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Circular to microfinance companies operating in the Kingdom

After Greetings,

In continuation of the Central Bank of Jordan's (CBJ's) efforts to confront the repercussions and risks of the spread of novel coronavirus, and with the aim of alleviating possible economic impacts on your clients, both individuals and micro and small companies/ enterprises, we emphasize the necessity for you to provide the support needed for the clients through the following measures:

First: Supporting individuals and affected companies/ enterprises:

1. Payment deferral for the loans/ financing granted to clients affected by this crisis for the months of April and May of 2020, provided that the company does not charge any additional interests/ returns, commissions, or fees for that. The company may also, at its discretion, look into the deferral of the remaining payments or undertake the appropriate arrangements in this regard, upon the client's request, provided that it would not affect the clients' credit registry at CRIF- Jordan. These arrangements shall remain effective until the end of the current year.
2. Affected clients may continue paying their debts as usual if they are willing to.
3. Review the pricing policy, and look into the possibility to reduce interests/ returns and all other costs incurred by the clients- including current clients- to obtain loans/ financing and all services provided by the company especially those provided through electronic payment channels.
4. Directing the granting of new loans/ financing towards productive projects, which contributes to preserving the continuity of the economic cycle within various sectors.

Second: Customer service

1. Ensuring the existence of a clear strategy for communication with stakeholders and clients, and enhancing the ability of the customer service unit as well as the complaints unit, and increasing their readiness to respond to any inquiries.
2. Intensification of awareness and literacy campaigns regarding digital channels, the importance of remote communication, and social distancing.

Third: To enhance the company's ability to continue providing its services and play its role in meeting the clients' needs, we emphasize the following:

1. Continuation of reviewing the business continuity plan, and ensuring that all employees are aware of it, and activating the role of the party responsible for crisis management, and ensuring the sustainability of communication between the executive management and the

company's board of directors/ management committee and the sub-committees emanating from it, to enhance governance and ensure speed in the necessary decision making.

2. Continuation of reviewing the liquidity management plan and verifying its effectiveness and inclusion of the scenarios for handling such a crisis.
3. Monitoring the development of the existing loan portfolio, with special attention to the portfolio exposed to risk according to various economic sectors, and geographic areas, in addition to surveilling the change in clients' behavior and their turnover rate where necessary.
4. Following up the developments and challenges related to this crisis, and identifying the necessary scenarios, and their impacts on the levels of capital and other financial soundness indicators.
5. Enabling the employees to work remotely when necessary, and ensuring the availability of the necessary safe infrastructure.

The CBJ will continue following up all developments and adopting the appropriate measures to alleviate the impacts of the repercussions of this crisis on the national economy, the microfinance sector and its clients.

Respectfully,,

Governor

Dr. Ziad Fariz