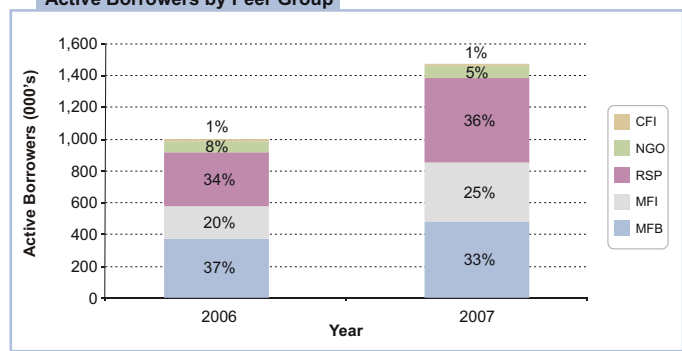


2007 was a significant year for the microfinance sector in Pakistan in terms of growth in outreach. Expansion in the different services - credit, savings and insurance - was impressive.

In terms of microcredit, policy makers and practitioners focused on expanding outreach and the number of active clients grew to nearly 1.5 million by the end of the year. Given the national target of three million active borrowers by the year 2010, it appears that the sector is on track to achieve its goal. A look at the quarter-wise growth numbers however shows that the pace of expansion slowed down in the second half of the year, mostly stemming from a slow-down in two of the MFBs as they consolidated their operations and possibly due to the lack of available debt financing to fund the growth of some of the other larger RSP/NGO institutions. Although growth was spread evenly across three peer groups i.e. microfinance banks (MFBs), microfinance institutions (MFIs) and rural support programmes (RSPs) (for definitions of peer groups, please refer to back cover of the report), it was one or two players within each group that drove most of this expansion. These microfinance providers (MFPs) clearly outpaced the rest of the sector in 2007 and emerged as not only the fastest growing but also as the largest market players: three MFPs accounted for approximately 70% of the sector's active clients (NRSP, Khushhali Bank and Kashf Foundation).

Active Borrowers by Peer Group



Geographically, outreach expanded in all provinces of Pakistan. Coverage and penetration in Punjab and Sindh, however, remained higher than the other provinces. A look at the branch network of MFPs confirms this trend: of the net addition of 374 offices during the year, 324 and 27 were added in Punjab and Sindh respectively. Although 55% of the total clients remained rural at the end of the year, a clear trend of urban

	Microcredit		Micro-Savings		Micro-Insurance	
	Active Borrowers	Value (PKR Millions)	Active Savers	Value (PKR Millions)	Policy Holders	Sum Insured (PKR Millions)
Dec - 2006	997,778	10,743	1,125,473	2,252	*566,559	*5,819
Dec - 2007	1,471,295	15,134	1,530,375	4,000	781,440	9,910
Increase (Net)	473,517	4,392	404,902	1,748	*214,881	*4,091
Increase (%)	47%	41%	36%	78%	*38%	*70%

* Figures for micro-insurance for Dec 2006 are unavailable. Data presented for December 2006 actually reflects numbers as on 30th June 2007.

Note: Due to unavailability of saving data for some reporting organizations, values of savings indicators for December 2006 differs from numbers reported in the preceding issue of MicroWATCH. To adjust for missing data in the current year, data of non-reporting organizations was subtracted from the aggregates of 2006.

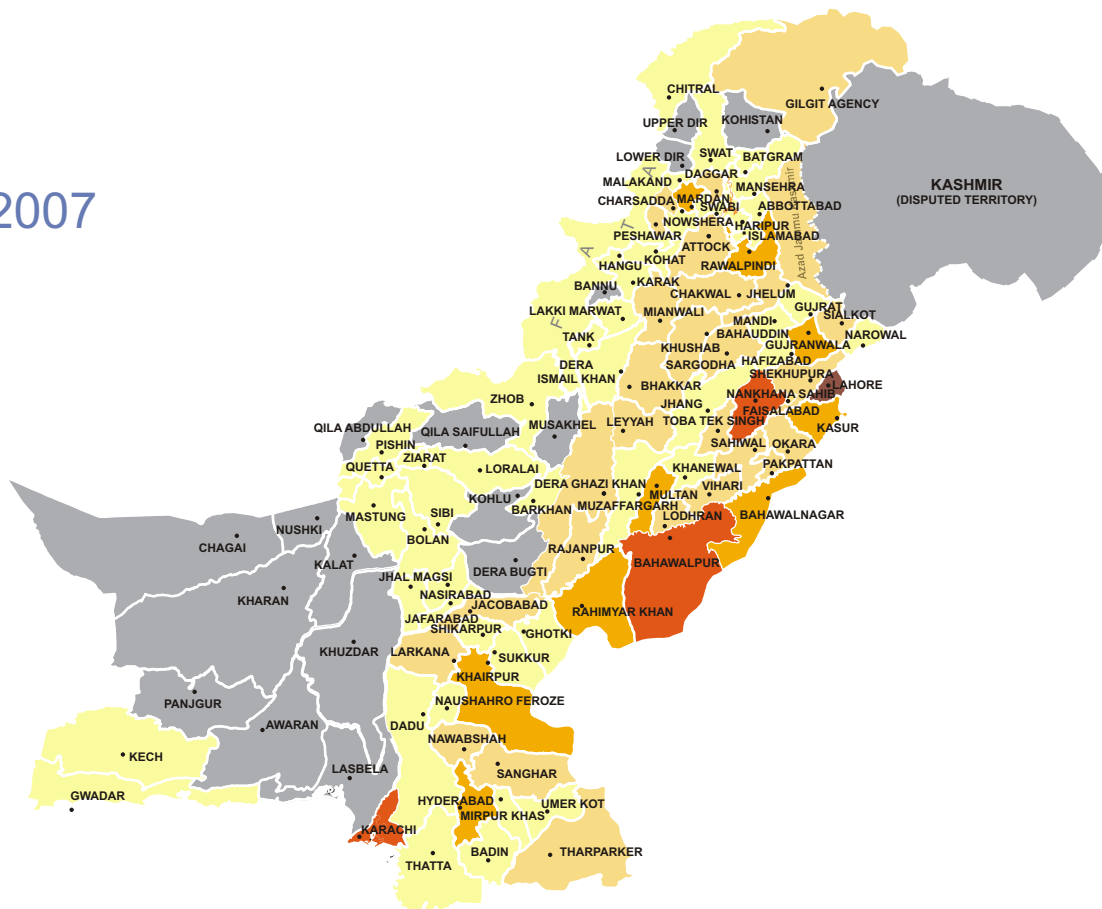
expansion overtaking rural growth was observed during 2007. In fact, most of the rural clients can be accounted for by RSPs and Khushhali Bank whereas other large players chose to focus more on urban and peri-urban markets. A positive trend was observed in terms of gender distribution: the sector achieved a one-for-one ratio of female to male clients by the end of the year. Although Kashf and NRSP together accounted for almost 80% of the new female clients, on average 50% of new clients by all top players (except Khushhali Bank) were female showing that focus on women clients is a sector-wide phenomenon.

All in all, approximately Rs. 22.6 billion were disbursed during the year through extension of 1.8 million micro loans. Average loan sizes remained more or less constant in the sector as well as peer group level (declining slightly for MFBs and CFIs while rising for other groups), showing that MFPs continued to target the lower end of the market in 2007 and also reflecting the entrance of new borrowers who start at smaller loan sizes. Average loan balance for *individual* lending remained higher than *group* lending but a sizable decline was observed in the average balance of the individual loans. This decline was largely driven by a sharp dip in the average loan balance of Tameer MFB, whose average balance moved closer to the sector's average by December 2007 compared to December 2006, when it was almost 45% above the sector's average.

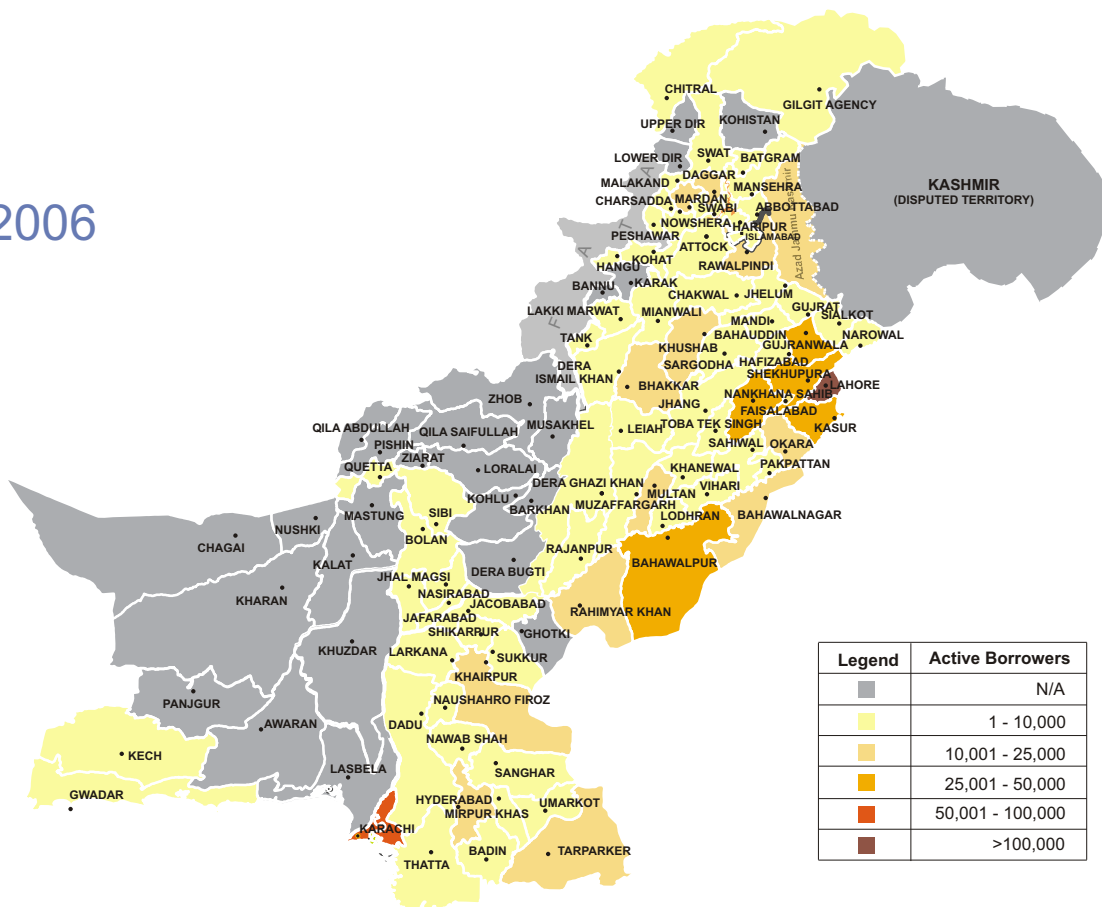
Growth in micro-savings in terms of both active savers and volume of savings reflects the sector's increasing focus on deposit mobilization. RSPs emerged as most successful at mobilizing savers, owing to their community organization based model which builds in savings as an essential component. However, in terms of volumes, MFBs accounted for a significant 69%. This is not surprising given that banks, by virtue of their prudential status, are able to generate larger institutional deposits along with smaller deposits from their target market, as reflected by their higher average savings balance compared to other peer groups. A decline in the

▼

2007



2006

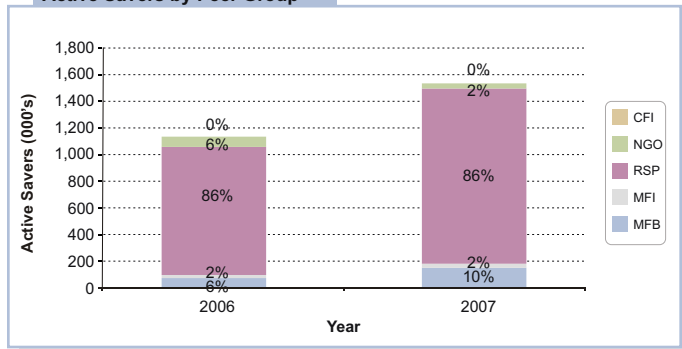


* Geographical boundaries for new districts demarcated in 2004-06 have not been made available by Survey of Pakistan. The following districts are therefore, not shown on the map: Sehwan Sharif, Jamshoro (Dadu); Matyari, Tando Allahyar, Tando Muhammad Khan (Hyderabad); Shedadkot (Larkana); Mingora (Swat); Sherani (Zhob)

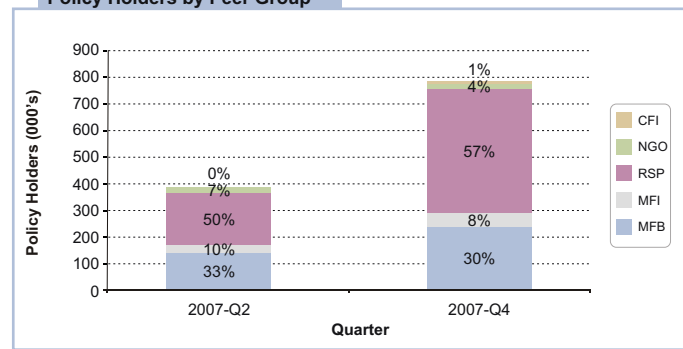
average savings balance of the banks could however reflect their efforts to target small depositors. MFBs are likely to be leaders in the savings market, especially once the larger non-bank MFPs transform into banks

the RSPs are currently providing any type of health insurance (with NRSP alone accounting for 95% of policy holders for health insurance) whereas other MFPs only offer life insurance.

Active Savers by Peer Group



Policy Holders by Peer Group



and existing MFBs diversify their product base and introduce deposit services more suited for the lower end of the market.

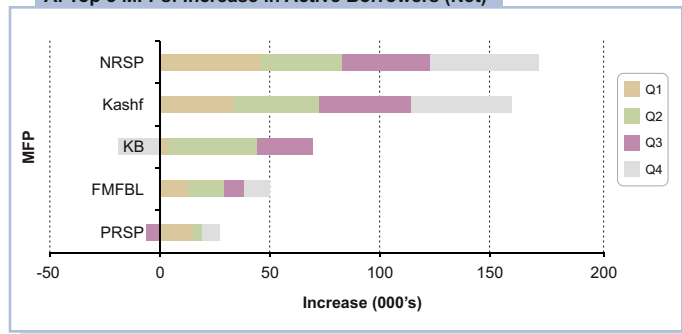
Outreach of insurance services expanded quite rapidly as more and more MFPs introduced and offered micro-insurance products: a 38% increase in the number of policy holders in just nine months. However, this high growth should be interpreted with caution as it may be a result of selling insurance bundled with credit to existing clients i.e a form of credit-life insurance rather than a stand-alone insurance product. Additionally, only

Overall growth across different microfinance services was thus impressive during 2007 but it is also clear that as the sector grows, risks also increase and growth in turn can be expected to slow down as practitioners consolidate operations and re-think strategy. Also, trends indicate that a few organizations will continue to dominate the market and competition will intensify in the coming year, especially in urban and semi-urban markets of Punjab and Sindh. Diversification in services and products as well as markets would be needed for the microfinance sector to achieve further depth and to sustain its steady growth momentum.

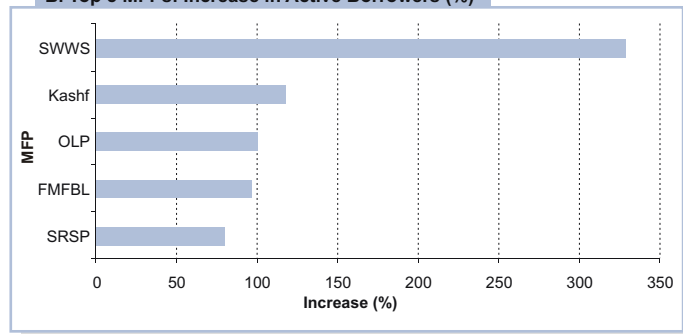
MARKET HIGHLIGHTS (2007)

MICROCREDIT

A. Top 5 MFPs: Increase in Active Borrowers (Net)



B. Top 5 MFPs: Increase in Active Borrowers (%)



C. Largest Providers of Microcredit (Active Borrowers)

	MFP	Active Borrowers (31-Dec)	Market Share (% of Active Borrowers)
1	NRSP	407,641	27.7
2	KB	330,952	22.5
3	Kashf	295,275	20.1
4	FMFBL	102,604	7.0
5	PRSP	69,361	4.7

D. MFPs with Largest Geographic Spread

	MFP	Geographic Spread (No. of Districts)
1	KB	86
2	NRSP	50
3	FMFBL	42
4	Kashf	22
5	PRSP	20

MARKET HIGHLIGHTS (2007)

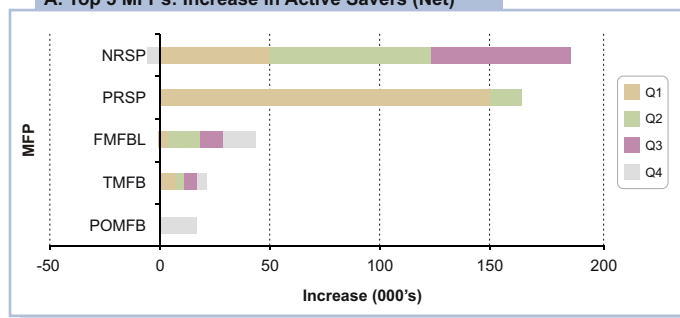
MICROCREDIT

E. Districts with Highest Growth (Net)

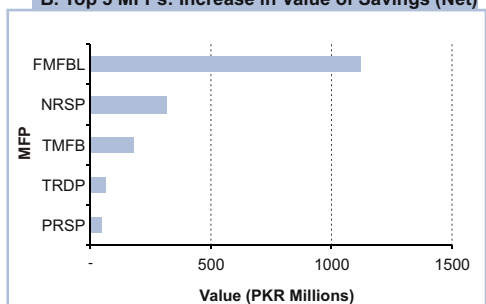
	Province	District	Active Borrowers (31-Dec)	Growth (Dec 2006 to Dec 2007)		Potential Microfinance Market (2007)	Penetration Rate (%)
			A	Net	%	B	(A/B)*100
1	Balochistan	Gwadar	1,692	1,234	269.4	55,537	3%
2		Sibi	2,319	897	63.1	48,944	5%
3		Jafarabad	2,265	256	12.7	121,911	2%
1	N.W.F.P	Mardan	33,464	13,314	66.1	354,988	9%
2		Peshawar	12,521	9,290	287.5	451,548	3%
3		Swabi	12,817	8,948	231.3	230,073	6%
1	Punjab	Lahore	169,332	54,656	47.7	872,760	19%
2		Faisalabad	88,413	52,385	145.4	1,096,924	8%
3		Multan	48,507	37,235	330.3	689,339	7%
1	Sindh	Karachi	60,789	28,179	86.4	1,329,990	5%
2		Jamshoro	32,736	27,201	491.4	-	-
3		Hyderabad	32,612	19,659	151.8	517,652	6%
1	AJK	Muzaffarabad	7,084	6,819	2573.2	-	-
2		Kotli	4,282	1696	65.6	-	-
3		Poonch	1,759	1,265	256.1	-	-
1	FANA	Ghanche	2,421	1,671	222.8	-	-
2		Skardu	4,241	1,550	57.6	-	-
3		Ghizer	4,328	1,005	30.2	-	-
1	FATA	Khyber	670	-	-	-	-
2		Kurram	652	-	-	-	-
1	ICT	Islamabad	3,539	890	33.6	74,750	5%

MICRO-SAVINGS

A. Top 5 MFPs: Increase in Active Savers (Net)



B. Top 5 MFPs: Increase in Value of Savings (Net)



C. Largest Providers of Micro-Savings (Active Savers)

	MFP	Active Savers (31-Dec)	Market Share (% of Active Borrowers)	Increase (Dec 2006 - Dec 2007)	
				Net	%
1	NRSP	760,425	49.7	178,686	30.7
2	PRSP	333,714	21.8	163,289	95.8
3	TRDP	210,271	13.7	7,699	3.8
4	FMFBL	81,158	5.3	41,997	107.2
5	TMFB	44,560	2.9	20,099	82.2

D. Districts with Highest Outreach (Active Savers)

	District	Active Savers (31-Dec)	Increase (Dec 2006 - Dec 2007)	
			Net	%
1	Tharparkar	114,747	5,073	4.6
2	Bahawalpur	73,254	30,994	73.3
3	Karachi	53,065	15,339	40.7
4	Badin	45,582	2,996	7.0
5	Attock	44,013	3,314	8.1

MARKET HIGHLIGHTS (2007)

MICRO-INSURANCE

A. Largest Providers of Micro-Insurance (Policy Holders)

	MFP	Policy Holders (31-Dec)	Market Share (% of Policy Holders)
1	NRSP	419,113	53.6
2	FMFBL	102,604	13.1
3	KB	93,365	11.9
4	DAMEN	32,627	4.2
5	TMFB	26,029	3.3

B. Districts with Highest Outreach (Policy Holders)

	District	Policy Holders (31-Dec)	Increase (Dec 2006 - Dec 2007)	
			Net	%
1	Bahawalpur	65,896	28,191	74.8
2	Lahore	65,651	8,246	14.4
3	Bhawalnagar	57,654	21,587	59.9
4	Rahimyar Khan	51,218	13,596	36.1
5	Karachi	35,070	20,055	133.6

OTHER NEWS ITEMS

The First Microinsurance Agency (FMiA) established in Pakistan

The First Microinsurance Agency (FMiA) was launched in February as Pakistan's first dedicated micro-insurance agency. FMiA will provide innovative life and health micro-insurance products that are carefully tailored to the needs of poor families. It is working in partnership with New Jubilee Life, a subsidiary of the Aga Khan Fund for Economic Development (AKFED) and one of Pakistan's leading insurance companies, as its principal insurer. FMiA is also the first insurance agency in Pakistan to be established as a company rather than as an individual enterprise. The Aga Khan Agency for Microfinance (AKAM) has provided an investment of Rs. 30 million (US\$500,000) in start up capital to FMiA. It is AKAM's second affiliate institution in Pakistan, following on the First MicroFinanceBank Ltd. FMiA has also benefited from some research and pre start-up funding provided to AKAM in 2005 by the Bill & Melinda Gates Foundation as part of their wider efforts to improve access to financial services for the poor.

For further details, please visit:

<http://www.akdn.org/news/2008february27.html>

PMN receives funding from Citi Foundation – USA

The Pakistan Microfinance Network (PMN) received its first grant of \$256,000 from Citi Foundation USA under the Citi Network Strengthening Program (NSP). This is a three year program and funding for each year will be subject to the previous year's performance and the subsequent year's proposal. PMN is amongst the 12 networks selected out of a total of 18 networks that competed internationally for the funding. The goal of the programme is to promote the growth and development of national microfinance sectors by strengthening the operational, technical, and financial capacities of national and regional microfinance networks. Activities under the programme will range from network assessments and business plan development, specialized technical assistance and capacity building for the network and peer learning through annual Global Network Summits, exchange visits, and online peer updates and monitoring on a dedicated space on SEEP's website. The contract between PMN and Citi Foundation was signed at the PMN office in February in the presence of Mr. Zubyr Soomro Citibank Pakistan's Country Officer & Managing Director, Dr. Ishrat Husain, Chairman National Commission for Government Reforms, Dr. Rashid Bajwa, CEO, NRSP & Chairman PMN Board, and PMN management.

ShoreBank International commits to a long-term presence in Pakistan

The Board of Directors and senior management of ShoreBank International (SBI) committed in January 2007 to sustain SBI's office in Pakistan on a permanent basis. SBI has since 2005 primarily focused on the implementation of the USAID-funded WHAM project and as this project matures SBI will transit to a permanent country level office. SBI aims to continue to provide technical assistance, training and forward looking research to expand access to financial services across Pakistan. SBI's core lines of business include microfinance, small business finance and low-cost housing.

For more information contact SBI's Islamabad office at: [051 225-1862](tel:051-225-1862).

BRAC begins operations in Pakistan

BRAC, following its registration as an NGO last year, began its microfinance operations in Pakistan in August 2007. According to the management of BRAC Pakistan, the organization will be working on three programmes - microfinance, primary health care and non-formal education and plans to focus on the bottom 50 percent of the poor through its microfinance and education agendas. It has launched its microcredit programme through 11 branches in three districts of NWFP and 12 branches in Lahore with plans to expand operations in two more districts of Punjab in the near future. BRAC brings 35 years of its experience in Bangladesh as well as an international presence in eight countries to Pakistan's microfinance sector.

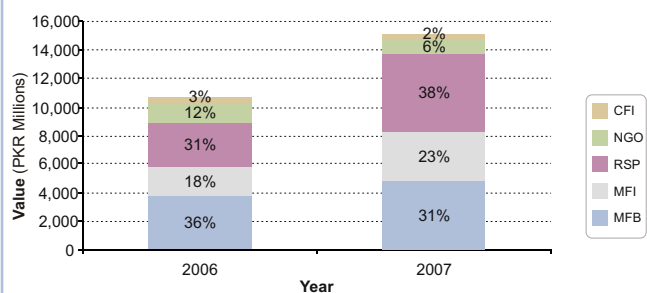
For more information about BRAC, please visit: <http://www.brac.net>

SUMMARY OF MICROCREDIT PROVISION (All Pakistan)

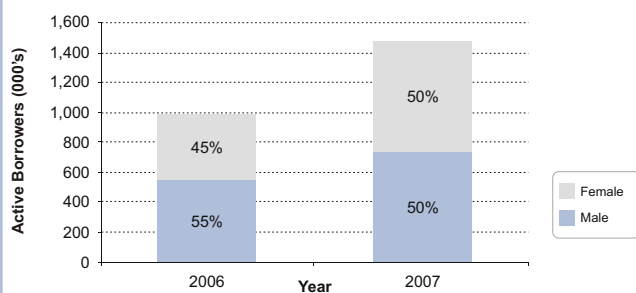
Exchange Rate (Dec 2007): PKR/ USD:61.5/1

Indicator	Total	Lending Methodology		Peer Group				
		Group	Individual	MFB	MFI	RSP	NGO	CFI
Number of Branches/Units								
2006	1,115			240	129	643	84	19
2007	1,343			269	217	758	77	22
Active Borrowers								
2006	997,778	932,776	65,002	371,070	200,565	337,705	75,463	12,975
2007	1,471,295	1,382,995	88,300	476,909	369,032	530,937	76,594	17,823
Gross Loan Portfolio (PKR Millions)								
2006	10,743	9,268	1,475	3,922	1,967	3,301	1,237	316
2007	15,134	13,701	1,433	4,702	3,552	5,694	844	342
Average Loan Balance (PKR)								
2006	10,767	9,936	22,686	10,570	9,805	9,776	16,391	24,320
2007	10,286	9,907	16,225	9,860	9,626	10,724	11,014	19,167
Number of Loans Disbursed								
2007	1,750,601	1,678,730	71,871	490,396	536,023	640,885	70,409	12,888
Disbursements (PKR Millions)								
2007	22,606	20,919	1,687	6,273	6,036	9,135	889	273
Average Loan Size (PKR)								
2007	13,520	12,461	23,465	12,792	11,260	14,254	12,621	21,198

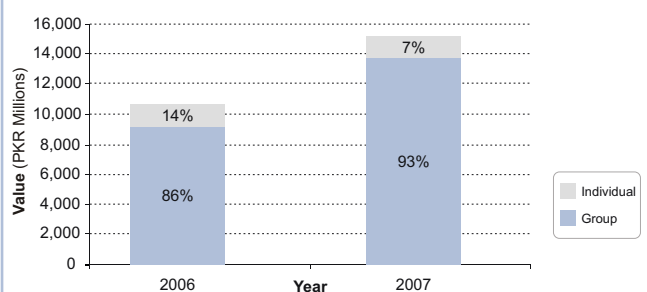
Gross Loan Portfolio



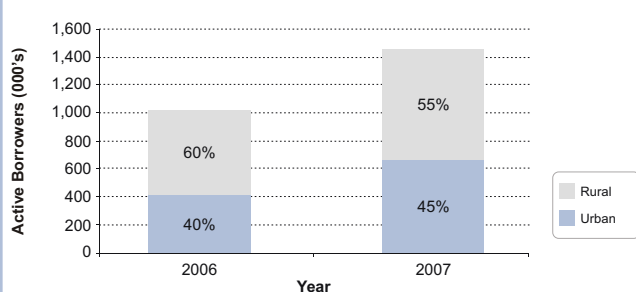
Active Borrowers by Gender



Gross Loan Portfolio by Methodology

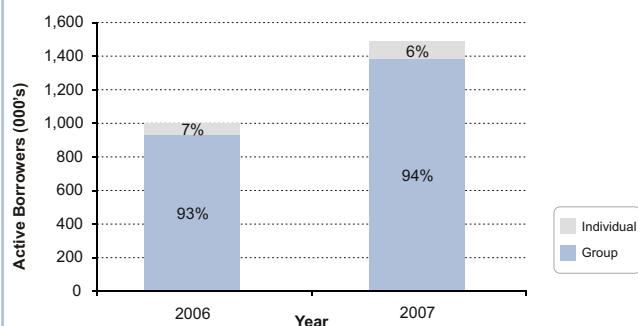


Active Borrowers by Urban/Rural

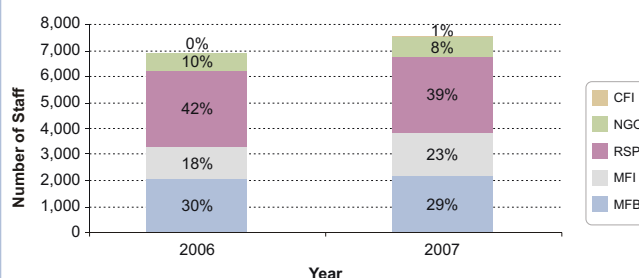


SUMMARY OF MICROCREDIT PROVISION (All Pakistan)

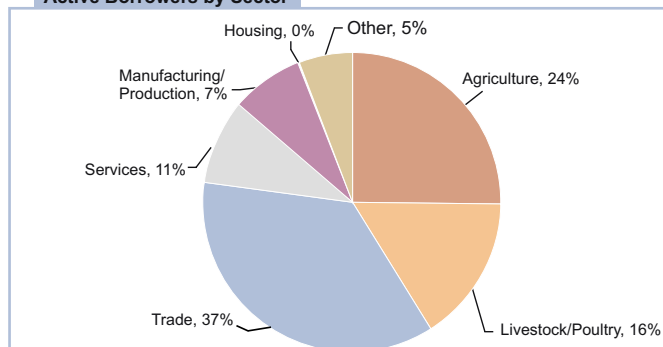
Active Borrowers by Lending Methodology



Distribution of Staff across Peer Group



Active Borrowers by Sector



SUMMARY OF MICRO-SAVINGS PROVISION (All Pakistan)

Note: Due to unavailability of saving data for some reporting organizations, values of savings indicators for December 2006 differs from numbers reported in the preceding issue of MicroWATCH. To adjust for missing data in the current year, data of non-reporting organizations was subtracted from the aggregates of 2006.

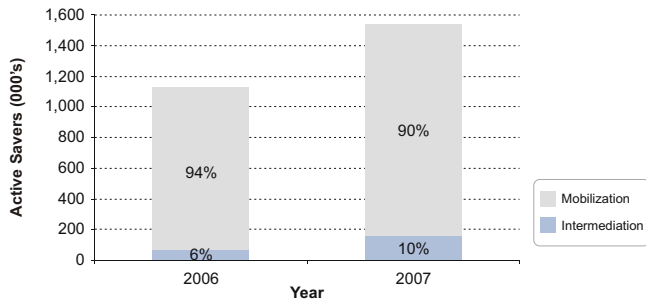
		Saving Methodology		Peer Group				
	Total	Intermediation	Mobilization	MFB	MFI	RSP	NGO	CFI
Number of Savers								
2006	1,125,473	68,472	1,057,001	68,472	21,618	963,232	72,151	-
2007	1,530,375	146,045	1,384,330	146,045	26,462	1,319,420	38,448	-
Value of Saving (PKR Millions)								
2006	2,252	1,422	830	1,422	4	800	25	-
2007	4,000	2,753	1,247	2,753	4	1,224	19	-
Average Saving Balance(PKR)								
2006	2,001	20,771	785	20,771	197	831	347	-
2007	2,614	14,411	901	14,411	160	928	487	-

Saving Methodology:

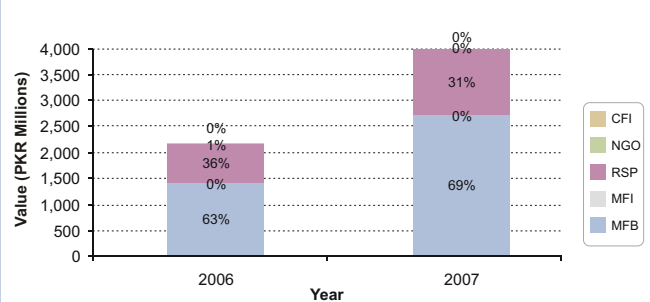
- 1. Intermediation:** Public deposits used to finance an organization's loan portfolio. Only SBP-regulated MFPs (CFIs and MFBs) can accept and intermediate deposits from the general public.
- 2. Mobilization:** MFPs not regulated by SBP (MFIs, NGOs, RSPs) can neither hold nor intermediate deposits from the general public. These organizations do however mobilize savings from their members/clients to place with licensed commercial banks.

SUMMARY OF MICRO-SAVINGS PROVISION (All Pakistan)

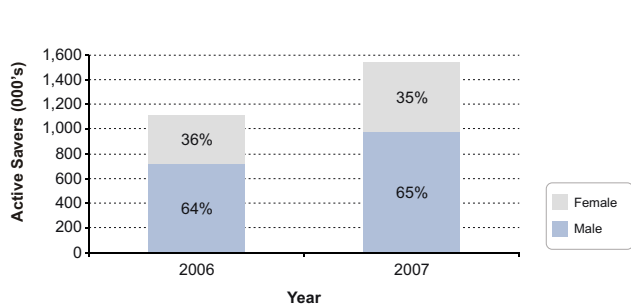
Active Savers by Saving Methodology



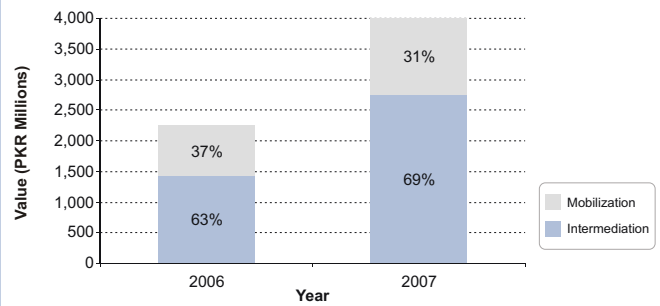
Value of Savings by Peer Group



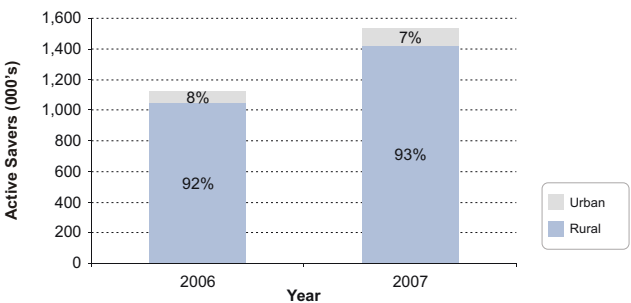
Active Savers by Gender



Value of Saving by Saving Methodology



Active Savers by Urban/Rural



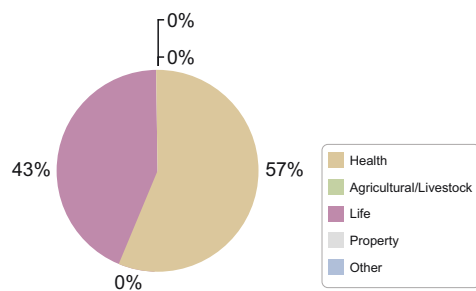
SUMMARY OF MICRO-INSURANCE PROVISION (All Pakistan)

	Total	Type		Peer Group				
		Health	Life	MFB	MFI	RSP	NGO	CFI
Number of Policy Holders								
2007-Q2	387,902	194,890	193,012	126,959	37,029	194,890	29,024	-
2007-Q4	781,440	443,831	337,609	233,604	65,861	443,831	32,627	5,517
Sum Insured (PKR Millions)								
2007-Q2	5,819	-	-	2,096	202	3,319	202	-
2007-Q4	9,910	-	-	2,784	448	6,304	251	124

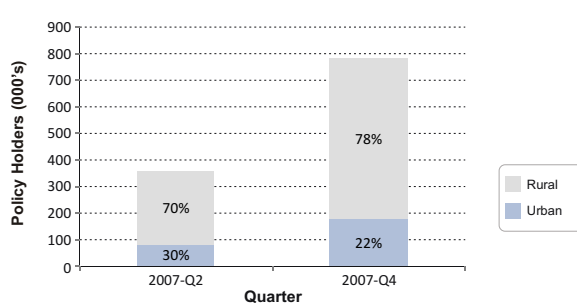
Note: Figures for micro-insurance for Dec 2006 are unavailable. Data for Q2-2007 is the earliest available.

SUMMARY OF MICRO-INSURANCE PROVISION (All Pakistan)

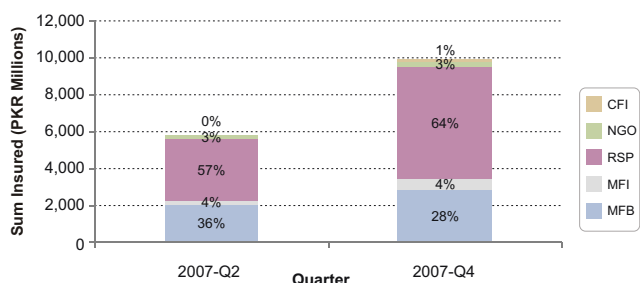
Policy Holders by Type



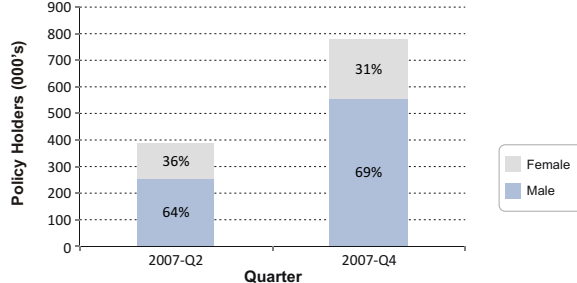
Policy Holders by Urban/Rural



Sum Insured by Peer Group



Policy Holders by Gender



OUTREACH (District Level)

BALUCHISTAN

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Awaran										26,054
Barkhan	KB	1	-	1,030	6,857,803	-	-	51	298,900	31,881
Bolan										66,423
Chagai ¹										54,814
Dera Bugti										43,770
Gwadar	FMFBL KB NRSP POMFB	4	-	1,692	10,062,813	10,322	2,451,096	1,122	10,376,227	55,537
Jafarabad	KB	1	-	2,265	24,743,478	-	-	2,395	1,248,100	121,911
Jhal Magsi										29,887
Kalat										53,884
Kech (Turbat)	NRSP	4	-	77	254,511	27,110	6,371,002	158	3,560,000	92,271
Kharan										47,948
Khuzdar										104,104
Kohlu										26,910
Lasbela										84,637
Loralai	KB	2	-	1,915	11,504,434	-	-	1,860	1,197,500	76,879
Mastung	KB	1	-	419	2,908,324	-	-	663	785,000	41,317
Musakhel										27,545
Nasirabad	KB	1	-	1,145	10,364,355	-	-	156	1,311,500	75,783
Nushki ²										-
Panjgur										51,074
Pishin	KB	1	-	1,281	9,454,327	-	-	1,114	250,000	100,179
Qila Abdullah										115,112
Qila Saifullah										44,345
Quetta	FMFBL KB OPP	6	-	5,025	29,871,744	820	46,550,000	1,378	14,485,089	174,437
Sherani ³										-
Sibi	KB	1	-	2,319	15,483,597	-	-	114	1,020,000	48,944
Washuk										-
Zhob ⁴	KB	1	-	770	4,607,993	-	-	56	254,500	53,848
Ziarat	KB	1	-	19	70,748	-	-	-	-	7,268
Total		24	-	17,957	126,184,127	38,252	55,372,098	9,067	34,786,816	1,656,762

¹ Chagai district was divided into two districts (Nushki and Chagai) in 2005. The potential microfinance market estimate for Chagai is therefore an overestimation (aggregate of potential markets for Nushki and Chagai).

² Population data for Nushki district is not available. Nushki was carved out of Chagai district in 2005. Thus, the potential microfinance market estimate for Chagai is an aggregate of the potential market for Chagai and Nushki.

³ Population data for Sherani district is not available, Sherani was carved out of Zhob district in 2005.

⁴ Zhob was divided into two districts (Zhob and Sherani) in 2005. The potential microfinance market estimate for Zhob is therefore an overestimation (aggregate of potential markets for Zhob and Sherani).

OUTREACH (District Level)

NWFP

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Abbottabad	BOK KB SDF SRSP	4	-	5,718	45,999,893	8,222	3,525,242	346	7,353,500	180,672
Bannu										167,380
Batgram	KB SDF	2	-	1,111	2,656,050	1,815	83,365	1,158	1,674,000	58,257
Buner (Daggar)										133,171
Charsadda	BOK KB NRSP	6	-	11,283	125,223,257	8,168	767,830	8,785	131,117,000	271,736
Chitral	BOK FMFBL	6	-	7,942	158,886,421	8,763	183,416,423	7,071	125,855,748	84,846
D.I. Khan	BOK KB	2	-	6,759	90,078,397	-	-	139	13,907,200	221,328
Hangu	BOK SRSP	2	-	481	1,574,814	1,600	801,600	-	-	64,648
Haripur	BOK KB SDF SRSP	4	-	4,400	35,129,713	15,578	6,726,891	825	6,968,200	103,830
Karak	KB	1	-	1,452	10,003,602	-	-	1,027	4,188,000	102,174
Kohat	BOK KB SRSP	3	-	6,162	40,937,475	2,464	1,234,464	4,150	8,874,100	114,908
Kohistan	KB	1	-	292	553,000	-	-	1,272	468,000	73,374
Lakki Marwat										107,505
Lower Dir										176,660
Malakand	KB NRSP	4	-	9,706	122,507,258	15,099	1,562,780	8,225	115,377,000	106,429
Mansehra	BOK KB POMFB SDF	4	-	5,646	31,308,813	7,976	7,685,356	2,165	13,964,209	271,288
Mardan	BOK KB NRSP	52	-	33,464	330,955,639	24,378	3,676,891	30,873	422,860,700	354,988
Mingora ⁵	BOK KB	2	-	1,657	18,199,043	-	-	2,090	3,158,300	-
Nowshera	KB SRSP	5	-	7,229	50,466,082	3,274	777,552	1,851	16,866,200	201,208
Peshwar	BOK KB NRSP SRSP	9	-	12,521	116,703,056	3,512	793,584	5,258	66,845,600	451,548
Shangla	KB	1	-	1,003	2,284,339	-	-	1,047	1,565,000	116,366
Swabi	KB NRSP SWWS	6	-	12,817	111,119,475	11,560	3,103,718	7,089	100,327,900	230,073
Swat ⁶	NRSP	2	-	3,668	36,793,296	4,676	711,087	2,691	40,365,000	286,555
Tank	BOK	1	-	-	-	-	-	-	-	62,446
Upper Dir										142,427
Total		117	-	133,311	1,331,379,623	117,085	214,866,783	86,062	1,081,735,657	4,083,817

PUNJAB

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Attock	KB NRSP POMFB	37	-	16,610	139,873,421	44,013	89,648,520	14,550	204,650,612	262,870
Bahawalpur	FMFBL KB NRSP	32	-	62,531	900,254,307	73,254	229,834,450	65,896	962,283,128	461,777
Bhakkar	KB NRSP	28	-	20,220	198,914,960	30,503	25,418,205	18,389	270,619,800	252,453
Bhawalnagar	KB NRSP	16	-	38,900	591,621,495	41,576	100,458,828	57,654	903,629,800	427,843

⁵ Population data for Mingora district is not available. Mingora was carved out of Swat district in 2005. Thus, the potential microfinance market estimate for the district of Swat is an aggregate of the potential market for Mingora and Swat.

⁶ Swat district was divided into two districts (Swat and Mingora) in 2005. The potential market estimate for Swat is therefore an overestimation (aggregate of potential markets for Mingora and Swat). The estimate is based on 1998 DCR population data available for Swat.

OUTREACH (District Level)

PUNJAB

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Chakwal	KB NRSP POMFB	36	-	11,606	106,329,196	31,582	69,059,872	10,687	144,362,673	219,565
D.G. Khan	FMFBL KB NRSP	13	-	20,261	252,041,900	24,967	53,516,495	7,643	186,515,363	419,252
Faisalabad	AKHUWAT ASASAH FMFBL KASHF KB NRSP PRSP RCDS TMFB	82	-	88,413	747,169,385	36,022	11,903,343	7,617	77,456,228	1,096,924
Gujranwala	ASASAH FMFBL JWS KASHF KB NRSP OPD OPP ⁷ PRSP TMFB	40	-	52,479	582,064,510	28,850	26,118,730	7,831	67,628,368	735,741
Gujrat	AKHUWAT KASHF KB NRSP PRSP TMFB	13	-	8,056	70,096,920	10,833	2,112,056	2,368	7,576,500	446,630
Hafizabad	KASHF KB PRSP	5	-	7,088	56,730,108	7,020	1,215,604	935	8,805,300	231,170
Jhang	AKHUWAT FMFBL KASHF KB NRSP PRSP	15	-	11,606	102,713,833	13,396	12,799,080	3,009	23,426,921	626,546
Jhelum	KB NRSP	36	-	12,738	115,860,656	15,003	16,470,711	14,438	202,796,600	170,498
Kasur	ASASAH CSC DAMEN FMFBL KASHF KB OLP PRSP RCDS	29	-	48,287	431,399,265	7,489	9,946,078	14,089	104,786,628	586,427
Khanewal	AKHUWAT ASASAH KASHF KB NRSP PRSP	10	-	16,383	162,909,113	16,204	10,807,733	10,620	122,504,534	432,948
Khushab	KASHF KB NRSP OPP ⁷	26	-	16,456	126,008,559	39,611	47,882,306	11,730	180,349,600	235,163
Lahore	AKHUWAT ASASAH CSC CWCD DAMEN FMFBL KASHF KB NRSP OLP OPP PRSP TMFB	120	-	169,332	1,815,969,499	36,004	18,407,829	65,651	684,781,383	872,760
Layyah	KB PRSP	4	-	14,356	162,422,860	14,020	2,054,557	756	26,903,500	263,251

⁷ OPP does not provide retail microcredit services in Gujranwala and Khushab. It wholesales funds to partner organizations: Mehran Education Welfare Society, and Soan Valley Development Program, respectively.

OUTREACH (District Level)

PUNJAB

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Lodhran	AKHUWAT KB NRSP	15	-	19,357	300,168,942	32,751	82,191,504	34,772	518,681,800	261,693
Mandi Bahauddin	KASHF KB PRSP	6	-	8,860	79,277,656	10,914	2,603,259	828	6,799,700	298,371
Mianwali	KB NRSP	29	-	19,582	171,280,517	13,107	1,404,985	17,465	246,682,300	252,413
Multan	AKHUWAT ASASAH FMFBL KASHF KB NRSP OLP PRSP	55	-	48,507	441,999,737	32,914	56,618,685	13,748	183,746,825	689,339
Muzaffargarh	KB NRSP PRSP	4	-	6,475	64,835,912	14,072	1,071,978	2,056	36,144,400	570,580
Nankana Sahib ⁸	RCDS	7	-	5,431	157,950,000	-	-	-	-	-
Narowal	KB NRDP PRSP	8	-	8,571	78,272,975	24,124	2,277,242	830	13,278,900	268,902
Okara	ASASAH FMFBL KASHF KB OLP PRSP	10	-	15,614	142,147,132	16,129	6,595,534	2,857	32,184,184	509,842
Pakpattan	ASASAH KASHF KB NRSP PRSP	7	-	14,744	152,107,510	13,454	9,178,849	5,348	72,145,200	281,988
Rahimyar Khan	FMFBL KASHF KB NRSP	31	-	26,346	292,375,026	23,464	78,252,406	51,218	755,885,713	585,705
Rajanpur	KB NRSP	11	-	16,271	208,604,938	17,691	40,300,599	10,913	226,085,600	260,436
Rawalpindi	AKHUWAT FMFBL KASHF KB NRSP OPP ⁹ POMFB	75	-	45,175	389,165,420	43,444	82,070,766	14,082	187,058,844	327,457
Sahiwal	ASASAH FMFBL KASHF KB NRSP PRSP	13	-	22,207	200,629,195	24,290	12,314,441	5,447	67,175,135	395,468
Sargodha	KASHF KB NRSP PRSP	22	-	30,050	253,248,538	24,967	2,726,999	1,682	23,934,800	671,679
Sheikhupura	DAMEN KASHF KB OLP PRSP RCDS	16	-	29,178	334,100,739	6,069	1,133,525	9,117	69,070,514	831,522
Sialkot	KASHF KB NRSP PRSP	18	-	12,804	115,465,964	29,989	8,221,952	26	11,268,200	501,997
Toba Tek Singh	KASHF KB NRSP PRSP	7	-	12,205	104,235,421	16,120	1,435,533	497	16,056,300	309,316
Vihari	ASASAH KASHF KB NRSP OLP	14	-	18,178	216,822,670	29,377	34,555,188	18,297	300,633,582	475,398
Total		890	-	974,877	10,265,068,279	843,223	1,150,607,842	503,046	6,945,908,935	15,233,924

⁸ Population data for the district of Nankana Sahib is not available. The district was carved out of Sheikhupura district in 2005. Thus, the estimate for the district of Sheikhupura is an aggregate of the potential market for Sheikhupura and Nankana Sahib (based on 1998 DCR population data available for Sheikhupura).

⁹ OPP does not provide retail microcredit services in Rawalpindi. It wholesales funds to a partner organization: Alfalah Development Organization.

OUTREACH (District Level)

SIND

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Badin	FMFBL KB NRSP POMFB	9	-	7,690	80,173,750	45,582	45,650,066	3,739	47,162,227	294,781
Dadu	FMFBL KB OLP OPP ¹⁰ TRDP	16	-	11,547	101,028,063	31,049	28,688,739	6,572	15,526,124	447,305
Ghotki	FMFBL KB	3	-	5,294	56,806,521	1,290	12,325,800	4,587	15,728,809	248,442
Hyderabad ¹¹	FMFBL KB NRSP OPP POMFB SAFWCO TMFB	30	-	32,612	290,260,053	17,307	52,327,989	25,499	293,639,920	517,652
Jacobabad	FMFBL KB	3	-	9,485	106,762,367	647	14,854,200	2,111	13,001,864	361,146
Jamshoro ¹²	KASHF TRDP	26	-	32,736	250,388,891	9,931	8,037,670	-	-	-
Karachi ¹³	FMFBL KB NRSP OLP OPP POMFB RMFB TMFB	72	-	60,789	610,837,628	53,065	900,577,354	35,070	403,775,700	1,329,990
Khairpur	FMFBL KB OPP ¹⁴ TRDP	7	-	27,051	282,109,371	25,492	52,643,889	16,793	83,808,964	401,853
Larkana	FMFBL KB	4	-	10,537	117,221,399	434	7,182,000	1,484	3,684,491	534,891
Matyari ¹⁵	FMFBL NRSP OPP	4	-	4,650	47,402,406	9,937	7,020,057	4,430	66,450,000	-
Mirpur Khas ¹⁶	FMFBL KB NRSP OPP POMFB	10	-	9,181	80,275,052	36,071	7,486,632	7,240	78,032,175	210,494
Naushahro Feroze	FMFBL KB OPP	2	-	9,053	83,584,514	513	7,625,000	2,805	26,514,295	266,462
Nawabshah	FMFBL KB NRSP OPP SAFWCO	5	1	15,922	169,550,133	2,728	11,129,321	6,389	55,116,725	225,430
Sanghar	FMFBL KB OLP OPP SAFWCO	8	1	17,751	136,433,699	4	40	11,182	11,768,185	354,133
Sehwan Sharif	KB	1	-	2,369	19,661,181	-	-	802	1,656,200	-
Shehdad Kot										
Shikarpur	KB	1	-	1,154	10,143,622	-	-	278	547,900	237,633
Sukkur	FMFBL KB OPP	4	-	7,593	69,497,779	1,434	10,077,000	2,744	30,067,812	213,080

¹⁰ OPP does not provide retail microcredit services in Dadu. It wholesales funds to a partner organization: Soofi Shah Inayat Shaheed Sanghat.

¹¹ Hyderabad district was divided into four districts in 2006. These are Hyderabad, Matyari, Tando Muhammad Khan, and Tando Allahyar. Thus, the potential microfinance market estimate for Hyderabad is an aggregate of all four resulting districts (based on 1998 DCR population data available for Hyderabad).

¹² Population data for Jamshoro district is not available. The district is new and was carved out of Dadu district in 2006. Thus, the estimate for Dadu also includes the estimate for the recently created Jamshoro district.

¹³ The market estimate for Karachi is the aggregate of four districts namely, Central, West, East, and South.

¹⁴ OPP does not provide retail microcredit services in Khairpur. It wholesales funds to partner organizations: Khajji Cooperative Society, Goth Seenghar, and Marvi Rural Development Organization.

¹⁵ Population data for Matyari district is not available. The district was carved out of Hyderabad district in 2006. Thus, the estimate for Hyderabad also includes the estimate for the recently created Matyari district.

¹⁶ OPP does not provide retail microcredit services in Mirpur Khas, Nawabshah, Naushahro Feroze, Thatta and Umer Kot. It wholesales funds to a number of partner organizations: Sindh Rural Partner Organization; Shah Sachal Sami Welfare Association; Village Welfare Society; Sindh Community Development Organization; Ghulam Qadir Group; and Shama Roshan Social Welfare Development Organization, respectively.

OUTREACH (District Level)

SINDH

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Tando Allahyar ¹⁷	FMFBL KB NRSP POMFB	5	1	6,125	53,541,876	9,528	16,574,615	4,316	46,865,537	-
Tando Muhammad Khan	FMFBL KB NRSP POMFB	5	-	4,182	43,403,199	6,044	7,718,129	1,747	20,302,644	-
Tharparkar	FMFBL KB TRDP	22	-	16,005	121,468,308	114,747	94,579,624	6,125	11,707,237	245,046
Thatta	FMFBL KB NRSP	6	-	2,877	27,775,982	13,680	11,282,934	224	10,562,600	283,491
Umer Kot	FMFBL OPP TRDP	13	-	9,576	67,875,657	32,778	32,780,997	4,394	1,987,875	185,966
Total		256	3	304,179	2,826,201,451	412,261	1,328,562,056	148,531	1,237,907,284	6,357,795

AZAD JAMMU AND KASHMIR (AJK)

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market ¹⁸
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Bagh	NRSP	3	-	2,512	12,040,772	17,728	5,886,224	326	4,890,000	-
Bhimber	KB	1	-	523	2,631,488	-	-	1,238	2,324,800	-
Kotli	NRSP	7	-	4,282	31,766,199	14,327	2,769,876	4,466	67,110,000	-
Mirpur										-
Muzaffarabad	KB NRSP SDF	6	-	7,084	38,076,779	13,681	3,919,392	1,866	30,067,000	-
Neelum	FMFBL KB	2	-	683	10,559,523	1,462	6,976,000	1,225	10,559,523	-
Poonch	KB NRSP	5	-	1,759	8,065,338	28,294	7,335,833	752	9,059,900	-
Sudhnati	NRSP	1	-	439	3,376,530	6,645	1,445,565	405	6,075,000	-
Total		25	-	17,282	106,516,629	82,137	28,332,890	10,278	130,086,223	-

FEDERALLY ADMINSTRATED NORTHERN AREAS (FANA)

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market ¹⁹
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Astore	FMFBL	1	-	2,083	41,935,474	475	7,671,000	2,083	41,935,474	-
Diamer	FMFBL	-	-	-	-	-	-	-	-	-
Ghanche	FMFBL	2	-	2,421	52,881,740	3,179	81,487,000	2,421	52,881,740	-
Ghizer	FMFBL	5	-	4,328	83,842,432	5,475	51,321,000	4,328	83,842,432	-
Gilgit	FMFBL	4	-	5,755	143,629,098	11,277	102,146,000	5,755	143,629,098	-
Skardu	FMFBL	3	-	4,241	92,064,301	4,380	77,899,000	4,241	92,064,301	-
Total		15	-	18,828	414,353,045	24,786	320,524,000	18,828	414,353,045	-

¹⁷ Population data for districts Tando Allahyar and Tando Muhammad Khan is not available. The districts were carved out of Hyderabad district in 2006. Thus, the microfinance market estimate for Hyderabad is an aggregate of the potential markets in the recently created Tando Allahyar, Matyari and Tando Muhammad Khan districts.

¹⁸ Due to unavailability of population data for the Azad Jammu and Kashmir (AJK) districts, the potential microfinance market could not be estimated.

¹⁹ Due to unavailability of population data for the Federally Administered Northern Areas (FANA) the potential microfinance market could not be estimated.

OUTREACH (District Level)

FEDERALLY ADMINISTRATED TRIBAL AREAS (FATA)

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market ²⁰
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Bajaur										-
Khyber	KB	1	-	670	4,519,150	-	-	736	2,133,500	-
Kurram	KB	1	-	652	5,982,607	-	-	1,811	3,574,500	-
Mohmand										-
North Waziristan										-
Orakzai										-
South Waziristan										-
Total		2	-	1,322	10,501,757	-	-	2,547	5,708,000	-

ISLAMABAD CAPITAL TERRITORY (ICT)

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market ²⁰
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Islamabad	FMFBL NRSP POMFB	9	-	3,539	53,485,978	12,631	253,370,763	3,081	59,742,624	74,750

OUTREACH (ALL PAKISTAN)

Province	Offices		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market	Penetration Rate (%)
	Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)		
Balochistan	24	-	17,957	126,184,127	38,252	55,372,098	9,067	34,786,816	1,656,762	1.08
N.W.F.P	117	-	133,311	1,331,379,623	117,085	214,866,783	86,062	1,081,735,657	4,083,817	3.26
Punjab	890	-	974,877	10,265,068,279	843,223	1,168,913,518	503,046	6,945,908,935	15,233,924	6.40
Sindh	256	3	304,179	2,826,201,451	412,261	1,958,477,510	148,531	1,237,907,284	6,357,795	4.78
AJK	25	-	17,282	106,516,629	82,137	28,332,890	10,278	130,086,223	-	-
FATA	15	-	18,828	414,353,045	24,786	320,524,000	18,828	414,353,045	-	-
FANA	2	-	1,322	10,501,757	-	-	2,547	5,708,000	-	-
ICT	9	-	3,539	53,485,978	12,631	253,370,763	3,081	59,742,624	74,750	4.73
Grand Total	1,338	3	1,471,295	15,133,690,889	1,530,375	3,999,857,562	781,440	9,910,228,584	27,407,048	5.37

²⁰ Due to unavailability of population data for the Federally Administered Tribal Areas (FATA), the potential microfinance market could not be estimated.

REPORTING ORGANIZATIONS

Category	MFP	Reporting Period	
		December	December
		2006	2007
MFB	Khushhali Bank (KB)	✓	✓
Microfinance Bank licensed and prudentially regulated by the State Bank of Pakistan to exclusively service microfinance market	Network MicroFinance Bank Ltd. (NMFB)	✓	×
	Pak-Oman Microfinance Bank Ltd. (POMFB)	✓	✓
	Rozgar Microfinance Bank Ltd. (RMFB)	✓	✓
	Tameer Microfinance Bank Ltd. (TMFB)	✓	✓
	The First MicroFinanceBank Ltd. (FMFB)	✓	✓
MFI	Akhuwat	✓	✓
Microfinance institution providing specialized microfinance services	Asasah	✓	✓
	Kashf Foundation	✓	✓
	Orangi Pilot Project (OPP)	✓	✓
	Sindh Agricultural and Forestry Workers Cooperative Organization (SAFWCO)	✓	✓
RSP	Lachi Poverty Reduction Project (LPRP)	✓	×
Rural support programme running microfinance operation as part of multi-dimensional rural development programme	National Rural Support Programme (NRSP)	✓	✓
	Punjab Rural Support Programme (PRSP)	✓	✓
	Sarhad Rural Support Programme (SRSP)	✓	✓
	Thardeep Rural Development Programme (TRDP)	✓	✓
NGO	Centre for Women Cooperative Development (CWCD)	✓	✓
Non-government organization running microfinance operations as part of multi-dimensional developed programme	Community Support Concern (CSC)	✓	✓
	Development Action for Mobilization and Emancipation (DAMEN)	✓	✓
	Jinnah Welfare Society (JWS)	✓	✓
	Narowal Rural Development Programme (NRDP)	✓	✓
	Organization for Participatory Development (OPD)	✓	✓
	Rural Community Development Society (RCDS)	✓	✓
	Save the Poor (STP)	✓	✓
	Sindh Rural Support Program (Srsp)	✓	×
	Sungi Development Foundation (SDF)	✓	✓
	Swabi Women's Welfare Society (SWWS)	✓	✓
	Taraqee Foundation (TF)	✓	×
CFI	ORIX Leasing Pakistan Ltd. (OLP)	✓	✓
Commercial financial institution providing microfinance services as separate function	Bank of Khyber (BOK)	✓	✓

Pakistan Microfinance Network

Hs 38-B, Street 33, F 8/1
Islamabad, Pakistan
Tel: +92 (51) 2816139-41
Fax: +92 (51) 2854702
Email: info@pmn.org.pk
www.pmn.org.pk

Author: Aban Haq

Data Collection and Compilation: Moazzam Iqbal

External Review: Gregory Chen

Design & Layout: Sumaira Sagheer

Printed at Pangraphics

Copyrights Pakistan Microfinance Network © 2008