenues

The interest revenue amounted to JD 22,016 million compared to JD 17,228 million in 2021, an increase of 27.8%. This increase is due to the increase in the financial portfolio by 11.6%.

Other Revenues

This section primarily includes revenue for financial services provided to customers and their families, such as health insurance. The company is proud to stand by customers in such difficult situations and be the first legally licensed company in the microfinance sector to provide insurance services.

Interest, Expenses, and Paid Commissions

This section recorded an increase of 53.8% compared to the previous year, while borrowed funds increased by 14.3% in 2022 compared to the previous year. This indicates an increase in interest rates in the global markets and its impact on the increase in interest and commissions. The company did not increase the interest rates for customers in order to maintain efficiency and effectiveness in providing financial services at the lowest cost and optimal customer service.

Operating Expenses

The company continued its operations through its network of branches, which reached 63 branches distributed throughout the Kingdom, with a plan to relocate some branches for better structures and periodic maintenance for all branches. The company also strengthened its workforce by attracting experienced employees, bringing the total number of employees to 700.

The company continues to develop and upgrade its programs to keep pace with best practices in the microfinance sector and implement instructions of the Central Bank. Additionally, it has embarked on digital initiatives and launched multiple advertising campaigns for its new services and products.

Therefore, the operating expenses increased by a growth rate of 10.7% in 2022 compared to the previous year, reaching JD 11,732 million.

Board Report on the Company's Financial Status for the Year 2022

Financial Position Statement	2020 JD	2021 JD	2022 JD
Cash and Bank Balances	5,458,770	8,123,141	13,329,605
Receivables and Other Debit Balances	3,524,674	2,261,167	1,937,665
Loans Granted	52,329,970	71,849,056	79,993,796
Inventory	81,720	54,238	53,738
Properties and Equipment	663,642	554,779	698,822
Intangible Assets	374,219	280,184	199,593
Right-of-Use Assets	1,292,361	956,589	1,030,182
Allied Investment	1,252,095	1,254,581	1,116,950
Financial Assets at Fair Value through Comprehensive Income	77,334	69,265	69,418
Total Assets	65,054,785	85,403,000	98,429,769
Liabilities and Equity			
Liabilities			
Long-Term Loans	31,681,467	48,281,808	55,173,352
Payables and Other Credit Balances	3,823,079	5,323,929	5,624,219
Lease Contract Obligations	980,954	769,051	943,773
Total Liabilities	36,485,500	54,374,788	61,741,344
Equity			
Capital	1,000,000	1,000,000	1,000,000
Mandatory Reserve	1,000,000	1,000,000	1,000,000
Fair Value Reserve	(81,000)	(89,069)	(88,916)
Accumulated Surplus	26,650,285	29,117,281	34,777,341
Total Equity	28,569,285	31,028,212	36,688,425
Total Liabilities and Equity	65,054,785	85,403,000	98,429,769

Income Statement	2020 JD	2021 JD	2022 JD
Interest Income	13,576,922	17,228,893	22,016,216
Financing Costs	(2,572,492)	(2,308,445)	(3,581,680)
Net Interest Income	11,004,430	14,920,448	18,434,536
Late Payment Penalty Revenues	405,684	403,754	255,537
Scheduling and Installment Fees Income	197,852	48,740	334,132
Net Income from Interest and Facilities	11,607,966	15,372,942	19,024,205
Recovered from Impaired Loans	237,842	284,161	408,964
Other Revenues	892,828	1,311,361	1,050,622
Company's Share from Affiliated Company's Results of Operations	(142,791)	2,486	(137,631)
Salaries, Wages, and Other Benefits	(7,030,592)	(7,728,054)	(8,323,684)
Administrative Expenses	(478,649)	(521,192)	(1,019,294)
Other Operating Expenses	(869,239)	(1,001,937)	(948,737)
Sales and Marketing Expenses	(388,548)	(496,908)	(588,449)
Expected Credit Losses Provision	(2,379,672)	(3,822,272)	(2,989,964)
Depreciation of Property and Equipment	(292,972)	(235,533)	(217,161)
Write-off of Intangible Assets	(109,211)	(102,711)	(102,678)
Amortization of Rights to Use Leased Assets	(349,313)	(514,962)	(395,245)
Leased Assets Financing Costs	(94,532)	(69,493)	(75,291)
Other Expenses - Net	(52,283)	(31,878)	(66,993)
Profits from Sale of Property and Equipment	669	20,985	41,396
Surplus for the Year	551,503	2,466,995	5,660,060
Other Comprehensive Income Statements Not Reclassified Subsequently to Profit, Loss, and Comprehensive Income Statement			
Fair Value Changes of Equity Tools at Fair Value through Other Comprehensive Income	0	(8,069)	153
Total Comprehensive Income for the Year	551,503	2,458,926	5,660,213

Cash Flow Statement	2020 JD	2021 JD	2022 JD
Operating Activities			
Net Surplus for the Year	551,503	2,466,996	5,660,060
Adjustments			
Depreciation of Property and Equipment	292,972	235,533	217,161
Write-off of Intangible Assets	109,211	102,711	102,678
Amortization of Rights to Use Leased Assets	349,313	514,962	395,245
Expected Credit Losses Provision	2,379,672	3,822,272	2,989,964
Profit from Sale of Property and Equipment	(669)	(20,986)	(41,396)
Company's Share from Affiliated Company's Results of Operations	142,791	(2,486)	137,631
Leased Assets Financing Costs	94,532	69,493	75,291
Financing Costs	2,572,492	2,308,445	3,581,680
Changes in Working Capital			
Loans Granted	968,279	(22,546,682)	(11,134,704)
Inventory	(4,573)	27,482	500
Receivables of Other Credit Balances	(905,252)	468,831	323,502
Payables of Other Credit Balances	172,027	925,532	373,033
Net Cash Flows (Used in) Operating Activities	6,722,298	(11,627,897)	2,680,645
Investment Activities			
Purchasing of Property and Equipment	(28,944)	(128,573)	(380,171)
Purchasing of Intangible Assets	(38,652)	(8,676)	(22,087)
Proceeds from Sale of Property and Equipment	977	22,889	60,363
Net Cash Flows (Used in) Investment Activities	(66,619)	(114,360)	(341,895)
Financing Activities			
Proceeds from Long-Term Loans	8,250,000	36,573,275	32,353,340
Repayments of Long-Term Loans	(14,126,833)	(19,535,216)	(25,461,796)
Paid Financing Costs	(2,513,005)	(2,170,845)	(3,654,423)
Lease Obligations Repayment	(461,178)	(460,586)	(369,407)
Net Cash Flows (Used in) Financing Activities	-8,851,016	14,406,628	2,867,714
Net Increase/Decrease in Cash and Cash Equivalents	(2,195,337)	2,664,371	5,206,464
Cash and Cash Equivalents as of January 1	7,654,107	5,458,770	8,123,141
Cash and Cash Equivalents as of December 31	5,458,770	8,123,141	13,329,605

Corporate Governance and Disclosure Requirements:

1- Disclosure within the Annual Report on the Existence of Governance Manual and the Company's Compliance with It:

MFW places significant emphasis on corporate governance practices, aiming to increase transparency in order to enhance the confidence of shareholders, the Board of Directors, employees, customers, regulatory authorities, and all parties of interest who are engaged with the company. The company believes that having effective corporate governance practices leads to efficient management, contributing to the achievement of the company's strategic objectives. Accordingly, a Corporate Governance Manual has been developed and approved by the Board of Directors in accordance with the guidelines of the Central Bank of Jordan on corporate governance (No.10/2020) and applicable laws, in line with international best practices regarding corporate governance. This manual represents the foundations upon which the company, along with its relationships with all stakeholders are managed.

Furthermore, the company emphasizes its commitment to all provisions outlined in the approved Corporate Governance Manual by the Board of Directors..

2- Board of Directors and a Brief Introduction of Each Member:

Ghiath Munir Sukhtian

Chairman of the Board of Directors

Since 1999

Non-Independent Member

- Mr. Ghiath brings a diverse experience in the pharmaceuticals, telecommunications, and agricultural sectors in the Middle East, North Africa, and India over the past sixty years. He is the Founder and Chairman of the Board of GMS Holdings, a diversified investment company managing investments in various regions and industries, including pharmaceuticals, telecommunications, contracting, oilfield services, and agriculture.
- Furthermore, he holds the position of Chairman of Sanadcom for Small and Medium Enterprise Financing, Chairman of MS Pharma, Chairman of Agricultural Sciences Company in Izmir, Turkey, and is a member of the Board of Directors of VTEL Holdings - Dubai, OJ Electronics (United Kingdom), and Munir Sukhtian International Investment Company.
- He holds a bachelor's degree in Economics from University of Houston in the United States.

Mona Ghiath Sukhtian

Vice-Chairman of the Board of Directors
since 1999

Managing Director of the company until
October 25, 2021

Non-Independent Member

Member of the Risk and Compliance
Committee, Nomination and Remuneration
Committee, and Audit Committee

- Ms. Mona Sukhtian has diverse experience in private, public, and non-profit institutions and organizations. Her professional journey began as a business consultant in the United States, then she joined her family's pharmaceutical industry. She later worked as the Chief of Staff to Her Majesty Queen Rania Al Abdullah. In the past, she held the position of Acting Managing Director of MFW from 2009 to April 2019, and Managing Director from May 2019 to October 2021. She also served as a Board Member of the Royal Committee to Modernize Political System in Jordan and Co-Chairman of the Women's World Banking (WWB). Additionally, she was a Member of the Board of Directors of UWallet for Mobile Payment Solutions, Tanmeyah Network for Supporting and Developing Microfinance Institutions in Jordan, the Jordan Royal Film Commission, the Consultative Group to Assist the Poor (CGAP), the Queen Rania Teacher Academy, and a Council Member of the Greater Amman Municipality.
- Currently, Ms. Mona serves as a Board Member of Al Hussein Technical University, Women's World Banking (WWB), Crown Prince Foundation, Sanadcom Company for Small and Medium Enterprises Financing, Ghiath Munir Sukhtian Holdings (GMS Holdings), Queen Rania Award for Excellence in Education, Abdul Hameed Shoman Foundation, and Taawon, a non-profit organization.
- Ms. Mona holds a bachelor's degree in Biochemistry from Harvard University and a master's degree in Business Administration from INSEAD University in France.

Lubna Kamal Touqan

Member of the Board of Directors since
2013

Non-Independent Member

Member of the Nomination and
Remuneration Committee

- Ms. Lubna Touqan is serving as the General Director of the Queen Rania Award for Excellence in Education, where she has been the first director since its establishment. She previously held the position of Business Development Manager at Rubicon Group Holding, which is responsible for designing electronic curricula for the Ministry of Education in Jordan. Additionally, she worked on the Jordanian-American Business Partnership Project as a Project Manager for small and medium-sized enterprises. She established Jawad Consultancy Company, which is dedicated to financial management studies of private sector companies in Jordan and the region. Currently, she holds the position of Deputy Chairman of the Jordan Squash Federation Board and is a Member of the Board of Directors of SOS Children's Villages Jordan.
- Ms. Lubna holds a bachelor's degree in Business Administration from the University of Bath in the UK and a master's degree in Business Administration (MBA) from Lancaster University in the UK.

Mohammad Ali Al-Husry

Member of the Board of Directors since 2009

Non-Independent Member

- Mr. Mohammad Ali Al-Husry founded Capital Bank and served as the Board Chairman and CEO since its establishment in 1995 until 2007. He also served as the Chairman of the Board of Endeavor Jordan and Alcazar Energy Company. He previously served as a Member of the Board of Trustees of the Jordan Museum, the Jordan University of Science and Technology, the Association of Banks in Jordan, the Institute of Banking Studies, Al Hussein Fund for Excellence, and the Insurance Commission.
- Currently, Mr. Mohammad Ali Al-Husry is the Executive Director of Dash Ventures since 2011. He is also currently a Member of the Board of Directors of Endeavor Jordan, Hikma Pharmaceuticals, and Capital Bank.
- Mr. Mohammad Ali Al-Husry holds a bachelor's degree in Mechanical Engineering from the University of California and a master's degree in Business Administration from INSEAD University in France.

Reem Mamdouh Abu Hassan

Member of the Board of Directors since 2018

Independent Member

Member of the Risk and Compliance Committee

- Ms. Reem Abu Hassan has diverse expertise in several areas related to family and child protection, as well as the development of legislation concerning family protection. She has notable contributions in the field of judiciary development, having previously held various positions:
- Minister of Social Development, General Supervisor of the Arab Center for the Development of the Rule of Law and Integrity/Jordan Branch, Vice-Chairman of Partners for Change/Jordan Branch, Member of the Royal Committee to Modernize the Political System, Founding Member and Chairman of the Administrative Board of the International Women's Forum (2006-2008-) in Jordan, Founding Member of the Arab Women's Legal Network, Chairman of the Steering Committee of the Humanitarian Response Network, Member of the Board of Directors of the Jordanian Radio and Television Corporation, Member of the Higher Education Council, Member of the Board of Trustees of the National Center for Human Rights, Member of the Anti-Corruption Commission under the Jordan First Initiative, Member of the Justice and Legislation Committee under the National Agenda, Member and Chairman of the Legal Issues Committee under the «Family Protection Project in Jordan,» Member of the Board of Trustees of the International Leadership Center for Training Sustainable Leaders worldwide, Member of the Board of Directors of MFW, Member of the Legal Committee under the National Committee for Women's Affairs, Secretary-General of the National Council for Family Affairs, and former Director of the Directorate of Human Rights and Family Affairs at the Ministry of Justice.
- Ms. Reem currently works as a legal consultant in private practice. She also holds the position of Member of the Charity Account Committee at Himmat Watan Fund, as well as Member of the Board of Trustees of the Higher Population Council. She is also a Member of the Board of Directors of the International Women's Forum Foundation and a non-profit organization that networks leadership training for women worldwide in Washington. She is a Member of the Board of Trustees of the International Women's Forum for Training Sustainable Leaders worldwide. Additionally, she serves as the Honorary President of the Jordanian Charitable Association for Protecting Victims of Domestic Violence and is a Member of the Board of Directors at Arab Reporters for Investigative Journalism (ARIJ).
- Ms. Reem Abu Hassan holds a bachelor's degree in Private Law from University of Jordan and a master's degree in Law from University of London.

Iciar Vaquero Lopez

Member of the Board of Directors since 2020

Independent Member

Member of the Audit Committee

- Ms. Iciar has 20 years of experience in the field of strategies and general management. She previously held the position of Head of Strategy at Bupa Insurance company in the United Kingdom, where she contributed to improving and transforming one of the largest insurance accounts in the company, specifically Cromwell Hospital, clinics, and care homes. Ms. Iciar also contributed to the growth and performance improvement of NHS Hospitals and multiple private equity companies in her role as a management consultant. She began her professional career at McKinsey & Company, where she spent 7 years. Iciar has extensive entrepreneurial experience as a founding member of FX-broker Ebury Partners, one of the fastest-growing financial technology companies in Europe. She has also successfully launched two projects for major corporations as a strategy manager at Carbon Trust.
- Currently, Ms. Iciar works as Chief Strategy and Business Development Officer at Abdali Medical Center since 2016. She is also a Board Member at the International Community School in Amman - Jordan.
- Ms. Iciar holds a bachelor's degree with honors in Business Administration from Universidad Pontificia de Comillas in Madrid, and a master's degree in Business Administration and Finance from Columbia University in New York.

Nedjma Andrew Koval

Member of the Board of Directors since 2020

Independent Member

Member of the Nomination and Remuneration Committee

- Ms. Nedjma's experiences are diverse across multiple fields. She currently works as a development consultant and is the founder and CEO of Integrated International, a leading company in social and economic consultancy serving the development sector in the Middle East. She began her professional career as a development consultant with the World Bank in Washington, D.C. She has also worked with United Nations organizations and other international organizations such as ESCWA, UNRWA, CARE, USAID, and International Relief and Development (IRD) in conflict-affected areas like Gaza and Lebanon before choosing to settle in Jordan.
- Ms. Nedjma has over 20 years of experience in the field of development, which qualified her to work in the design, development, and implementation of various projects in different sectors within the field of development and humanitarian relief.
- Ms. Nedjma has also published several studies on education, conflicts, sustainable development, water population dynamics, addressing policy-makers and donors. She previously held positions as a member of various boards of organizations such as MFW, Baccalaureate Grant Fund, Amman Baccalaureate School, Future Company, and Royal Marine Conservation Society.
- Ms. Nedjma currently holds the position of CEO and Board Member of Integrated International, a consultancy solutions company for development. She also serves as Board Member of the Fulbright Commission in Jordan and Board Member of Abdul Hameed Shoman Foundation.
- Ms. Nedjma holds a master's degree in Economics from Tufts University in the United States and a bachelor's degree in Economics from George Washington University.

Fida Main Al Taher

Member of the Board of Directors
since 2020

Independent Member

Member of the
Risk and Compliance Committee

- Mrs. Fida Taher is the Managing Partner and Board Member of Aman Ventures, which is an investment fund that aims to achieve a social impact by providing high-risk capital and specialized technical support for small and medium-sized enterprises. She also manages Arcan platform, which is affiliated with Amam Ventures, and is a Co-Founder and Chairperson of Women in Business Arabia, a virtual network of approximately 45,000 Arab women. Additionally, she serves as a Member of the Consultative Council in Impulse4women, which is an investment platform for startups in the field of technology and social impact sectors led by women, and is a Member of the Consultative Council in Global Chair for Venture/G100 Capital and Innovative Finance platform, which is a global platform for collaborative work to promote gender equality.
- Ms. Fida founded Zaitouneh Company and Atabaqi Company, which is one of the largest digital platforms for cooking in the Arab World. She serves in a number of initiatives and organizations that work to empower women and promote entrepreneurship. Previously, she held the position of General Manager and Board Member at Middle East Digital Holding, a company that specializes in website and digital product development.
- Ms. Fida holds a bachelor's degree in Media from the Lebanese American University in Beirut and a certificate in Executive Education from Harvard University.

Iyad Shafiq Al Zawaideh

Member of the Board of Directors
since 2022

Independent Member

Member of the
Risk and Compliance Committee

- Mr. Iyad is a commercial lawyer with expertise in providing consultancy related to project financing and partnerships between the public and private sectors.
- Mr. Iyad began his professional career at a law firm in New York City. After returning to Jordan in 2002, he worked as a lawyer at a leading law firm in Amman for approximately 6.5 years. After that, he joined Eversheds Sutherland as a partner until the end of 2020. During his tenure at law firms, Iyad played a significant role as a local legal consultant in multiple partnerships between the public and private sectors, as well as privatization deals, representing various stakeholders including the government and investors.
- Mr. Iyad studied Law in the US and obtained a bachelor's degree in General Management from the US.

3- The Committees Emerging from the Board of Directors and Their Roles and Responsibilities:

Audit Committee

- The tasks and authorities mentioned below at the least, in addition to any other relevant work as stated in its charter of operation:
 - Review the scope and results of internal and external audits of the company.
 - Review accounting issues with a material impact on the company's financial statements.
 - Review the adequacy and effectiveness of internal control systems in the company.
 - Approve the annual internal audit plan, review the observations in the internal audit reports, and follow up on procedures taken.
 - Obtain any information from senior executive management and the right to request any person to attend any of its meetings.
 - Supervise the internal audit department, periodically review its results, ensure the execution of internal audit departments recommendations by the executive management, and ensure the enhancement of independence and appropriate positioning of internal auditors within the company's organizational structure.
 - Meet with the internal auditor, external legal accountant, and compliance monitoring manager at least once during the company's fiscal year without the attendance of any executive management members.
 - Make recommendations regarding the appointment, resignation, and termination of services of the internal audit department.
 - Review the observations in the Central Bank reports and external legal accountant reports and follow up on actions taken.
 - Provide recommendations to the board regarding the appointment, termination, fees, and all other matters related to the external legal accountant, ensuring that they have the qualifications, experience, and good reputation to perform their duties in accordance with the professional standards.
 - Review the company's financial statements before they are presented to the board, particularly verifying compliance with Central Bank instructions regarding expected credit loss provisions or any other provisions as per applicable regulations.
 - Review and monitor the procedures that enable employees to confidentially report any errors in financial reporting or other violations, ensuring the existence of necessary arrangements and procedures for conducting independent investigations and ensuring the objective and independent follow-up and resolution of investigation results.
 - Adopt an internal audit charter that enhances the function of internal audit, clarifies its authority and relationship with other operations, and provides management support to internal audit in accessing all aspects of the company's operations.

Nisreen Issa Haddad

Member of the Board of Directors
since 2022

Independent Member

Member of the Audit Committee

- Ms. Nisreen Haddad is the Co-Founder of Maluki platform, which is an online platform that helps Arabic-speaking individuals (with a focus on women and youth) build financial awareness and practical financial knowledge to enable them to make informed financial decisions. The platform also serves as a knowledgeable user base for financial products and services available to them. Additionally, she serves as an Independent Board Member at Beit Al Wadi.
- Ms. Nisreen previously held the position of Managing Partner at Ventures 17, where she was responsible for financial affairs, strategy, and operations. She also managed and measured the impact at the investment fund (SEAF Jordan Growth and Impact Fund).
- Ms. Nisreen previously worked as a Manager in accounting and auditing services for over 15 years in two of the Big Four global accounting and consulting firms. She has experience in transactions, due diligence, and auditing in the United States, Middle East, and North Africa.
- Ms. Nisreen holds a bachelor's degree in Applied Biology from the Jordan University of Science and Technology. She also obtained a certificate in Business and Accounting from Central Washington University. Additionally, she is a licensed Certified Public Accountant (CPA) in the state of Washington. She has also earned a Certified Board Member and Certified Corporate Director certificate.

Risk and Compliance Committee:

- The tasks and authorities mentioned below at the least, in addition to any other relevant work as stated in its charter of operation:
- A. Review the company's risk management framework, compliance policy, cybersecurity policy related to information security, and credit policy in the company before their approval by the board.
- B. Approve a cybersecurity program.
- C. Discuss risk management and compliance reports and provide periodic reports to the board that demonstrate the alignment of existing risks with adopted policies and acceptable risk levels.
- D. Ensure the availability of a business continuity plan and review it at least once a year.
- E. Ensure the availability of adequate resources and systems for risk management and compliance, and ensure the independence of risk and compliance management employees for activities that result in risks which the company handles.
- F. Approve the appointment and resignation of risk and compliance management and refer to the board for approval.
- G. Review the organizational structure of risk and compliance management and make recommendations on it before presenting it to the board and getting it approved by them.
- H. Monitor and follow up on compliance policy implementation and evaluate its effectiveness in which the company manages compliance risks.
- I. I. Monitor any updates related to laws and regulations issued by the regulatory authorities that govern the company's operations and their associated requirements.
- J. Approve the credit limits structure for financing products.
- K. Monitor the analysis of the credit portfolio and discuss credit concentrations.
- L. Review compliance with cybersecurity policy and program.
- M. M. Perform any other tasks assigned to the committee by the board that do not conflict with laws, regulations, and instructions governing the company's operations.

Nomination and Remuneration Committee:

- The tasks and authorities mentioned below at the least, in addition to any other relevant work as stated in its charter of operation:
- A. Identify qualified individuals to join the board, while considering the capabilities and qualifications of the candidates, and take into account attendance and effectiveness of participation in board meetings in case of re-nomination.
- B. Nominate to the board individuals qualified to join the senior executive management.
- C. Determine whether the member qualifies as an independent board member, taking into account the minimum requirements listed in section 1)/(a) of this guide and reviewing it annually.
- D. Follow established and approved criteria for evaluating the performance of the board, its committees, and the executive director annually, ensuring that the performance evaluation criteria are objective.
- E. Provide information and summaries on the background of important company topics to board members upon request and ensure their continuous awareness of the latest topics related to microfinance.
- F. Ensure the existence of a policy for granting bonuses to company executives, reviewing it periodically and ensuring its implementation.
- G. Recommend setting compensation, bonuses, and other benefits for the executive director and the remaining members of senior executive management.

4- Number of Board of Directors and Committees Meetings:

Board of Directors Meetings: 6 Meetings

	Meeting Attendance Information					
Member Name	24-Feb	18-Apr	30-Jun	29-Aug	7-Nov	5-Dec
Giath Munir Sukhtian	Present	Present	Absent	Present	Present	Present
Muna Ghiath Sukhtian	Present	Present	Present	Present	Present	Present
Lubna Kamal Touqan	Present	Present	Present	Present	Present	Present
"Mohammad Ali" Khaldoun Al-Husry	Present	Absent	Absent	Present	Absent	Absent
Reem Mamdouh Abu Hassan	Present	Present	Present	Present	Present	Absent
Iciar Vaquero Lopez	Present	Present	Present	Present	Present	Present
Nedjma Andrew Koval	Absent	Absent	Present	Present	Absent	Present
Fida Main Al Taher	Present	Absent	Present	Present	Absent	Present
Iyad Shafiq Zawaideh	-	-	-	-	Present	Present
Nesreen Issa Haddad	-	-	-	-	Present	Absent

1. Audit Committee: 5 Meetings

	Meeting Attendance Information				
Memeber Name	20-Feb	11-Apr	25-Jul	10-Oct	27-Nov
Iciar Vaquero Lopez	Present	Present	Present	Present	Present
Muna Ghiath Sukhtian	Present	Present	Present	Present	Present
Nesreen Issa Haddad	Present	Present	Present	Present	Present

2. Risk Committee: 3 Meetings

	Meeting Attendance Information		
Member Name	12-Apr	1-Aug	11-Oct
Fida Main Al Taher	Present	Present	Present
Muna Ghiath Sukhtian	Present	Present	Present
Reem Mamdouh Abu Hassan	Present	Present	Present
Iyad Shafiq Zawaideh	NA	NA	Present

3. Nomination and Remuneration Committee: 4 Meetings

	Meeting Attendance Information			
Member Name	14-Apr	4-Aug	12-Oct	30-Nov
Nedjma Andrew Koval	Absent	Present	Absent	Present
Lubna Kamal Touqan	Present	Present	Present	Absent
Muna Ghiath Sukhtian	Present	Present	Present	Present

5- Names of Shareholders and Their Respective Shareholdings in the Company:

Shareholder/Partner Name	Nationality	Ownership Amount (Value)	Ownership Percentage (%)
Giath Munir Sukhtian	Jordanian	600,000 JD	60%
Save the Children Organization	American	400,000 JD	40%

6- Shares Owned by Members of the Board of Directors:

None of the members of the board of directors own any shares in the company except Mr. Ghiath Munir Reda Sukhtian, who owns six hundred thousand shares in MFW.

7- The Benefits and Rewards that Members of the Board of Directors Received for the Year 2022:

No benefits or financial or non-financial rewards have been given to the members of the board of directors.

8- The Relationships and Dealings That Have Taken Place Between the Company and the Members of the Board of Directors and Their Related Parties:

No relationships or dealings have taken place between any member and the company, or their related parties, or with shareholders who own 5% or more of the company's capital.

9- Senior Executive Management and a Brief Introduction of Each Member:

Lama Saleh Zawati

Chief Executive Officer

Educational Qualification:

- Bachelor's Degree in Accounting from Yarmouk University

Professional Experience:

- Joined MFW since 2009.
- Chief Executive Officer of MFW since 1/2022 until present.
- Deputy General Manager of MFW (2/2019-1/2022)
- Deputy General Manager for Finance and Administration of MFW (1/2016 to 1/2019).
- Chief Executive Officer of MFW (2009-2015).
- Financial Controller of Enterprise Business Unit / Orange (2007-2008).
- Chief Accountant of Subsidiaries Unit / Orange / Wanadoo & e-Dimension (2003-2007).
- Chief Accountant / Orange (2000-2003).
- Finance Sector / Orange (1997-2000)
- Holds several certifications in the fields of strategic planning, finance, leadership, and microfinance, in addition to attending several local and international courses in these fields. Also obtained a Certified Board Member certificate/Certified Companies Manager certificate.

Current Memberships:

- Board Member / UWallet for Mobile Payments.
- Member of the Board / Tanmeyah Network for Developing and Supporting and Microfinance Institutions in Jordan.

Mahmoud Saleh Jarbou'

Risk Department Executive Director

Educational Qualification:

- Master of Financial Management / Arab Academy for Banking and Financial Sciences.
- Bachelor's degree in Accounting with a minor in Finance and Banking / Yarmouk University.

Professional Experience:

- Joined MFW in 2014.
- Risk Department Executive Director at MFW since 12/2021.
- Risk and Compliance Department Executive Director at MFW (2/2019-12/2021).
- Risk and Compliance Manager at MFW (3/2015-1/2019).
- Credit and Risk Manager for Small and Medium Enterprises at MFW (9/2014-3/2015).
- Credit and Risk Department Manager at Assaray Bank for Trade and Investment in Libya (2013-2014).
- Senior Risk Analyst at First Gulf Bank in Libya (2009-2013).
- Senior Risk Officer at BLOM Bank in Jordan (2006-2009).
- Corporate Credit Officer at Arab Jordan Investment Bank (2005-2006).
- Credit Officer at Bank of Jordan (2002-2005).
- Holds a Certified Internal Controls Specialist (ICA/CICS) certificate and a Certified Operational Risk Manager (CORM)/CAFM certificate.

Essam Mustafa Al Hindi

**Credit Management
Executive Director**

Educational Qualification:

- Master of Financial Management / Arab Academy for Banking and Financial Sciences.
- Bachelor's degree in Accounting / Yarmouk University.

Professional Experience:

- Joined MFW since 2007.
- Credit Department Executive Director at MFW (1/2022-present).
- Operations Department Executive Director at MFW (2/2019-12/2021).
- Branch Management Director at MFW 2/2015-1/2019).
- Credit Manager at MFW (12/2007-1/2015).
- Credit Analysis Supervisor at Islamic International Arab Bank in 2007.
- Leasing and Marketing Officer at Arab National Leasing Company (2003-2007).
- External Auditor at Shaddad Certified Accountants Office (2002-2003).
- Holds a specialized Banking Credit Diploma and several certificates in Business Planning, Strategic Planning, Leadership, Microfinance, Medium Enterprise Financing, and Default Management. Also holds a certified trainer certificate in Financial Management, Leadership, and Microfinance from the Arab Trainers Union in 2022.

Walid Shaban Abu Shrbi

**Operations Management
Executive Director**

Educational Qualification:

- Master's in Public Administration from University of Jordan.
- Bachelor's in Management Science - Accounting from Yarmouk University.

Professional Experience:

- Joined MFW since 2022.
- CEO of Operations Department Executive Director at MFW (1/2022-present).
- Private work in financial and banking consulting (2020-2021).
- Branch Department Manager at Alawneh Exchange (8/2018-1/2020).
- Private work in financial and banking consulting (1/2018- 7/2018).
- Corporate Facilities Manager at Bank al Etihad (3/2009-1/2018).
- Senior Customer Relationship Officer at Housing Bank (12/2008-3/2009).
- Held multiple positions at Arab Bank in Jordan (1999-2008), including Corporate Customer Relationship Supervisor, Credit Officer, Documentary Credits Officer, and Senior Accountant at Queen Zein Al Sharaf Hospital (6/1997-11/1999), as well as an Accountant at Al-Basil Company from (2/1996 - 6/1997).

Suhail Fawzi Azer

Internal Audit Chief Director

Educational Qualification:

- Bachelor's degree in Accounting / University of Jordan.

Professional Experience:

- Joined MFW in 2014.
- Internal Audit Department Chief Director of MFW since 10/2022.
- Internal Audit Manager at MFW (2/2017-10/2022).
- Internal Audit Supervisor at MFW (2014-2017).
- Senior Internal Auditor at Transportation Group (1/2008-5/2014).
- Financial Officer at Ayoub Trading Co. (12/2006-12/2007).
- Accountant at Aramex Company (5/2005-12/2006).
- Holds several certifications:
 - Certified Internal Auditor (CIA), IIA
 - Certification in Risk Management Assurance (CRMA), IIA
 - Certified Internal Control Specialist (CICS), ICI
 - Certified Fraud Examiner (CFE), ACFE
 - Certified Professional Trainer (CPT), IAPPD

10- Control, Monitoring, and Risk Management Systems:

MFW manages various risks by identifying possible risks that the company may encounter and determining ways to navigate and mitigate them within an overall framework for risk management. This is done based on the best standards, norms, and practices in the microfinance sector, where the following measures have been taken:

- The company has formed a senior committee for risk management emerging from the board of directors, under the name "Risk and Compliance Committee." This committee is responsible for creating an effective monitoring system and ensuring its proper performance. The committee also approves risk management policies in general and defines their framework. Additionally, an executive risk committee has been formed, which, in turn, manages risks within the company and submits necessary recommendations to the risk committee as needed.
- Separation of various departments such as Risk Management, Compliance Management, Operations Management, and Credit Management with complete independence in management, responsibilities, and authorities.

10.1- Risk Management:

The risk management departments take on the responsibility of managing various types of risks, including:

- Drafting policies and obtaining their approval from the board of directors.
- Analyzing different types of risks (credit, market, liquidity, operations, information security).
- Developing measurement and control methodologies for each type of risk.
- These departments provide the board of directors and senior executive management with reports and qualitative and quantitative information on risk measurement in the company.
- The company has established and implemented an internal Knowledge Management System (KMS), which is an independent automated system parallel to the substantial operating system (Delta). In this system, all change requests and permissions are automatically reviewed to ensure the enhancement and documentation of the data governance principle and authorization delegation. Additionally, it archives all customer documents in parallel with paper files.
- The company continuously develops its automated systems and adds supportive systems that contribute clearly to the measurement and control of various risks (such as introducing Modules Risk within the KMS to automate the process of identifying, measuring, and monitoring risks).
- The company prepares monthly and periodic reports to measure various risks, which are then submitted to the board of directors for necessary actions if needed.

Risks that the Company Encounters:

1. Credit Risks:

Credit risks arise from the possibility of the borrower or third party being unable and/or unwilling to fulfill their obligations on time. In this regard, the company reinforces institutional frameworks governing credit management through the following:

- Specialized independent departments for credit management and credit risk, including:
 - Credit Review Department (managing high-segment credit quality).
 - Credit Control Department (managing low-segment credit quality).
- Credit Portfolio Risk Management Department: primarily responsible for maintaining the overall credit portfolio quality. This includes studying Key Risk Indicators (KRIs) and Key Performance Indicators (KPIs) through the preparation of studies and reports on economic sector performance and industries, comparing them with the performance of portfolios and allocations, and preparing necessary recommendations. These departments prepare periodic reports that measure the following:
 1. Credit concentrations for the portfolio at the economic activity level.
 2. Credit concentrations for the portfolio at the product level.
 3. Reports analyzing delinquency and write-off rates compared to the sector.
 4. Reports for analyzing the credit portfolio performance in terms of concentrations and directions, and comparing it to the microfinance sector performance through the comparative report issued by Tanmeyah Network.

5. Monitoring the application of the accounting standard in financial reports (IFRS9) that is related to calculating credit loss provisions.
6. Analytical reports for controlling market risks and liquidity risks, which may arise due to general economic conditions or monitoring and analyzing internal controls in the company specifically..

- Task division between the Operations department (Branch Management), Credit Management department, and Credit Risk Management department, each granted independent authorities and responsibilities.
- System of approved policies and procedures defining the basis for identifying, measuring, and managing this type of risk.
- Initiating the definition of credit limits at the level of credit type, economic sector, geographical distribution, credit portfolios, etc. (Credit Risk Management monitors these concentrations).
- Authorization and relationship management system that includes mechanisms for granting, delegating, monitoring, and managing relationships for various credit activities in an automated manner.
- Methods for mitigating risks, including:
 1. Having a credit policy approved by the board of directors that considers credit risk control and a working guide governing the terms and procedures for granting credit in a safe manner.
 2. A detailed and accurate study of credit requests by the Credit Management department, considering the appropriate financing structure and regulatory aspects of utilizing the amount and repayment sources.
 3. Granting credit authorities to lower and upper credit committees based on the amount rates.
- Specialized departments to monitor the collection of receivables and overdue debts according to delay and non-payment periods.
- Establishing a legal department to follow up on non-existent debts through necessary legal actions.

2. Operational Risks:

Operational risks arise from the inefficiency or failure of internal operations, employees, systems, or external events, including legal risks. The company established a specialized department for managing operational risks in 2015, administratively reporting to the Risk department.

The company manages operational risks within the following principles:

1. Preparation and approval of operational risk policies by the board of directors, applied in practice, including defining, measuring, and monitoring risks.
2. Updating operational risk files (Risk Profile), including all types of operational risks and control procedures limiting them. Periodic reviews ensure their efficiency and continuous operation at the level of each unit in the company. Reports are submitted to the risk management committee.
3. Building a database of operational errors, analyzing and submitting periodic reports focusing on these errors and their quality to senior executive management and the risk management committee/board of directors.
4. Building, identifying, and monitoring Key Risk Indicators (KRIs) at the company level. Reports are submitted to the relevant units in the company on the results of these indicators for them to monitor and implement corrective actions to address risks before they occur.
5. Evaluating work procedures and policies and ensuring the identification and correction of any weaknesses or control gaps in the regulatory procedures.
6. Continuous assessment of operational risks through the preparation of periodic reports submitted to the risk committee, in addition to field visits by operational risk department employees to branches to assess and address risks.
7. Establishing an operational procedures manual for all operational activities in branches according to optimal control standards and implementing it in the field to ensure uniform practices and reduce operational errors.

3. Liquidity Risks:

These are risks that arise from the possibility of the company being unable to provide the necessary financing to meet its obligations on their due dates or to finance its activities without incurring high costs or losses. The liquidity problem is summarized as a type of risk under the name of "Liquidity Risk Funding".

4. Market Risks:

These are risks that expose positions inside and outside the company's financial center to losses due to fluctuations in market interest rates, whether creditor or debtor.

Market risks arise from the following:

- Changes that may occur in political and economic conditions in the market.
- Fluctuations in interest rates.

The company manages market and liquidity risks within the following parameters:

1. The company established the ALCO Committee, which is the Asset and Liability Management Committee. This committee monitors and supervises the following:
2. The liquidity position in the company and making necessary decisions/recommendations to obtain external financing or repay it based on the compressed or relatively comfortable liquidity position.
3. Regularly monitoring liquidity to control the risks of liquidity instability and making necessary decisions and timely recommendations that contribute to decision-making.
4. Preparing a contingency plan for liquidity management.
5. Preparing periodic reports to study the market in-depth, liquidity gaps, and submitting them to the risk committee.
6. Studying the impact of economic and political fluctuations on interest rates and assessing associated risks.

5. Risks on Information Security and Protection:

These are risks arising from the threat to the company's information in terms of confidentiality, integrity, and availability. A unit for information security and protection was established to provide protection for information, users, and assets through policies and procedures that ensure the sustainability of protection. This is done by using means and supplies that detect, examine, and develop the work environment into a more secure one.

To enhance information security and protection, the company manages information security and protection risks within the following principles:

1. Introducing and reviewing information security policies and updating them to be in line with international standards.
2. Regular monitoring of systems, servers, and peripheral devices through specialized programs, and countering any threat by establishing an operations center for this purpose.
3. Reviewing and monitoring access permissions to systems and servers, distributing them according to policies, the nature of work, job titles, and necessary approvals.
4. Conducting periodic scans of systems and reviewing internal and external security vulnerabilities.
5. Training and raising awareness among company employees about information security and protection risks and how to deal with this issue by providing training courses and informative newsletters.
6. Preparing periodic reports showing internal and external information security risks and submitting them to the risk management committee/board of directors regularly to keep up with business developments.

10.2- Compliance Management:

These are risks arising from the possibility of the company not complying with applicable laws, regulations, instructions, financial and professional laws, and ethical standards issued by local and international regulatory authorities, including the company's internal policies.

In this context, the Compliance Department was established as an independent department reporting to the risk and compliance committee/board of directors. This department submits its reports to them to mitigate the risks of non-compliance.

Compliance risks are managed based on the following principles:

1. The existence of a compliance policy, periodic development, approval by the board of directors, dissemination to all employees in the company, and regular review.
2. Taking necessary actions to verify the company's compliance with instructions and laws governing the company's operations and the microfinance sector.
3. Studying policies, work guides, and approving them to ensure their consistency with the laws and instructions of the Central Bank and applicable laws.
4. Providing advice and guidance on the proper application of instructions and laws, including internal laws and policies, governing banking operations.
5. Communicating changes related to instructions to achieve common goals and sharing them with the business sector at the appropriate time.
6. Acting as a point of contact with regulatory authorities and assisting senior executive management in maintaining good relations with regulatory authorities.
7. Providing training and awareness to management and employees regarding compliance requirements.
8. Managing money laundering and terrorism financing risks through its dedicated unit within the compliance department, where the following actions are taken:
 - Implementing and developing an automated system to combat money laundering and terrorism financing to verify all unusual financial transactions.
 - Classifying customer risks based on a risk-based approach.
 - Providing reporting and notification channels at the company level for the purpose of protecting the company from any risks related to its exploitation for passing any suspicious transactions and taking notification actions by the reporting manager of suspicious names.
 - Evaluating money laundering and terrorism financing risks that may arise regarding the development of new products and those that may arise from the use of new technologies and taking appropriate measures to manage and reduce these risks, automatically and periodically checking whether any of the company's current or potential clients are included in the lists of persons prohibited from dealing with them internationally.

10.3- Internal Audit:

- To ensure the efficiency and effectiveness of internal audit activities, this department is directly linked to the board of directors/audit committee and is not assigned any executive tasks to ensure its complete independence. The internal audit management submits its reports to the chairman and members of the audit committee, ensuring and enhancing the independence of internal auditors and giving them an appropriate position in the company's organizational structure. It ensures that they are qualified to perform their duties, including the right to access all records and information and communicate with any employee within the company, enabling them to perform their assigned tasks and prepare their reports without external interference. The board is also required to take necessary actions to enhance the effectiveness of internal auditing by emphasizing the importance of auditing process and monitoring the corrective actions. The internal audit department is developing its own strategy and identifying an audit plan for approval by the audit committee. The audit committee verifies the availability of adequate resources and qualified personnel to manage internal auditing and provide necessary training.
- The internal audit management performs its tasks and prepares its reports without any external interference. It has the right to discuss its reports with the audited departments, including the primary responsibility of internal audit management, which must be based on risk, reviewing at a minimum:
 1. Verifying the adequacy of the company's control and internal control systems for its activities and ensuring compliance with them, reviewing any encroachments on the structure of these systems, and documenting that.
 2. Establishing the internal audit charter and approving it by the board based on the recommendation of the audit committee, including the tasks, authorities, and methodology of its work.
 3. Preparing an audit plan that includes the company's activities, including the activities of other control departments and activities assigned to external parties, based on the degree of risk of those activities. It must be approved by the audit committee with a detailed report prepared in this regard.
 4. Monitoring violations and observations in reports from regulatory authorities and external auditors, ensuring that they are addressed, and ensuring that the executive management has the appropriate controls to prevent their recurrence.

5. Compliance with internal company relative policies, standards, procedures, laws, and instructions.
6. Keeping internal audit reports and documentation, for a period agreed upon in accordance with the prevailing legislations, in an organized and secure manner and making them available for review by the regulatory authority and the external auditor.

Customer Complaints Management

In accordance with the internal procedures for dealing with customer complaints of financial and banking service providers, numbered 1/2017, issued by the Central Bank on August 28, 2017, the Customer Complaints Unit has been established. It has been equipped with qualified human resources and automated systems, administratively falling under the Risk Management.

The unit is responsible for managing and processing customer complaints based on the following principles:

- Developing and continuously updating procedures for managing customer complaints and obtaining approval from the board of directors.
- Adopting and disseminating customer protection policies and procedures with fairness and transparency.
- To provide communication channels to receive customer complaints through the following:
 - Directly reaching the customer complaints unit at 065666100 or the toll-free number at 080022120.
 - Email: complaint@microfund.org.jo.
 - Fax: +96265664000.
 - Personal attendance at the general management building.
 - Customer complaints boxes at the branches.
 - MFW's application.
 - MFW's website.
 - MFW's social media channels.
- Conducting a study and assessment of customer complaints to understand the actual circumstances, concentrations, classifications, and effectiveness.
- Providing the Central Bank of Jordan with periodic statistics (quarterly) on complaints received by the unit.

Here is a statistical overview of the complaints received from customers during the year 2021 through various channels, distributed according to interest rates, commissions, fees, contracts, guarantees and guarantors, product/service, professional conduct behavior, marketing, late fines and fees, collection procedures, working environment, and others.

Interest Rates, Commissions, and Fees	Contracts	Guarantees and Guarantors	Professional Conduct Behavior	Marketing	Late Fines and Fees	Collection Procedures	Work Environment	Other
0	38	0	130	0	0	314	53	0
0.00%	7.10%	0.00%	24.30%	0.00%	0.00%	58.69%	9.91%	0.00%

These complaints were handled within the following framework:

- Assigning reference numbers to complaints and providing customers with them for follow-up.
- Studying and analyzing complaints and responding within specified time frames based on the classification and nature of the complaints.
- Recommending proposed measures to reduce the recurrence of these complaints in the future, Including:
 - Modifying work procedures as needed.
 - Taking administrative actions against negligent employees.
 - Training and developing staff on work procedures, products, customer communication skills, etc.
 - Enhancing the company's various locations to welcome customers and improve the services provided to them.

Quality System:

- The Comprehensive Quality Department was established as part of the Strategic Planning and Business Development Department to build the quality system, recognizing the need to adhere to the best standards in the microfinance sector and the global standards acknowledged by institutions and companies striving to provide the best services to beneficiaries. This is done while considering the regulations and instructions issued by legislative and regulatory authorities, including the Central Bank of Jordan.

- Since its establishment, the department has adopted the standards of the Quality Management System (ISO 9001:2015), resulting in obtaining the recognition certification in 2022.
- The comprehensive quality department is responsible for preserving and monitoring the preparation of policies and procedures, readjusting some activities within the procedures to increase efficiency and effectiveness, ensuring compliance with controls, and ensuring continuous improvement of multiple activities. This aligns with the strategic objectives of MFW, considering its vision, mission, and social performance objectives.

11- Disclosures Regarding the Implementation of International Financial Reporting Standard (IFRS 9):

The company calculates the credit loss provisions in accordance with IFRS 9. The International Accounting Standards Board issued the final version of International Financial Reporting Standard 9 in 2014, which is related to financial tools and allocations. This standard replaces the International Accounting Standard, and the company has applied the standard through a partnership with EY by contracting separate consultations to carry out the calculation process of the allocations.

This standard introduces fundamental amendments to the methods used in calculating allocations for banks and financial companies. The current concept of monitoring allocations is based on monitoring actual allocations for realized losses due to overdue debts. However, the new standard is built on monitoring allocations based on proactive expected credit losses.

In general, the equation is calculated as follows:

Expected Credit Loss = Probability of Default x Exposure at Default x Loss Given at Default.

The company has developed a methodology for calculating credit losses in collaboration with EY, preserving accounts falling within Stage 3 within a time frame in case the customer repays the due installments and moves to Stage 2 or Stage 3.

The following is the most important information and definitions used by the company to apply this standard:

1. Default: default occurs when payment stops, and the scheduled financing payment becomes overdue for 90 days or more, indicating a tangible awareness of the client's inability to fulfill the contractual commitment to the company.
2. Probability of Default: represents the risks of the customer's inability to fulfill obligations to the company.
3. Exposure at Default: represents the outstanding balance for the customer when default occurs, classified as non-performing facilities.
4. Loss Given at Default: represents the company's loss incurred when extinguishing bad debts, according to the equation (recovery ratio - 1).

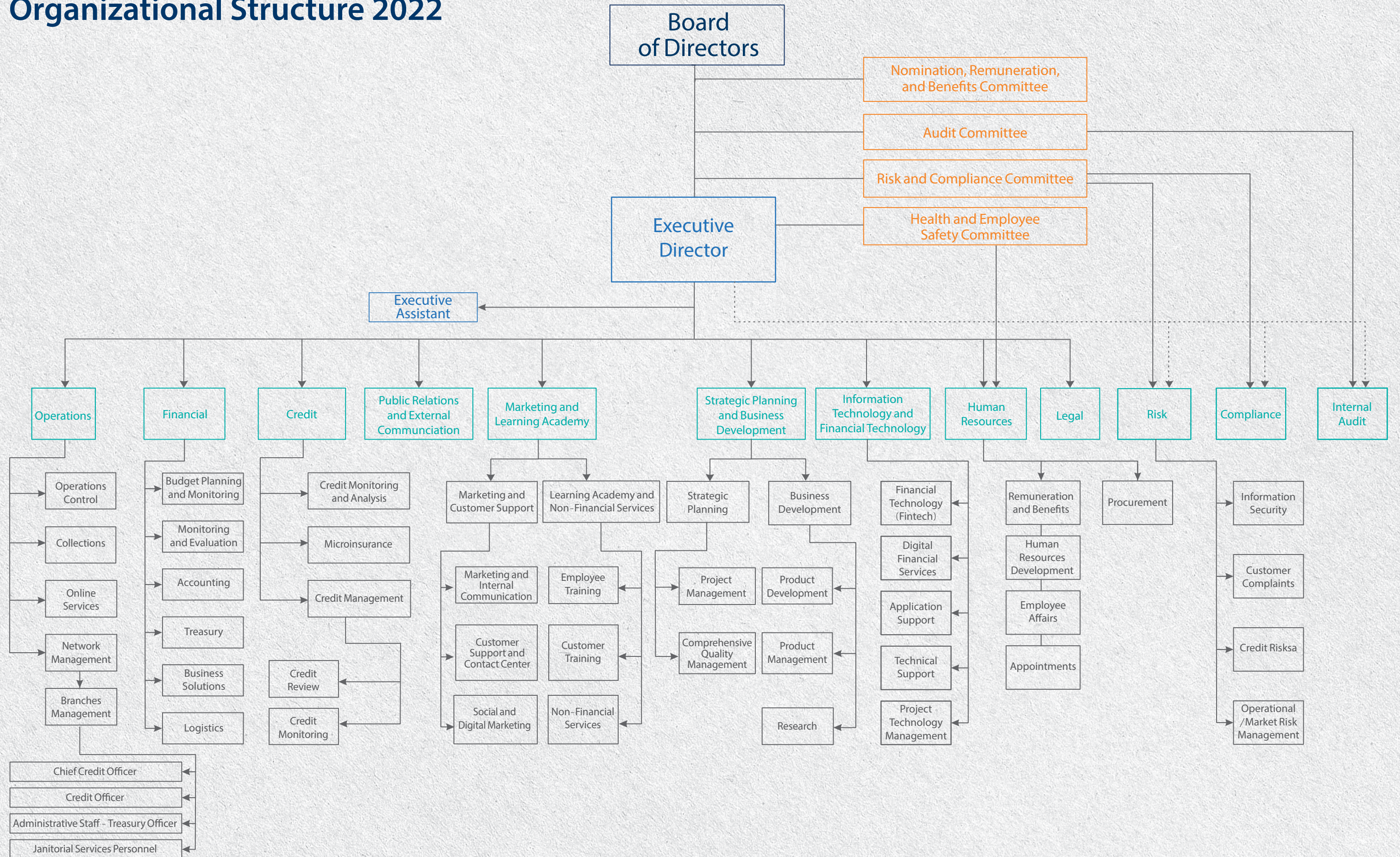
Additionally, according to the accounting standard, the delay periods and debt classification stage are divided as follows:

1. Stage 1: Installments due for a period of 30 days or less.
2. Stage 2: Installments due for a period of more than 30 days and up to 90 days.
3. Stage 3: Installments due for a period of more than 90 days, and at this stage, the account is classified as non-performing.

12- Board Statement:

- The company's board of directors acknowledges the absence of any substantial matters that may affect the company's continuity during the fiscal year 2023.
- The board of directors acknowledges responsibility for preparing financial statements and providing effective control and oversight systems in the company.
- The board of directors affirms the accuracy, correctness, and completeness of the data and information provided in the annual report.

Organizational Structure 2022



Our Partners

Through a growing network of partnerships with local and global organizations and companies specialized in providing and developing high-quality financial and non-financial products and services, MFW seeks to support its vision and mission by offering a diverse range of financial and non-financial services that contribute to achieving financial inclusion, providing the best in microfinance industry.

Beneficiaries Financing



Protecting and Developing the Projects and Skills of Beneficiaries



Company Branch Locations

Our branch network extends and is distributed across all twelve governorates of the Kingdom, from north to south. This expansion aims to reach all entrepreneurs and starters of small and micro projects in all cities, villages, and provinces.

Because we are part of the community and facilitating access is important to us, our branch network covers 63 locations. You can find the nearest branch to you, along with location details and phone number, in the table below.

Branch	Contact Information	Location
Nazzal	06-4384665	Nazzal - Al Dustur Street - Ghazi Al Bdawi Building (2) - Beside the Jordan Islamic Bank - Above the Civil Status and Passports Department - 2 nd Floor
Wehdat	06-4730529	Wehdat - Prince Al Hassan Street (Madaba Street) - Near Darwish Al Khalili Stores (LG) - 1 st Floor
Zarqa I	05-3966885	Al Sultan Bin Abdulhameed Street (Prince Shaker (Al Hamra)) - Beside Housing Bank - Burhan Qutob Building - 1 st Floor
Al Azraq	05-3834875	Zarqa - Azraq Al Drouz (Al Shamali) - Al Mazare' Road - Beside Al-Azraq Secondary Boys School - Al Azraq Association for Social Development Building - Ground Floor
Russeifa	05-3740974	Russeifa - Main Street - Salah Addin Neighborhood - Above Bank of Jordan - 1 st Floor
Baqa'a	06-5351413	Opposite to Main Baqa'a Camp Gate - Teeba Commercial Complex - 2 nd Floor
Madaba	05-3248967	Madaba - Yarmouk Street - Opposite to Jouri Bakeries - Near Juwana Pharmacy - Ground and 1 st Floors
Jerash	02-6341738	Jerash - King Abdullah Street - Laith Commercial Complex - Near Cairo Amman Bank and Orange - 4 th Floor
Irbid	02-7252558	Irbid - Al Shahid Street (Cinema Street) - Beibers Building - Above the Former Commercial Bank Branch - 2 nd Floor
Ajloun	02-6421606	Ajloun - Main Street - Mohammad Smadi Building - 1 st Floor - Above Arab Bank
Bayader	06-5815273	Bayader - Main Street - Near Yasser Mall - Haimour Commercial Complex - 1 st Floor
Sahab	06-4027080	Sahab - Al Shahid Circle - Opposite Abu Zaghleh Restaurant - Ahmad Abu Zaid Building - 1 st Floor
North Marka	06-4888124	North Marka - Wafaa Issa Building - Beside Military Hospital - Opposite Islamic International Islamic Arab Bank - 1 st Floor
Ar-Ramtha	02-7384299	Ar-Ramtha - Main Street - Ahmad Al Zoubi Building - Above Military Consumer Establishment - 2 nd Floor

Branch	Contact Information	Location
Irbid 2	02-7247924	Irbid - Palestine Street - Above Abu Al Wafa Store for Building Materials - Abu Al Wafa Building - Opposite to Housing Bank
Kherbet Al Souq	06-4124573	Kherbet Al Souq - Main Street - Abu Mahfouth Commercial Complex - Ground Floor
North-East Badiya - Mafrq 2	02-6282359	Mafrq - Sabha and Subheya Triangle - Baghdad Road - Above Suhul Al Urdun Stores for Building Materials/Jordan Islamic Bank - 1 st Floor of Hnyan Al Own - Beside the Social Development Association
Al Nasser	06-4913452	Al Nasser - Abu Hyan Al Tawheedi Street - Building No. 17 - 2 nd Floor of Rabah Building - Above Novoteh Zaloun and Al Jameelat Beauty Center
Al Hashmi Al Shamali	06-4922811	Al Hashmi - Al Batha Main Street - Building No. 133 / Al Saif Complex - Above Al Etihad Bank and Zain - 1 st Floor
Al Taj	06-4740231	Jabal Al Taj - Main Street - 3 rd Floor - Anwa Mecca Commercial Complex - Above Jordan Post
Sweileh	06-5342792	Sweileh - Main Street - Building No. 420 - 1 st Floor - Office No. 103 - Above Cairo Amman Bank
Jabal Al Nuzha	06-4637839	Jabal Al Nuzha - Al Nuzha Circle - Al Beik Complex - 3 rd Floor - Above Arabi Franji Showerma Restaurant
Amman Gate	02-6340345	Jerash - Amman Gate - Firas Smadi Street - Near Al Rayan Gas Station - Mai Ratrout Building - 1 st Floor
Mutah	03-2375541	Karak - South Mazar / Mutah - University Street - Opposite to Housing Bank - 1 st Floor of Darar Al Sarayrah Building
Al Mashare'	02-6580828	Irbid - North Ghour - Al Mashare' - Main Street - Opposite the Civil Consumer Establishment - 1 st Floor of Khalid Radwan Building
South Marka	06-4915438	South Marka - Al Nasser District - Al Hamlan Area (Prince Hassan Neighborhood) - Al Khatib Commercial Complex - 3 rd Floor - Above Housing Bank
Zezya	06-4460075	Amman - Giza / Zezya - Main Street - Uraiqat Building - 1 st Floor - Above Jordan Islamic BankHousing Bank - Burhan Qutob Building - 1 st Floor
Wadi Musa	03-2154257	Petra Province - Wadi Musa - Al Omari Street - Building Opposite to Al Omari Mosque - 2 nd Floor - Above Petra Pharmacy
Zarqa Autostrad	05-3938653	Zarqa - Zarqa Autostrad - Building No. 29 - 1 st Floor - Above Deluxe Paintings

Branch	Contact Information	Location
Mafrq	02-6235982	Mafrq - Ministry of Education Directorate - Opposite to Cairo Amman Bank - 2 nd Floor - Own Building
As-Salt	05-3531810	As-Salt - Main Street - Far Commercial Complex - 2 nd Floor - Above Abu Tafish Toastery - Opposite Cherry & Berry Restaurant and Jordan Kuwait Bank
Zarqa 2	05-3996885	Zarqa - Al Hawooz Circle - 2 nd Floor - Tahseen Zayed Building
Karak	03-2300902	Karak - Al Thnaya Triangle - Beside the Jordan Commercial Bank - Above Al Rawabi Restaurant - 2 nd Floor - Salim Al Hjazin Building
Tafilah	03-2243750	Tafilah - Main Street - 1 st Floor - Mohammad Al Freejat Building
Bani Kinanah	02-7525351	Irbid - Bani Kinanah - Sama Al Rousan - Main Street - Al Damin Building - 1 st Floor - Near Cairo Amman Bank
Jabal Al Hussein	06-5654427	Amman - Jabal Al Hussein - Al Dakhliya Circle - Abduljawad Hasouneh Complex - 2 nd Floor - Office 207/208
Aqaba	03-2013544	Aqaba - Third Business District - Downtown - Near Al Muhandis Cafeteria - Near Jordan Islamic Bank - 1 st Floor - Nizar Abu Atieh Building
Bani Obeid	02-7022232	Irbid - Husun - Opposite to Saddam Mosque - Near Housing Bank - 1 st Floor - Khalid Al Rihani Building
Russeifa 2	05-3748700	North Russeifa - Main Street - Abu Khadija Commercial Complex - Above Bank of Jordan and Housing Bank - 1 st Floor
Deir Allah	05-3570382	Deir Allah - Main Street - Near Deir Allah New Municipality - Above Hashem Markets - 1 st Floor
Ma'an	03-2136343	Ma'an - Main Street - Opposite to the Jordan Electric Power Company - 1 st Floor - Abdulhadi Kreshan Building
Dhlail	05-3825204	Dhlail - Main Street - Beside Hamza Mall - Near Jordan Islamic Bank - Ground Floor - Leila Al Soufi Building
Kourah	02-6520939	Irbid - Kourah - Deir Abi Saeed - Main Street - Beside Housing Bank - Opposite Sharia Court - 1 st Floor
Naour	06-5725697	Naour - Al Shahid Area Street - Next to Al Hussein International Clinics - 1 st Floor - Barakat Al Sawaeer Building
Al-Hashimiyya	05-3813860	Zarqa - Al-Hashimiyya - Opposite to Sharia Court - Ground Floor - Next to Mashagbeh Electronics
New Zarqa	05-3854537	Zarqa - New Zarqa - 36 th Street - Abu Al Wafa Complex - 3 rd Floor - Above Nafeesah Sweets - Opposite to Housing Bank

Branch	Contact Information	Location
Al Wastiyyah	02-7315497	Irbid - Zahr/Al Wastiyyah - Main Street - Al Kayed Building - 1 st Floor - Opposite to Civil Status and Passport Department and Baha Markets
Kuraymah	02-6575658	Irbid - Zahr/Al Wastiyyah - Main Street - Al Kayed Building - 1 st Floor - Opposite to Civil Status and Passport Department and Baha Markets
Qweismeh	06-4772865	Qweismeh - Main Street - Near Housing Bank - 1 st Floor - Al Dodo Building - Opposite the Durra Markets - Above Al Sanafer Library
Kufranja	02-6454843	Ajloun - Kufranja - Main Street - Khatatbeh Building - Parallel Suburban Street of Princess Basma Center - Ground Floors - Near Housing Bank
North Mazar - Irbid	02-7033112	Irbid - North Mazar - Main Street - Opposite to Al Mazar Municipality - Ground Floor
North-West Badiya - Mafrq	02-6211014	Mafrq - Al Mansoura District - Main Street - Near Al Mansoura Municipality - Ground Floors
Ghour Al Safi	03-2300498	Karak - Ghour As-Safi - Main Street - Former Ministry of Education Directorate Building - 2 nd Floor
Ghour Al Mazra'a	03-2305854	Karak - South Ghour - Ghour Al Mazra'a - Main Street - Near Ghour Al Mazra'a Pharmacy - Ground Floors
Tabarbour	06-5058965	Tabarbour - Main Street - Opposite Bank of Jordan - 1 st Floor - Above Jordan UAE Exchange
East Madaba	05-3244875	Madaba - Main Street - Near Jordan Islamic Bank and Apostles Church Square - Maliti Building - 1 st Floor
North Shuna	02-6580056	Irbid Governorate - North Shuna - Muath Bin Jabal Municipality - Main Street - Above Muath Bin Jabal Pharmacy - Opposite to Cairo Amman Bank - Beside Bank of Jordan and Jordan Islamic Bank - 1 st Floor
Marj Al Hamam	06-5732108	Amman - Marj Al Hamam - Near Safwa Islamic Bank - Beside Jordan Post - Abdulkareem Statieh Complex - 2 nd Floor
South Shuna - Al Karamah	05-3581074	Balqa Governorate - South Shuna - Main Street - Opposite to Civil Status and Passports Department - Near Housing Bank and Jordan Islamic Bank - Youssef Al Edwan Building - Ground Floor
Sahel Hauran	02-7360861	Irbid - Ar-Ramtha - Al Turra - Main Street - Near Sahel Hauran Municipality - Al Turra and Bank of Jordan and Jordan Post Area - Qasem Darabseh Building - 1 st Floor
Zaatari	02-6264937	Mafrq - Zaatari Area - Main Street - Near Manshiya and Zaatari Municipality - Ground Floor
Buseirah	03-2267786	Tafilah - Buseirah - Main Street - Beside Buseirah Youth Center - Near Jordan Islamic Bank - Al Rofou Building - Ground Floor
South Mafrq	02-6232964	Mafrq - Main Street - Near Housing Bank and Islamic International Arab Bank - Opposite to AlMafrq Government Hospital - Daif Allah Bani Khalid Building - 1 st Floor

