

ISSUE 11: QUARTER 1 (JAN-MAR 2009)

After a dismal conclusion to the past year, 2009 started off on an encouraging note with microcredit growth in positive figures at the end of the first quarter. Active borrowers grew by 1% which, while far from the 8% growth posted this same time last year, is a distinct improvement over the 7% decline in the previous quarter. The gross loan portfolio (GLP) also grew by 3%, after decreasing by 12% last quarter. The biggest contributor to this growth was the First MicroFinance Bank Ltd. (FMFBL) with a net increase of nearly 26,000 borrowers. Out of the five largest microfinance providers (MFPs) FMFBL was the only one to increase its numbers, and consequently increased its market share to 11.3%. The remaining four posted marginal declines in their active borrowers. The newly started Kashf Microfinance Bank (KMFB) also posted a net increase of just over 14,000 borrowers. However, these are not new clients, as KMFB commenced its operations by taking over Kashf Foundation's individual loan portfolio. Smaller organizations such as BRAC and Tameer Microfinance Bank (TMFB) continued their consistent growth from last year posting an addition of over 6000 borrowers each.

In terms of peer groups (for definitions of peer groups please refer to the back cover of the report) share of microfinance banks (MFBs) in active borrowers increased to 36%, largely due to FMFBL's growth as well as the addition of another MFB in the sector. Both rural support programs (RSPs) and microfinance institutions (MFIs) saw their shares decline by 1% for each. Correspondingly, RSPs and MFIs also lost ground in GLP, with share of MFBs increasing to 40% from 37% in the previous quarter.

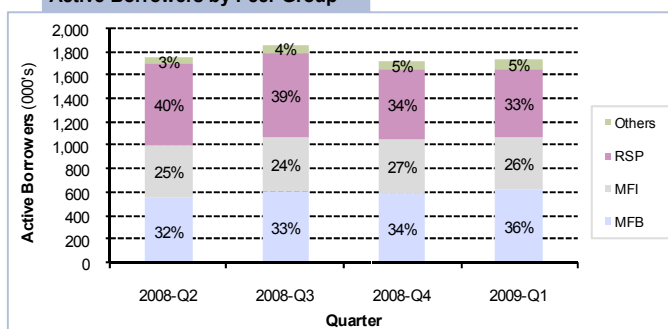
In other microcredit indicators, group lending continued to dominate heavily over individual lending, with the percentage of the latter increasing marginally to 13% from the 11% posted in the previous two quarters. The gender balance favored female borrowers for the second consecutive quarter, and rural borrowers continued to dominate the rural/urban divide¹. A drastic reduction of branches in NWFP (98 from 142) caused total branches in the country to decline; despite increases in Punjab, Sindh and Islamabad. The biggest dip was seen in the Malakand and Mardan districts, where National Rural Support Program (NRSP) was forced to close down 19 and 10 branches respectively due to the escalation of talibanization.

Micro-savings also posted growth this quarter with both active savers and value of savings increasing by 9%. After reducing its numbers marginally in the previous quarter, NRSP posted a net increase of just over 100,000 savers². Four of the five leading MFPs in terms of increase in value of savings were MFBs, with FMFBL once again emerging as the foremost contributor, posting a net increase of Rs.400 million. Consequently, the share of MFBs in overall value of savings by peer groups increased to 78%.

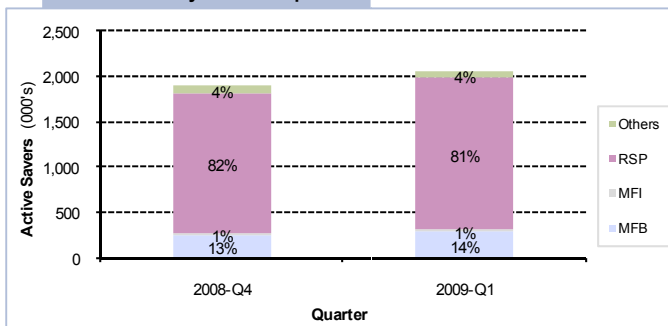
Contrary to other microfinance services, micro-insurance was the only one which continued to decline. Policy holders fell by 5%, while insured sum declined by 9%. This is primarily because as insurance is currently provided bundled with credit, a reduction in loan portfolio translates directly into insurance as well. Additionally, such a decline is greater in this case as the top two providers of insurance - Kashf and NRSP - provide insurance to their credit clients *as well as their respective spouses*, which results in nearly twice the decrease as in credit. Life insurance continued to dominate, with health insurance falling to 35% from the 38% posted in the previous quarter. This is attributable to NRSP which significantly reduced its health policy holders. Conversely, FMFBL and Tameer Microfinance Bank (TMFB) both increased their life insurance numbers.

	Microcredit		Micro-Savings		Micro-Insurance	
	Active Borrowers	Value (PKR Millions)	Active Savers	Value (PKR Millions)	Policy Holders	Sum Insured (PKR Millions)
2008-Q4	1,732,879	18,752	1,876,802	5,419	2,241,552	34,340
2009-Q1	1,751,111	19,252	2,043,774	5,882	2,128,493	31,232
Increase (Net)	18,232	500	166,972	463	-113,059	-3,108
Increase (%)	1	3	9	9	-5	-9

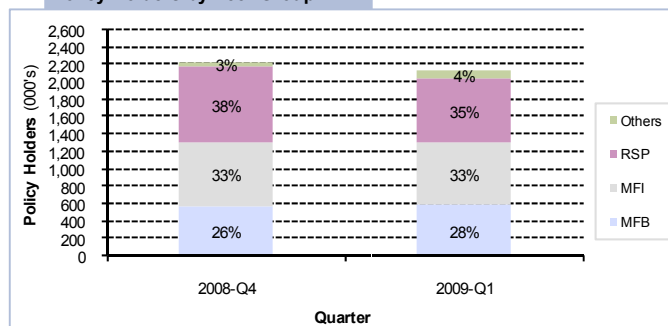
Active Borrowers by Peer Group



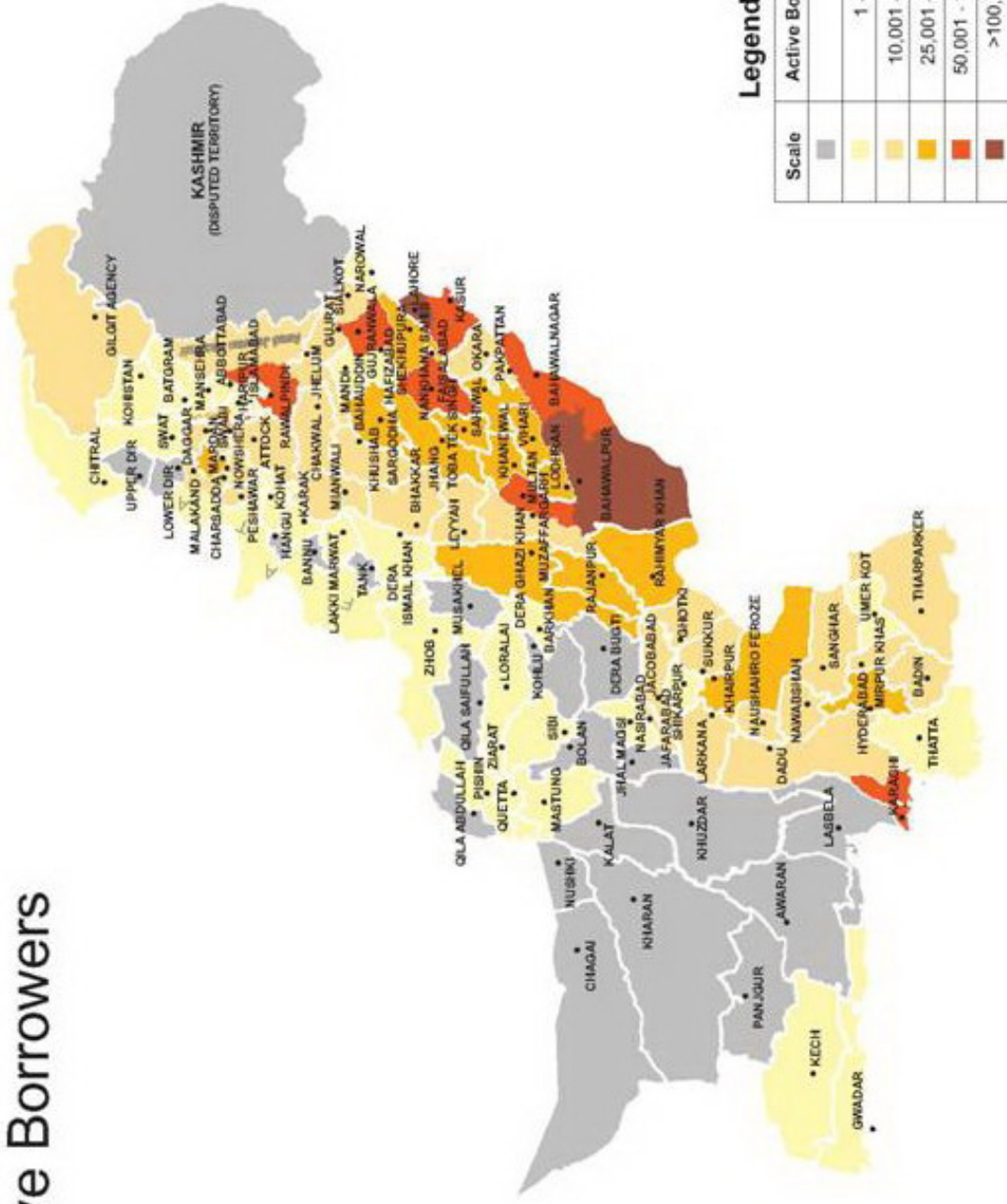
Active Savers by Peer Group



Policy Holders by Peer Group



Distribution of Active Borrowers

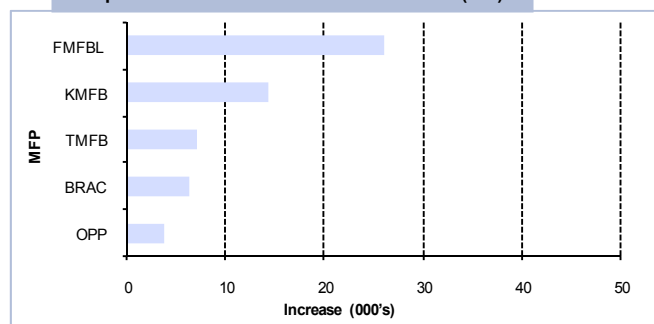


* Geographical boundaries for new districts demarcated in 2004-06 have not been made available by Survey of Pakistan. The following districts are therefore, not shown on the map: Sehwan Sharif, Jamshoro (Dadu); Matyari, Tando Allahyar, Tando Muhammad Khan (Hyderabad); Sheddokot (Larkana); Mingora (Swat);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

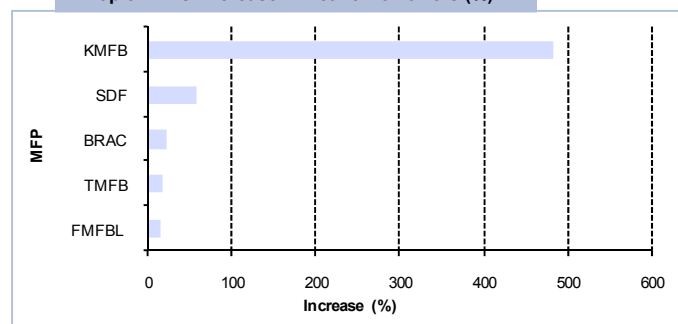
MARKET HIGHLIGHTS (JAN 1 – MAR 31, 2009)

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 Mar)	Market Share (% of Active Borrowers)
1	NRSP	459,801	26.3
2	KB	351,966	20.1
3	KASHF	300,698	17.2
4	FMFBL	197,685	11.3
5	PRSP	78,869	4.5

D. MFPs with Largest Geographic Spread

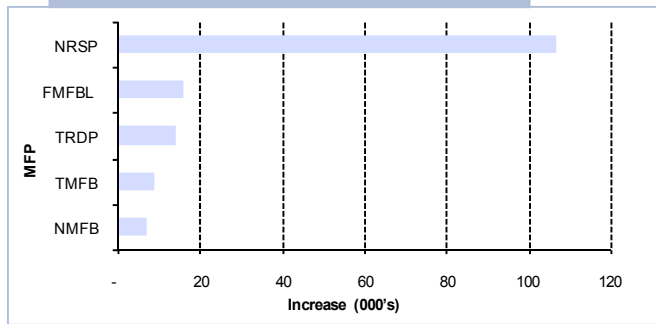
	MFP	Geographic Spread (No. of Districts)
1	KB	89
2	NRSP	51
3	FMFBL	46
4	KASHF	25
5	PRSP	22

E. Districts with Highest Growth (Net)

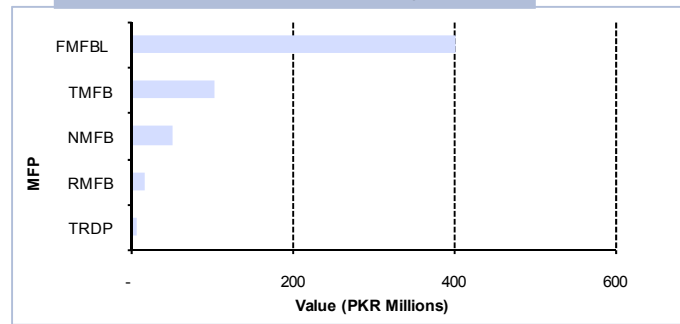
	Province	District	Active Borrowers (31 Mar)		Growth (1 Jan to 31 Mar)		Potential Microfinance Market (2007)	Penetration Rate (%)
			A	Net	%	B		
1		Ziarat	18	-	0.0	7,268	0.25	
2	Balochistan	Kech (Turbat)	26	-	0.0	92,271	0.03	
3		Mastung	327	(9)	-2.7	41,317	0.79	
1		Charsadda	13,857	446	3.3	271,736	5.10	
2	N.W.F.P	Batgram	1,258	337	36.6	58,257	2.16	
3		Mansehra	4,375	261	6.3	271,288	1.61	
1		Bahawalpur	80,866	8,656	12.0	461,777	17.51	
2	Punjab	Bhawalpur	34,429	7,616	28.4	427,843	8.05	
3		Lodhran	29,679	7,540	34.1	261,693	11.34	
1		Sanghar	22,318	2,821	14.5	354,133	6.30	
2	Sindh	Matyari	16,360	2,814	20.8			
3		Ghotki	10,876	1,811	20.0	248,442	4.38	
1		Neelum	2,483	1,978	391.7			
2	AJK	Bagh	1,709	259	17.9			
3		Kotli	6,264	208	3.4			
1		Skardu	5,429	679	14.3			
2	FANA	Gilgit	5,145	263	5.4			
3		Ghanche	2,874	98	3.5			
1		Khyber	885	44	5.2			
2	FATA	Mohmand	305	-	0.0			
3		Orakzai	280	-	0.0			
1	ICT	Islamabad	3,404	(531)	-13.5	74,750	4.55	

MICRO-SAVINGS

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



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



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

	MFP	Active Savers (31 Mar)	Market Share (% of Active Savers)
1	NRSP	1,084,652	53.1
2	PRSP	328,205	16.1
3	TRDP	250,490	12.3
4	FMFBL	160,738	7.9
5	TMFB	85,094	4.2

D. Districts with Highest Outreach (Active Savers)

	District	Active Savers (31 Mar)	Increase (1 Jan to 31 Mar)	
			Net	%
1	Tharparkar	143,737	10,830	8.1
2	Bahawalpur	126,408	11,806	10.3
3	Karachi	71,152	9,374	15.2
4	Rawalpindi	65,592	6,986	11.9
5	Khushab	56,765	3,614	6.8

MICRO-INSURANCE

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

	MFP	Policy Holders (31 Mar)	Market Share (% of Policy Holders)
1	NRSP	657,712	30.9
2	KASHF	601,396	28.3
3	KB	351,966	16.5
4	FMFBL	197,685	9.3
5	TRDP	93,730	4.4

B. Districts with Highest Outreach (Policy Holders)

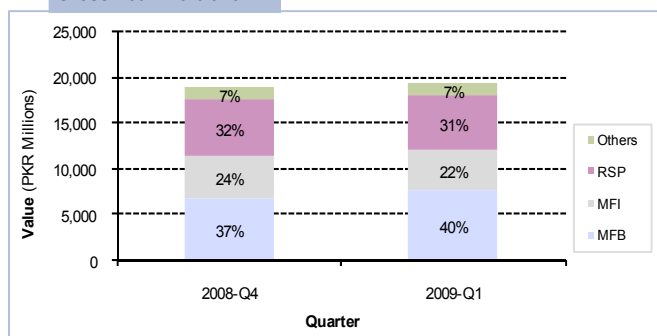
	District	Policy Holders (31 Mar)	Increase (1 Jan to 31 Mar)	
			Net	%
1	Lahore	219,007	-2,416	-1.1
2	Bahawalpur	145,925	-13,225	-8.3
3	Karachi	92,384	-1,378	-1.5
4	Faisalabad	90,918	-2,175	-2.3
5	Gujranwala	80,154	6,743	9.2

SUMMARY OF MICROCREDIT PROVISION (All Pakistan)

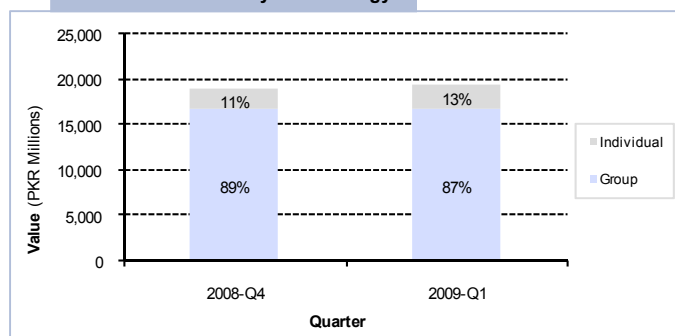
Exchange Rate (Mar 2009): PKR/USD = 80.5/1

	Total	Lending Methodology		Peer Group			
		Group	Individual	MFB	MFI	RSP	Others
Number of Branches/Units							
2008-Q4	1,552			366	256	820	110
2009-Q1	1,530			371	257	801	101
Active Borrowers							
2008-Q4	1,732,879	1,593,964	138,915	605,151	463,160	581,513	83,055
2009-Q1	1,751,111	1,597,857	153,254	635,962	449,326	576,338	89,485
Gross Loan Portfolio (PKR Millions)							
2008-Q4	18,752	16,622	2,130	6,801	4,594	6,084	1,274
2009-Q1	19,252	16,737	2,516	7,671	4,289	5,965	1,327
Average Loan Balance (PKR)							
2008-Q4	10,821	10,428	15,335	11,238	9,919	10,462	15,334
2009-Q1	10,994	10,474	16,416	12,062	9,545	10,350	14,830
Number of Loans Disbursed							
2008-Q4	576,943	542,025	34,918	174,979	195,882	185,107	20,975
2009-Q1	395,434	342,770	52,664	190,022	54,527	127,758	23,127
Disbursements (PKR Millions)							
2008-Q4	8,358	7,604	755	2,535	2,558	2,930	335
2009-Q1	5,670	4,475	1,195	3,131	672	1,491	377
Average Loan Size (PKR)							
2008-Q4	14,487	14,028	21,614	14,488	13,058	15,829	15,983
2009-Q1	14,339	13,056	22,692	16,476	12,315	11,671	16,292

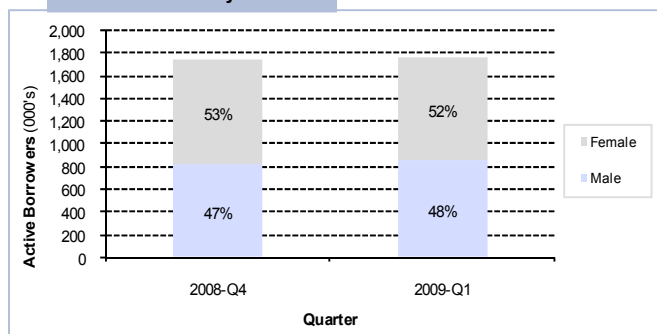
Gross Loan Portfolio



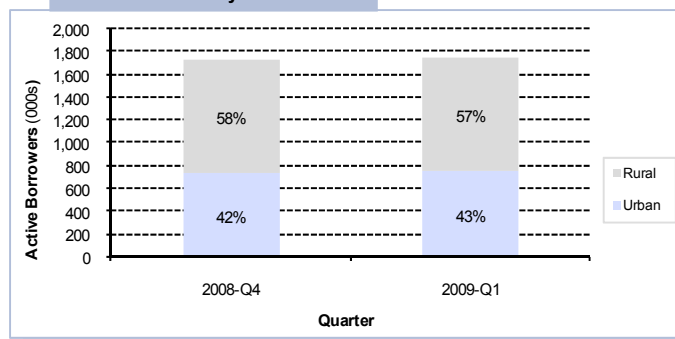
Gross Loan Portfolio by Methodology



Active Borrowers by Gender

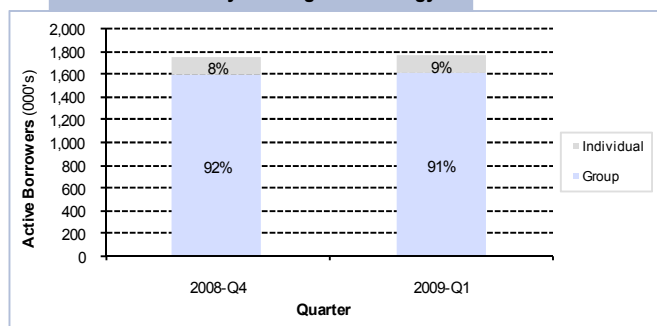


Active Borrowers by Rural/Urban

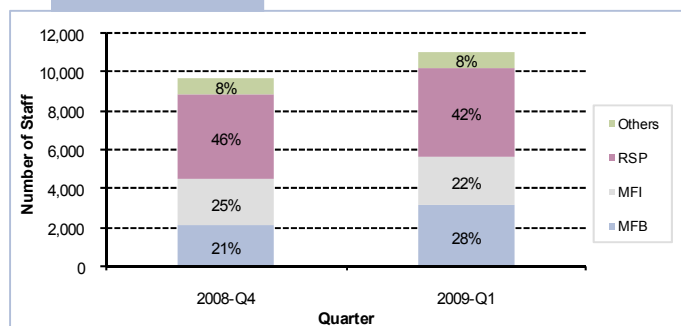


SUMMARY OF MICROCREDIT PROVISION (All Pakistan)

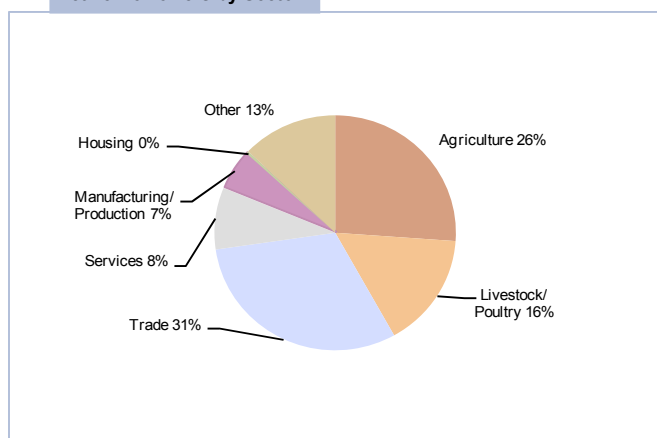
Active Borrowers by Lending Methodology



Distribution of Staff



Active Borrowers by Sector



SUMMARY OF MICRO-SAVING PROVISION (All Pakistan)

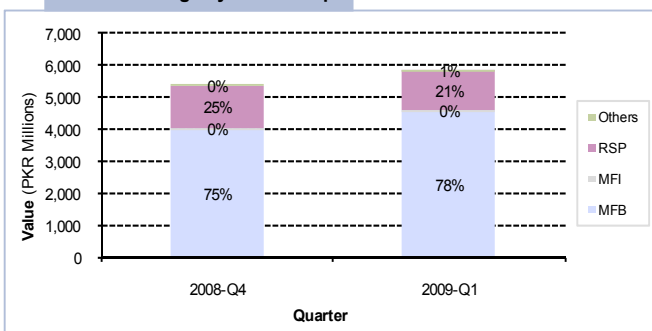
	Total	Saving Methodology		Peer Group			
		Intermediation	Mobilization	MFB	MFI	RSP	Others
Number of Savers							
2008-Q4	1,876,802	227,314	1,604,360	244,173	28,269	1,535,396	68,964
2009-Q1	2,043,774	259,364	1,767,029	276,745	28,735	1,663,347	74,947
Value of Saving (PKR Millions)							
2008-Q4	5,419	4,052	1,367	4,052	5	1,332	30
2009-Q1	5,882	4,619	1,263	4,619	5	1,227	31
Average Saving Balance (PKR)							
2008-Q4	2,887	17,825	852	16,594	174	868	429
2009-Q1	2,878	17,809	715	16,690	178	738	413

Saving Methodology:

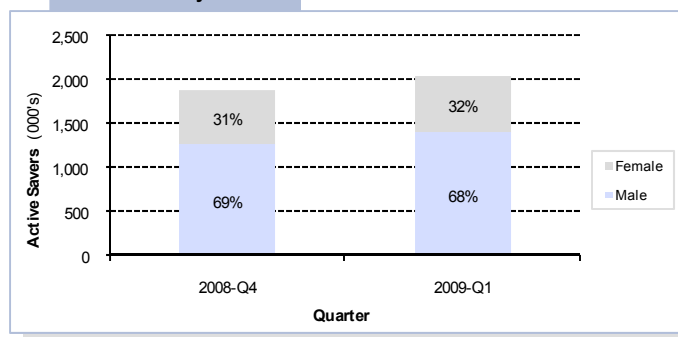
- Intermediation:** Public deposits used to finance an organization's loan portfolio. Only SBP-regulated MFPs (CFIs and MFBs) can accept and intermediate deposits from the general public.
- Mobilization:** MFPs not regulated by SBP (MFIs, NGOs, RSPs) can neither hold nor intermediate deposits from the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

SUMMARY OF MICRO-SAVING PROVISION (All Pakistan)

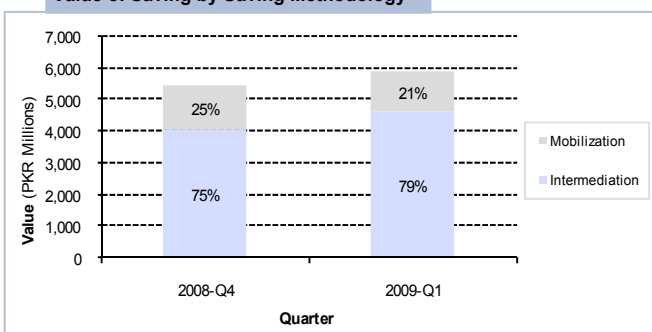
Value of Savings by Peer Group



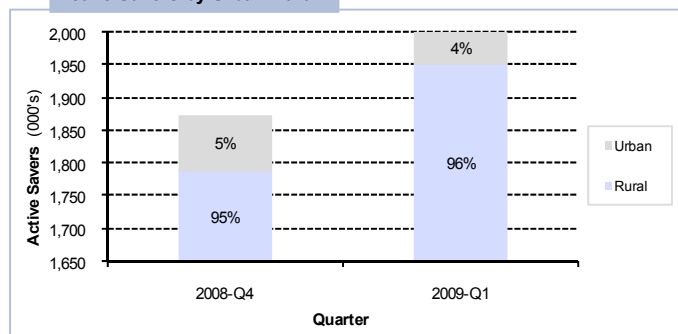
Active Savers by Gender



Value of Saving by Saving Methodology



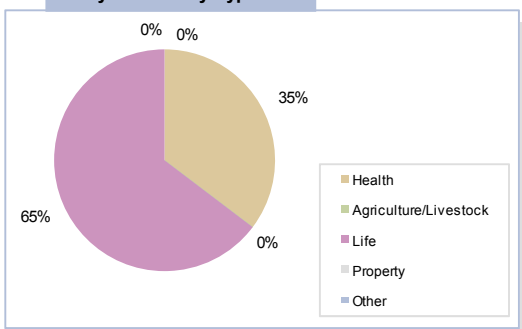
Active Savers by Urban/Rural



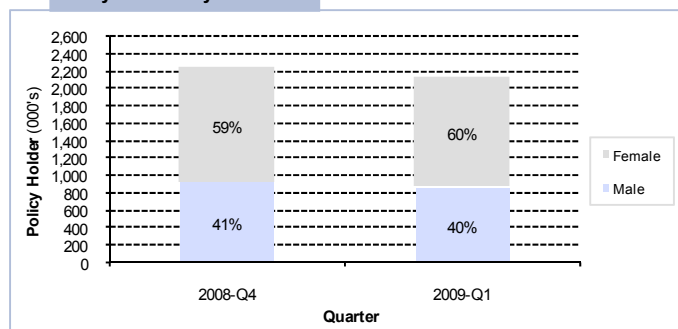
SUMMARY OF MICRO-INSURANCE PROVISION (All Pakistan)

	Total	Type		Peer Group			
		Health	Life	MFB	MFI	RSP	Others
Number of Policy Holders							
2008-Q4	2,241,552	862,617	1,379,600	582,325	734,515	861,952	62,760
2009-Q1	2,128,493	751,442	1,377,051	600,447	703,140	751,442	73,464
Sum Insured (PKR Millions)							
2008-Q4	34,340			6,441	3,971	23,182	746
2009-Q1	31,232			6,994	3,627	19,744	867

Policy Holders by Type

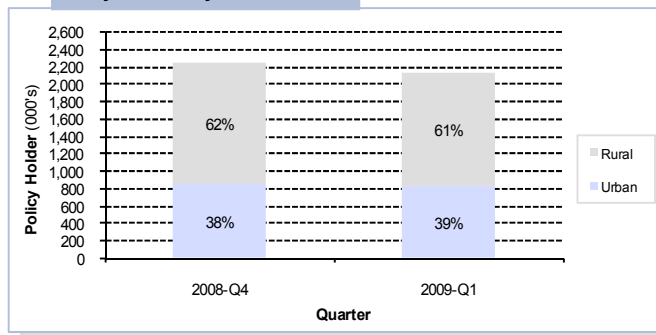


Policy Holders by Gender

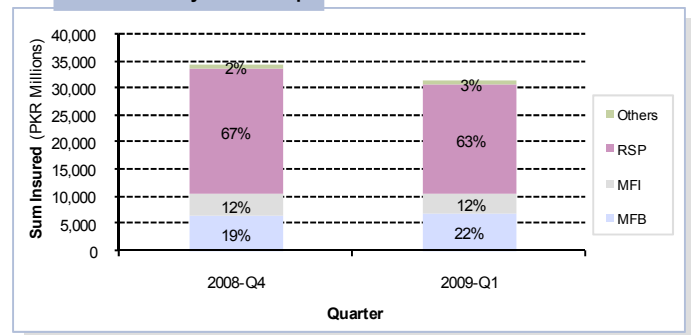


SUMMARY OF MICRO-INSURANCE PROVISION (All Pakistan)

Policy Holders by Urban/Rural³



Sum Insured by Peer Group



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)	
Aw ar an										26,054
Barkhan	KB	1	-	944	6,671,628	-	-	944	6,671,628	31,881
Bolan										66,423
Chagai ⁴										54,814
Dera Bugti										43,770
Gw adar	FMFBL KB NRSP POMFB	4	-	2,013	11,746,349	9,519	2,731,969	2,184	38,999,171	55,537
Jafarabad	KB	1	-	1,428	16,258,428	-	-	1,428	16,258,428	121,911
Jhal Magsi										29,887
Kalat										53,884
Kech (Turbat)	NRSP	2	-	26	80,090	37,049	7,199,538	52	1,560,000	92,271
Kharan										47,948
Khuzdar										104,104
Kohlu										26,910
Lasbela										84,637
Loralai	KB	2	-	2,077	12,635,407	-	-	2,077	12,635,407	76,879
Mastung	KB	1	-	327	1,731,314	-	-	327	1,731,314	41,317
Musakhel										27,545
Nasirabad	KB	1	-	987	10,260,530	-	-	987	10,260,530	75,783
Nushki ⁵										-
Panjgur										51,074
Pishin	KB	1	-	1,301	9,389,071	-	-	1,301	9,389,071	100,179
Qila Abdullah										115,112
Qila Saifullah										44,345
Quetta	FMFBL KB OPP	6	-	4,402	26,586,746	1,117	7,523,000	4,346	26,124,231	174,437
Sherani ⁶										-
Sibi	KB	1	-	1,710	10,494,203	-	-	1,710	10,494,203	48,944
Washuk										-
Zhob ⁷	KB	1	-	599	3,619,005	-	-	599	3,619,005	53,848
Ziarat	KB	1	-	18	70,066	-	-	18	70,066	7,268
Total		22	-	15,832	109,542,837	47,685	17,454,507	15,973	137,813,054	1,656,762

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	KB SDF SRSP	3	-	6,486	24,391,985	9,516	3,320,738	5,845	23,016,459	180,672
Bannu										167,380
Batgram	KB SDF	2	-	1,258	2,588,732	-	-	1,258	2,616,730	58,257
Buner (Daggar)										133,171
Charsadda	BRAC KB NRSP	3	-	13,857	129,945,060	9,665	1,168,201	10,221	182,391,634	271,736
Chitral	FMFBL	5	-	7,815	152,764,152	16,289	262,200,744	7,815	152,764,152	84,846
D.I. Khan	KB	1	-	5,066	55,124,498	-	-	5,066	55,124,498	221,328
Hangu										64,648
Haripur	KB SDF SRSP	3	-	4,066	25,511,545	22,313	5,861,483	3,428	23,987,872	103,830
Karak										102,174
Kohat	KB SRSP	2	-	4,261	23,582,771	-	-	3,805	21,205,527	114,908
Kohistan	KB	1	-	640	1,006,350	-	-	640	1,006,350	73,374
Lakki Marwat										107,505
Lower Dir										176,660
Malakand	KB NRSP	1	-	8,920	110,045,396	16,684	2,808,774	12,160	314,801,523	106,429
Mansehra	KB PCMF SDF	3	-	4,375	21,565,140	16,436	10,642,549	3,149	12,133,572	271,288
Mardan	KB NRSP	32	-	24,241	248,622,139	27,479	7,998,020	34,185	901,227,198	354,988
Mingora ⁸	KB	1	-	1,587	12,632,222	-	-	1,587	12,632,222	-
Nowshera	BRAC KB NRSP SRSP	16	-	14,814	96,306,231	2,657	-	14,697	224,314,522	201,208
Peshwar	BRAC KB NRSP SRSP	11	-	14,649	87,483,845	4,588	-	16,140	273,096,862	451,548
Shangla	KB	1	-	603	1,167,785	-	-	603	1,167,785	116,366
Swabi	KB NRSP SWWS	12	2	8,060	74,339,682	13,739	3,925,124	9,062	218,097,770	230,073
Swat ⁹	NRSP	-	-	3,555	34,615,829	4,945	751,607	-	-	286,555
Tank										62,446
Upper Dir										142,427
Total		98	2	126,692	1,116,322,751	144,311	298,677,240	132,100	2,434,214,065	4,083,817

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)	
Attock	KASHF KB NRSP PCMFBL	57	-	17,590	136,574,669	51,749	97,431,446	13,888	266,293,645	262,870
Bahawalpur	FMFBL KASHF KB NRSP TMFB	36	-	80,866	1,117,761,431	126,408	191,295,504	145,925	3,682,249,691	461,777
Bhakkar	KB NRSP	30	-	22,406	228,198,758	52,058	27,482,405	41,466	1,137,870,730	252,453
Bhawalnagar	KB NRSP	9	-	34,429	472,809,958	52,919	47,771,656	52,247	1,356,317,809	427,843
Chakwal	KB NRSP PCMFBL	38	-	13,447	118,590,722	41,388	72,949,039	10,336	273,446,264	219,565
D.G Khan	FMFBL KB NRSP PRSP	20	-	26,154	331,993,347	50,812	71,512,161	31,049	596,594,660	419,252
Faisalabad	AKHUWAT ASASAH FMFBL KASHF KB KMFB NRSP PRSP RODS TMFB	80	-	96,685	861,447,714	51,112	32,222,544	90,918	515,052,036	1,096,924
Gujranwala	ASASAH FMFBL JWS KASHF KB KMFB NRSP CPD CPP ¹⁰ PRSP TMFB	48	-	66,797	817,316,881	13,475	28,133,307	80,154	691,389,754	735,741
Gujrat	AKHUWAT KASHF KB KMFB NRSP PRSP TMFB	14	-	17,239	200,863,529	16,249	6,263,587	19,325	144,777,613	446,630
Hafizabad	KASHF KB PRSP	6	-	10,008	93,410,716	3,810	1,417,401	13,790	73,264,752	231,170
Jhang	AKHUWAT FMFBL KASHF KB KMFB NRSP PRSP	30	-	28,010	247,598,401	24,140	30,006,801	37,689	519,362,854	626,546
Jhelum	KB NRSP	32	-	11,125	89,952,119	17,407	17,122,121	7,467	189,445,654	170,498
Kasur	ASASAH CSC DAMEN FMFBL KASHF KB KMFB CLP PRSP RODS TMFB	28	-	56,820	571,102,450	8,597	16,708,309	68,727	492,361,955	586,427

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)	
Khanewal	AKHUWAT ASASAH KASHF KB NRSP PRSP	15	-	26,689	278,650,361	20,685	26,994,770	42,092	614,401,930	432,948
Khushab	KASHF KB NRSP OPP	34	-	17,727	137,817,056	56,765	49,189,644	35,064	874,807,946	235,163
Lahore	AKHUWAT ASASAH BRAC CSC CWCD DAMEN FMFBL KASHF KB KMFB NRSP OLP OPP PRSP TMFB	131	-	188,054	2,001,990,000	27,430	139,644,191	219,007	1,595,692,537	872,760
Leyyah	FMFBL KB PRSP	6	-	17,657	228,403,087	28,115	26,136,402	10,631	134,519,722	263,251
Lodhran	AKHUWAT FMFBL KASHF KB NRSP	13	-	29,679	423,177,030	43,176	65,355,413	53,224	1,364,225,583	261,693
Mandi Bahauddin	KASHF KB PRSP	6	-	7,394	59,931,194	2,967	272,698	6,949	40,565,709	298,371
Mianwali	KB NRSP	31	-	18,353	146,064,212	28,036	2,275,900	34,593	960,422,934	252,413
Multan	AKHUWAT ASASAH BRAC FMFBL KASHF KB KMFB NRSP PRSP TMFB	65	-	73,780	756,513,320	31,373	185,242,885	74,786	1,122,696,639	689,339
Muzaffargarh	KB NRSP PRSP	5	-	5,879	62,985,683	35,162	4,793,272	5,638	71,383,576	570,580
Nankana Sahib ¹¹	DAMEN RCDS	8	-	7,972	349,415,603	6,859	3,891,900	219	1,634,603	-
Narowal	KB NRDP PRSP	8	-	9,044	154,594,477	26,485	2,303,369	3,451	39,688,608	268,902
Okara	ASASAH DAMEN FMFBL KASHF KB OLP PRSP TMFB	13	-	25,254	283,845,083	14,565	24,431,977	26,059	246,127,802	509,842
Pakpattan	ASASAH FMFBL KASHF KB NRSP PRSP	9	-	18,671	214,869,952	20,361	33,532,609	28,718	543,679,847	281,988

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)	
Rahimyar Khan	FMFBL KASHF KB NRSP TMFB	40	-	33,386	447,733,847	26,528	103,270,108	59,013	1,110,986,566	585,705
Rajanpur	KB NRSP OPP PRSP	7	-	24,043	314,764,014	39,178	37,041,066	37,396	900,893,312	260,436
Rawalpindi	AKHUWAT FMFBL KASHF KB KMFB NRSP OPP12 POMFB	79	-	49,931	395,827,089	65,592	74,604,886	29,144	273,672,845	327,457
Sahiwal	ASASAH BRAC FMFBL KASHF KB KMFB NRSP PRSP	22	-	37,648	378,043,212	20,870	21,387,723	53,941	793,758,036	395,468
Sargodha	KASHF KB KMFB NRSP PRSP	41	-	37,582	319,818,659	39,654	4,672,668	50,574	641,476,796	671,679
Sheikhupura	AKHUWAT DAMEN KASHF KB OLP PRSP RCDS	22	-	28,625	352,638,964	9,808	4,986,932	29,738	219,863,158	831,522
Sialkot	KASHF KB KMFB NRSP PRSP	23	-	24,911	222,450,382	35,521	7,354,694	17,915	79,814,830	501,997
Toba Tek Singh	KASHF KB NRSP PRSP	9	-	19,979	222,440,515	31,666	15,109,704	33,391	652,449,913	309,316
Vihari	ASASAH FMFBL KASHF KB NRSP	15	-	25,387	294,311,241	31,526	40,727,851	39,962	721,988,025	475,398
Total		1,030	-	1,209,221	13,333,905,675	1,152,446	1,513,536,943	1,504,486	22,943,178,333	15,233,924

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)	
Badin	FMFBL KB NRSP POMFB	9	-	5,993	76,356,835	48,159	52,342,124	9,202	226,401,698	294,781
Dadu	FMFBL KB OLP OPP ¹³ TRDP	20	-	14,814	155,645,371	38,261	49,598,212	23,171	74,677,668	447,305
Ghotki	FMFBL KB OPP	4	-	10,876	150,818,072	6,714	20,274,000	9,926	142,319,269	248,442

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)	
Hyderabad ¹⁴	FMFBL KB NRSP OPP POMFB SAFWCO TMFB	34	-	34,947	387,843,535	23,156	289,161,408	47,203	1,068,578,302	517,652
Jacobabad	FMFBL KB	4	-	9,997	120,713,234	2,762	60,483,900	9,997	120,713,234	361,146
Jamshoro ¹⁵	TRDP	2	-	680	5,275,653	10,976	8,065,790	478	108,984	-
Karachi ¹⁶	BRAC FMFBL KASHF KB KMFB NMFB NRSP OLP OPP POMFB RMFB TMFB	102	1	95,510	977,265,681	71,152	2,194,190,832	92,384	694,714,604	1,329,990
Khairpur	FMFBL KB OPP ¹⁷ TRDP	11	-	22,496	309,942,249	27,558	75,319,489	36,438	213,554,572	401,853
Larkana	FMFBL KB	6	-	11,286	136,384,363	1,487	41,584,200	11,286	136,384,363	534,891
Matyari ¹⁸	FMFBL NRSP OPP SAFWCO	7	1	16,360	201,597,473	14,898	19,978,743	13,588	223,578,607	-
Mirpur Khas ¹⁹	FMFBL KB NRSP OLP POMFB TMFB TRDP	15	-	15,838	225,823,198	42,702	30,136,452	19,898	432,761,780	210,494
Naushahro Feroze	FMFBL KB OPP	6	-	13,274	154,707,479	1,229	14,944,600	9,651	115,666,313	266,462
Nawabshah	FMFBL KB NRSP OPP SAFWCO TMFB	8	1	18,784	241,398,706	6,038	28,944,670	18,084	266,840,850	225,430
Sanghar	FMFBL KB OLP OPP SAFWCO	10	1	22,318	222,251,513	569	11,205,800	19,996	72,153,445	354,133
Sehwan Sharif	KB	1	-	2,021	15,844,430	-	-	2,021	15,844,430	-
Shehdad Kot	KB	1	-	2,356	27,901,048	-	-	2,356	27,901,048	-
Shikarpur	KB	1	-	1,158	9,682,381	-	-	1,158	9,682,381	237,633
Sukkur	FMFBL KB OPP	9	-	11,363	128,203,027	1,949	14,632,300	11,296	127,549,248	213,080
Tando Allahyar ²⁰	FMFBL NRSP POMFB	4	-	6,745	98,599,534	16,814	42,356,429	5,025	98,394,631	-
Tando Muhammad Khan	FMFBL KB NRSP POMFB	5	-	6,015	83,263,147	9,410	34,368,492	8,262	194,038,120	-
Tharparkar	FMFBL KB TRDP	28	-	11,382	98,767,067	143,737	111,564,729	35,168	36,186,174	283,491
Thatta	FMFBL KB NRSP	8	-	6,600	71,718,036	15,411	49,943,011	7,439	139,730,086	245,046
Umer Kot	FMFBL OPP TRDP	15	-	8,793	82,201,193	38,812	89,628,561	24,360	26,508,871	185,966
Total		310	4	349,606	3,982,203,225	521,794	3,238,723,742	418,387	4,464,288,678	6,357,795

OUTREACH (District Level)

AZAD JAMMU AND KASHMIR (AJK)

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential ²¹ Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Bagh	NRSP OPP	6	-	1,709	12,114,650	23,375	6,344,086	2,020	60,600,000	-
Bhimber	KB	1	-	1,696	5,732,546	-	-	1,696	5,732,546	-
Kotli	NRSP	11	-	6,264	48,546,011	23,224	5,960,386	13,444	403,320,000	-
Mirpur										-
Muzaffarabad	KB NRSP SDF	6	-	7,613	38,500,750	28,684	6,735,463	9,405	128,502,879	-
Neelum	FMFBL KB	2	-	2,483	29,718,215	3,305	11,038,000	2,483	29,718,215	-
Poonch	KB NRSP	4	-	2,743	8,324,781	33,205	17,638,453	2,956	21,611,051	-
Sudhnati	NRSP	1	-	733	5,864,325	9,516	1,473,568	1,408	42,240,000	-
Total		31	-	23,241	148,801,278	121,309	49,189,956	33,412	691,724,691	-

FEDERALLY ADMINSTRATED NORTHERN AREAS (FANA)

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential ²² Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Astore	FMFBL	1	-	1,879	44,305,719	2,132	14,134,100	1,879	44,305,719	-
Diamer	FMFBL	-	-	-	-	-	-	-	-	-
Ghanche	FMFBL	2	-	2,874	70,409,314	4,113	88,111,770	2,874	70,409,314	-
Ghizer	FMFBL	5	-	5,276	114,328,373	11,708	77,799,100	5,276	114,328,373	-
Gilgit	FMFBL	4	-	5,145	128,700,402	16,581	193,533,800	5,145	128,700,402	-
Skardu	FMFBL	3	-	5,429	132,245,873	7,425	97,076,842	5,429	132,245,873	-
Total		15	-	20,603	489,989,681	41,959	470,655,612	20,603	489,989,681	-

FEDERALLY ADMINSTRATED TRIBAL AREAS (FATA)

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential ²³ Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Bajaur	KB	1	-	211	1,286,647	-	-	211	1,286,647	-
Khyber	KB	1	-	885	5,278,976	-	-	885	5,278,976	-
Kurram	KB	1	-	831	6,934,544	-	-	831	6,934,544	-
Mohmand	KB	1	-	305	1,778,693	-	-	305	1,778,693	-
North Waziristan										-
Orakzai	KB	1	-	280	2,619,099	-	-	280	2,619,099	-
South Waziristan										-
Total		5	-	2,512	17,897,959	-	-	2,512	17,897,959	-

ISLAMABAD CAPITAL TERRITORY (ICT)

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)	
Islamabad	FMFBL NRSP POMFB	13	-	3,404	53,705,481	14,270	293,929,960	1,020	52,786,393	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	22	-	15,832	109,542,837	47,685	17,454,507	15,973	137,813,054	1,656,762	0.96
N.W.F.P	98	2	126,692	1,116,322,751	144,311	298,677,240	132,100	2,434,214,065	4,083,817	3.10
Punjab	1,030	-	1,209,221	13,333,905,675	1,152,446	1,513,536,943	1,504,486	22,943,178,333	15,233,924	7.94
Sind	310	4	349,606	3,982,203,225	521,794	3,238,723,742	418,387	4,464,288,678	6,357,795	5.50
AJK	31	-	23,241	148,801,278	121,309	49,189,956	33,412	691,724,691	-	-
FANA	15	-	20,603	489,989,681	41,959	470,655,612	20,603	489,989,681	-	-
FATA	5	-	2,512	17,897,959	-	-	2,512	17,897,959	-	-
ICT	13	-	3,404	53,705,481	14,270	293,929,960	1,020	52,786,393	74,750	4.55
Grand Total	1,524	6	1,751,111	19,252,368,887	2,043,774	5,882,167,960	2,128,493	31,231,892,854	27,407,048	6.39

OTHER NEWS ITEMS

Kashf Foundation awarded the OneWoman Initiative Award by USAID

Kashf Foundation was awarded the OneWoman Initiative (OWI) by USAID in April 2009. OWI is an international women's empowerment fund administered by a public-private partnership between private sector co-chairs, the U.S. State Department, and USAID. The award was presented by the United States Deputy Secretary of State Jacob Lew in a ceremony held in Islamabad, which was also attended by the US Ambassador Anne Patterson and other USAID officials. The \$100,256 grant is for a period of 12 months, upon completion of which 10 new rural microfinance branch offices will be opened and new managers for each of the branch offices will be trained. In addition, theatre performances and video presentations will be conducted to educate rural clientele about social issues, including gender discrimination and violence, the importance of educating women, family planning, and health care. The project will also conduct an empowerment study of new clients.

For more information about the OneWoman Initiative, visit <http://www.onewomaninitiative.org>

PMN meets Governor State Bank of Pakistan

Mr. Saleem Raza, Governor SBP, met with PMN members on 17th March 2009. The meeting was attended by PMN Chairperson Dr. Rashid Bajwa, Vice Chair Nadeem Hussain and PMN CEO Syed Mohsin Ahmed; as well as Ghalib Nishtar (CEO Khushali Bank) and Hussain Tejanya (CEO FMFBL) from among the PMN membership. Also present was Dr. Saeed Ahmed, Head Microfinance Department SBP. A presentation was given to the Governor detailing key milestones and growth trends of the microfinance sector; as well as challenges the industry faces. PMN also shared with the Governor the recent facilities and initiatives launched by the SBP and PMN separately and jointly.

Briefing Sessions on "Microfinance and the Society" organized by PILDAT

PILDAT organized two briefing sessions on microfinance in Lahore and Islamabad on April 20th and 21st respectively, with the objective of increasing the awareness of the audience regarding microfinance. The Lahore session was for MPAs, media representatives, government officials and intellectuals; whereas the one in Islamabad was for parliamentarians. The sessions consisted of presentations giving an overview of microfinance, as well as discussions concerning specific challenges facing microfinance in Pakistan. Some of the key presentations were by Dr. Rashid Bajwa (Chairman PMN), Roshaneh Zafar (President Kashf Foundation), Sanjay Sinha (Managing Director, Micro Credit Ratings International Limited - India) and Dr. Attiya Inayatullah.

Buksh Foundation commences operations

A new MFI, Buksh Foundation, recently started its operations in Punjab. The organization's vision is to considerably scale the microfinance sector through its inclusive, demand oriented and sustainable business model and transform from the myopic view of 'micro credit', to a broader view of 'impact investment' bringing principles of business and development together. The Foundation started disbursements using a flexible group based delivery mechanism including a business and a household cash flow analysis, and will adopt mobile telephone-enabled cash transfer and other branchless banking techniques. It aims to provide a complete suite of financial services and products including access to renewable energy solutions, clean water, sanitation facilities and affordable housing solutions along with deposits, credit, insurance and leasing. Buksh Foundation will reach 200,000 clients with a 60% female client portfolio in 3 years and plans to break even in 18 months of operations. The MFI aims to acquire a MF banking license within a year and offer deposits and other financial facilities directly to its clients. Under its current legal status as a section 42 Company, it will offer savings through an alliance with an asset management company. Life and health insurance products will also be available in partnership with a micro insurance agency.

END NOTES

- ¹ Rural borrowers appeared to have fallen significantly in the previous quarter. However, this was a result of a compilation error on part of the PMN. The correct figures for the current and previous quarters have been shown in this issue.
- ² PRSP posted a decline in active savers in the last quarter due to an internal reporting discrepancy; as a result of this their active savers appear to have grown more than is accurate. The correct figures for the current and previous quarters have been shown in this issue.
- ³ The rural/urban distribution was misrepresented in the last quarter due to the compilation error mentioned previously (end note 1), as well as a reporting discrepancy on part of FMFBL. The correct figures for both quarters have been shown in this issue.
- ⁴ 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).
- ⁵ 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.
- ⁶ Population data for Sherani district is not available. Sherani was carved out of Zhob district in 2005.
- ⁷ 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).
- ⁸ 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.
- ⁹ 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.
- ¹⁰ 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.
- ¹¹ Population data for the district of Nankana Sahib is not available. The district was carved out of Sheikhpura district in 2005. Thus, the estimate for the district of Sheikhpura is an aggregate of the potential market for Sheikhpura and Nankana Sahib (based on 1998 DCR population data available for Sheikhpura).
- ¹² OPP does not provide retail microcredit services in Rawalpindi. It wholesales funds to a partner organization: Alfalah Development Organization.
- ¹³ OPP does not provide retail microcredit services in Dadu. It wholesales funds to a partner organization: Soofi Shah Inayat Shaheed Sanghat.
- ¹⁴ 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).
- ¹⁵ 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.
- ¹⁶ The market estimate for Karachi is the aggregate of four districts namely, Central, West, East, and South.
- ¹⁷ OPP does not provide retail microcredit services in Khairpur. It wholesales funds to partner organizations: Khaji Cooperative Society, Goth Seenghar, and Marvi Rural Development Organization.
- ¹⁸ 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.
- ¹⁹ 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.
- ²⁰ 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.
- ²¹ Due to unavailability of population data for the Azad Jammu and Kashmir (AJK) districts, the potential microfinance market could not be estimated.
- ²² Due to unavailability of population data for the Federally Administered Northern Areas (FANA) the potential microfinance market could not be estimated.
- ²³ 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	
		Quarter 4	Quarter 1
		2008	2009
MFB Microfinance Bank licensed and prudentially regulated by the State Bank of Pakistan to exclusively service microfinance market	Kashf Microfinance Bank	✓	✓
	Khushhali Bank (KB)	✓	✓
	Network MicroFinance Bank Ltd. (NMFBL)	✓	✓
	Pak-Oman Microfinance Bank Ltd. (POMFB)	✓	✓
	Rozgar Microfinance Bank Ltd. (RMFB)	✓	✓
	Tameer Microfinance Bank Ltd. (TMFB)	✓	✓
	The First MicroFinanceBank Ltd. (FMFB)	✓	✓
MFI Microfinance institution providing specialized microfinance services	Akhuwat	✓	✓
	Asasah	✓	✓
	Community Support Concern (CSC)	✓	✓
	Development Action for Mobilization and Emancipation (DAMEN)	✓	✓
	Kashf Foundation	✓	✓
	Orangi Pilot Project (OPP)	✓	✓
	Sindh Agricultural and Forestry Workers Cooperative Organization (SAFWCO)	✓	✓
RSP Rural support programme running microfinance operation as part of multi-dimensional rural development programme	Lachi Poverty Reduction Project (LPRP)	x	x
	National Rural Support Programme (NRSP)	✓	✓
	Punjab Rural Support Programme (PRSP)	✓	✓
	Sarhad Rural Support Programme (SRSP)	✓	✓
	Thardeep Rural Development Programme (TRDP)	✓	✓
Others	BRAC	✓	✓
	Centre for Women Cooperative Development (CWCD)	✓	✓
	Jinnah Welfare Society (JWS)	✓	✓
	Narowal Rural Development Programme (NRDP)	x	✓
	Organization for Participatory Development (OPD)	✓	✓
	Rural Community Development Society (RCDS)	✓	✓
	Save the Poor (STP)	x	x
	Sindh Rural Support Program (SRSP)	x	x
	Sungi Development Foundation (SDF)	✓	✓
	Swabi Women's Welfare Society (SWWS)	✓	✓
	Taraqee Foundation (TF)	x	x
	Bank of Khyber (BCK)	✓	x
	CRIX Leasing Pakistan Ltd. (CLP)	✓	✓

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