

ISSUE 14: ANNUAL (JAN-DEC 2009)

2009 saw a gradual recovery of the microfinance sector in Pakistan after the sharp downturn witnessed in the last quarter of 2008.

Active borrowers increased by 5% in the year, and GLP increased by 16%. Among peer groups, growth came largely from MFBs; Tameer, KB and FMFBL contributing the most to this increase. Amongst the MFIs, BRAC and OPP added the most active borrowers. NRSP, KB and Kashf remained the market leaders in terms of both active borrowers as well as GLP, together holding about 60% of the market.

Compared with 2008, the geographic footprint increased slightly: 34 branches were added in total, with Sindh adding, and NWFP reducing the most branches (67 and 58 respectively). As the previous year, coverage and penetration in Punjab and Sindh remained higher (8% and 6% respectively) compared with Balochistan (1%) and NWFP (2%).

The trend of expansion in urban lending compared to rural growth continued, with share of urban borrowers increasing from 42% in 2008 to 45% in 2009. This is because MFBs (the peer group contributing the most to growth) chose to focus more on urban and peri-urban markets. Gender distribution among borrowers remained consistent in the year - with 53% of borrowers being female (although they accounted for 45% of GLP).

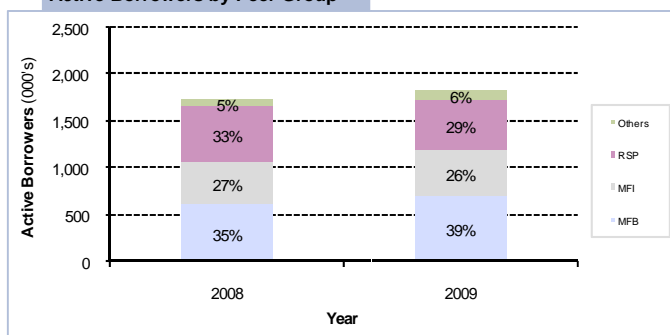
In sum, a total of PKR 28.5 billion were disbursed through extension of 1.8 million microloans. These figures, however, are lower than the disbursement and loan numbers of 2008 (PKR 30.9 billion through 2.1 million microloans). Average loan size increased about 8% -- with the increase coming entirely from group lending.

Savings grew substantially in 2009 in terms of both savers as well as value of savings. Number of savers grew by almost 35% and value of savings by 60%. This reflects the sector's continued focus on deposit mobilization. RSPs continued to account for the most savers (77%) although they seemed to be losing share to MFBs, who seem to be steadily gaining in both savers as well as value of savings. MFBs also continued to hold the most value of savings amongst peer groups - 84% compared with 75% from the previous year. This is not surprising, given their prudential status and subsequent ability to generate larger institutional deposits plus smaller deposits from the microfinance market - this is substantiated by their much higher average saving balance compared with other peer groups.

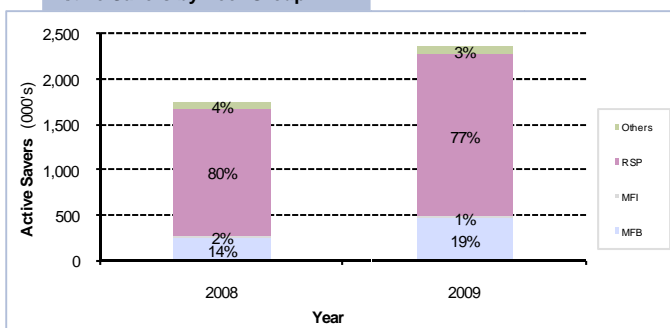
Insurance saw a large increase, specifically in the last quarter of 2009. Policy holders grew by 48% and sum insured by 27%, although these large growth numbers are due to a change in NRSP's policy of extending insurance to policyholders' children as well. Hence, rural markets now contribute 68% of policy holders. The year also saw a shift in terms of type of insurance held towards health as opposed to life - 50% of policy holders held health insurance this year, compared with 38% in 2008.

	Microcredit		Micro-Savings		Micro-Insurance	
	Active Borrowers	Value (PKR Millions)	Active Savers	Value (PKR Millions)	Policy Holders	Sum Insured (PKR Millions)
2008	1,732,879	18,752	1,743,609	5,384	2,241,552	34,340
2009	1,826,045	21,723	2,351,273	8,554	3,306,639	43,539
Increase (Net)	93,166	2,970	607,664	3,171	1,065,087	9,199
Increase (%)	5	16	35	59	48	27

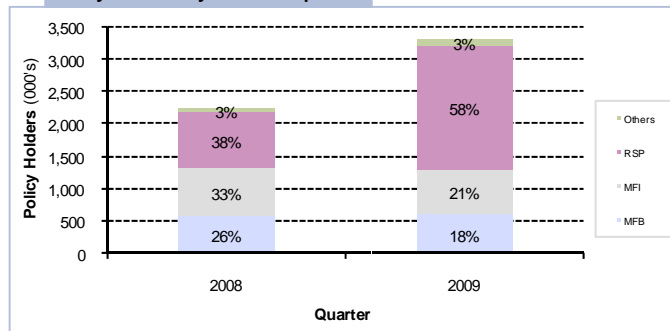
Active Borrowers by Peer Group



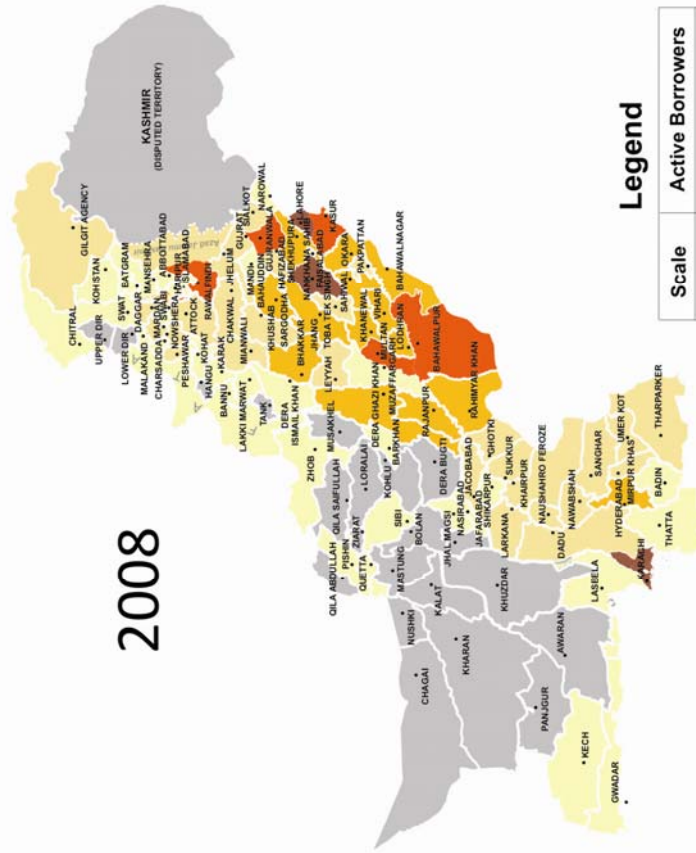
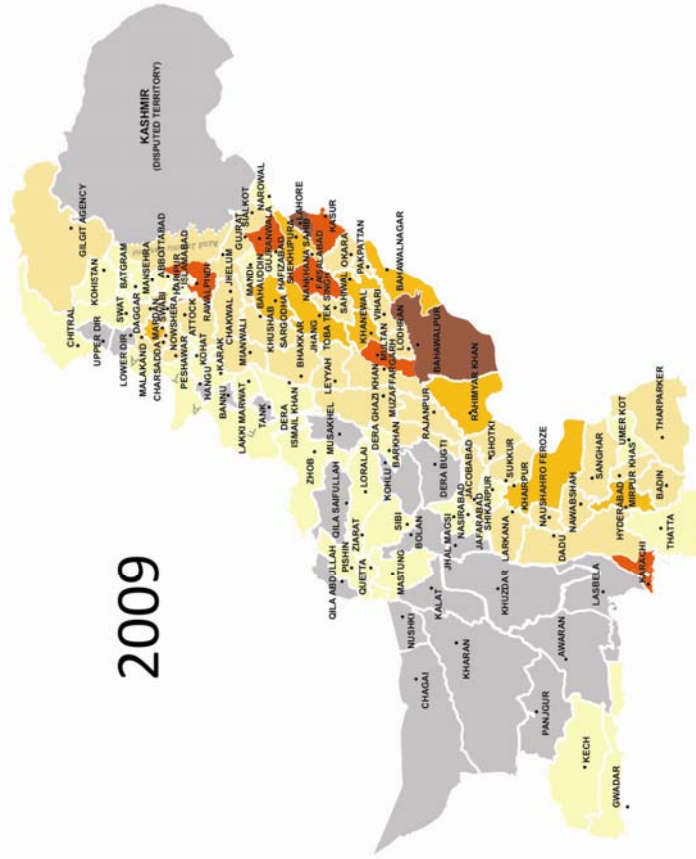
Active Savers by Peer Group



Policy Holders by Peer Group



# Distribution of Active Borrowers



## Legend

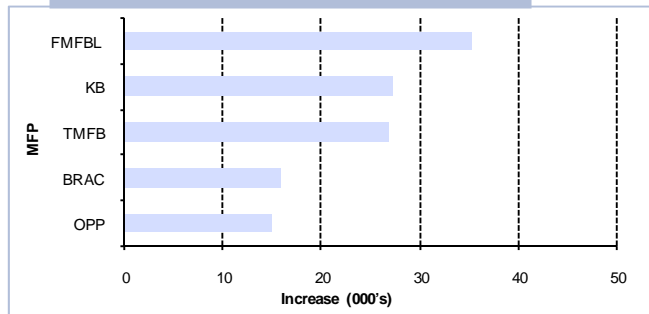
Scale	Active Borrowers
Grey	N/A
Light Yellow	1 - 10,000
Yellow	10,001 - 25,000
Orange	25,001 - 50,000
Dark Orange	50,001 - 100,000
Brown	>100,000

\* 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); Sheddakot (Larkana); Mingora (Swat); Sherani (Zhob)

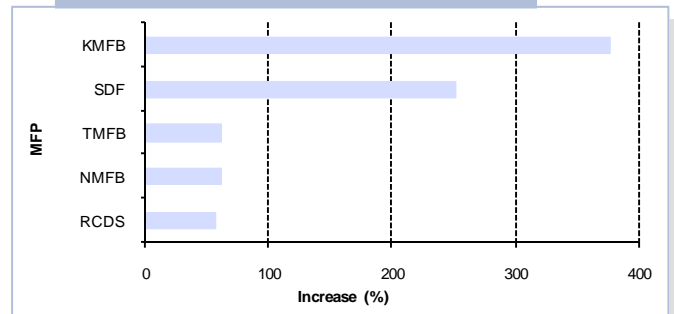
## MARKET HIGHLIGHTS (JAN-DEC 2009)

## 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 Dec)	Market Share (% of Active Borrowers)
1	NRSP	417,506	22.9
2	KB	393,942	21.6
3	KASHF	295,299	16.2
4	FMFBL	206,978	11.3
5	PRSP	80,456	4.4

D. Largest Providers of Microcredit (Gross Loan Portfolio)

	MFP	GLP (31 Dec)	Market Share (% of GLP)
1	NRSP	5,060,821,534	23.3
2	KB	3,999,964,850	18.4
3	KASHF	3,167,588,498	14.6
4	FMFBL	2,834,164,759	13.0
5	TMFB	1,539,841,468	7.1

E. MFPs with Largest Geographic Spread

MFP	KB	NRSP	FMFBL	TMFB	KASHF
Geographic Spread (No. of Districts)	83	51	46	29	25

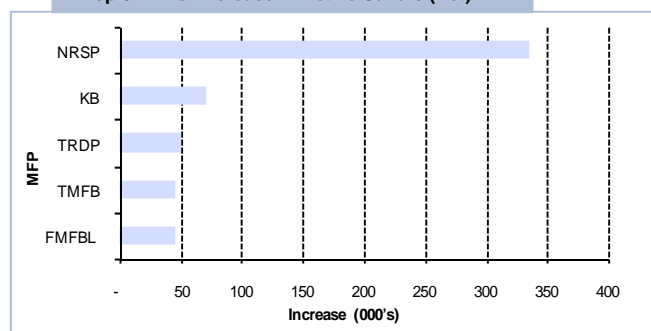
F. Districts with Highest Growth (Net)

	Province	District	Active Borrowers (31 Dec)	Growth (1 Jan to 31 Dec)		Potential Microfinance Market (2007)	Penetration Rate (%)
				A	Net		
1		Quetta	5,864	1,390	31.1	174,437	3.4
2	Balochistan	Sibi	1,883	5	0.3	48,944	3.8
3		Kech (Turbat)	0	(26)	-100.0	92,271	
1		Chitral	8,848	217	2.5	84,846	10.4
2	N.W.F.P	Karak	2,612	152	6.2	102,174	2.6
3		Haripur	5,189	(134)	-2.5	103,830	5.0
1		Gujranwala	75,152	15,172	25.3	735,741	10.2
2	Punjab	Bhawalnagar	40,386	13,573	50.6	427,843	9.4
3		Multan	81,789	12,973	18.9	689,339	11.9
1		Karachi	103,302	9,312	9.9	1,329,990	7.8
2	Sind	Khairpur	33,090	9,308	39.1	401,853	8.2
3		Naushahro Feroze	17,542	5,774	49.1	266,462	6.6
1		Bagh	4,140	2,690	185.5		
2	AJK	Kotli	6,320	264	4.4		
3		Poonch	3,204	194	6.4		
1		Ghanche	2,922	146	5.3		
2	FANA	Skardu	4,422	(328)	-6.9		
3		Astore	1,549	(461)	-22.9		
1		Khyber	945	104	12.4		
2	FATA	Orakzai	280	-	0.0		
3		Mohmand	295	(10)	-3.3		
1	ICT	Islamabad	2,047	(1,888)	-48.0	74,750	2.7

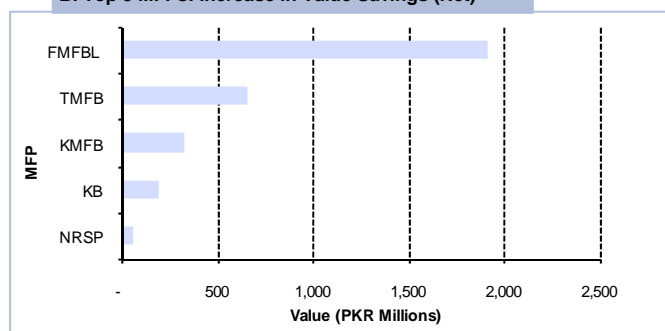
## MARKET HIGHLIGHTS (JAN-DEC 2009)

## 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 Dec)	Market Share (% of Active Savers)
1	NRSP	1,313,106	55.8
2	TRDP	287,051	12.2
3	PRSP	193,328	8.2
4	FMFBL	189,887	8.1
5	TMFB	122,538	5.2

D. Districts with Highest Outreach (Active Savers)

	District	Active Savers (31 Dec)	Increase (1 Jan to 31 Dec)	
			Net	%
1	Bahaw alpur	187,721	73,119	63.8
2	Tharparkar	164,119	31,212	23.5
3	Bahaw alnagar	106,146	53,977	103.5
4	Lahore	104,535	80,057	327.1
5	Rawalpindi	93,950	35,344	60.3

## MICRO-INSURANCE

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

	MFP	Policy Holders (31 Dec)	Market Share (% of Policy Holders)
1	NRSP	1,753,639	53.0
2	KASHF	590,598	17.9
3	KB	329,421	10.0
4	FMFBL	206,978	6.3
5	TRDP	119,826	3.6

B. Districts with Highest Outreach (Policy Holders)

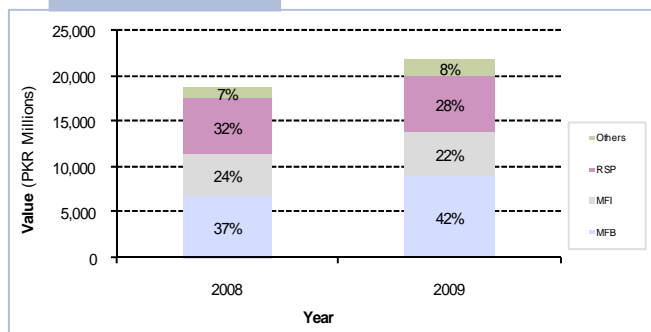
	District	Policy Holders (31 Dec)	Increase (1 Jan to 31 Dec)	
			Net	%
1	Lahore	249,587	28,164	12.7
2	Bahaw alpur	247,268	88,118	55.4
3	Faisalabad	162,623	69,530	74.7
4	Multan	157,182	79,715	102.9
5	Bahaw alnagar	142,781	86,272	152.7

# SUMMARY OF MICROCREDIT PROVISION (All Pakistan)

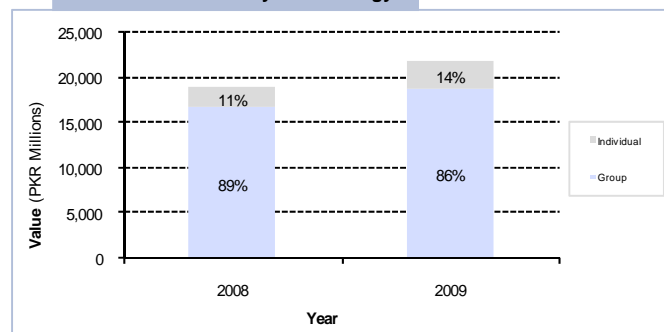
Exchange Rate (Dec 2009): PKR/USD = 84.2/1

	Lending Methodology			Peer Group			
	Total	Group	Individual	MFB	MFI	RSP	Others
<b>Number of Branches/Units</b>							
2008	1,552			366	256	820	110
2009	1,584			425	287	721	151
<b>Active Borrowers</b>							
2008	1,732,879	1,593,964	138,915	605,151	463,160	581,513	83,055
2009	1,826,045	1,647,094	178,951	703,044	479,417	536,148	107,436
<b>Gross Loan Portfolio (PKR Millions)</b>							
2008	18,752	16,622	2,130	6,801	4,594	6,084	1,274
2009	21,723	18,679	3,044	9,004	4,797	6,162	1,759
<b>Average Loan Balance (PKR)</b>							
2008	10,821	10,428	15,335	11,238	9,919	10,462	15,334
2009	11,896	11,341	17,008	12,807	10,006	11,494	16,374
<b>Number of Loans Disbursed</b>							
2008	2,129,985	1,995,246	134,739	646,622	641,827	753,309	88,227
2009	1,817,225	1,626,072	191,153	789,923	238,370	688,749	100,183
<b>Disbursements (PKR Millions)</b>							
2008	30,988	27,764	3,224	9,281	8,200	12,105	1,403
2009	28,519	23,977	4,542	12,972	3,485	10,401	1,661
<b>Average Loan Size (PKR)</b>							
2008	14,548	13,915	23,928	14,352	12,776	16,069	15,903
2009	15,694	14,746	23,759	16,422	14,620	15,101	16,578

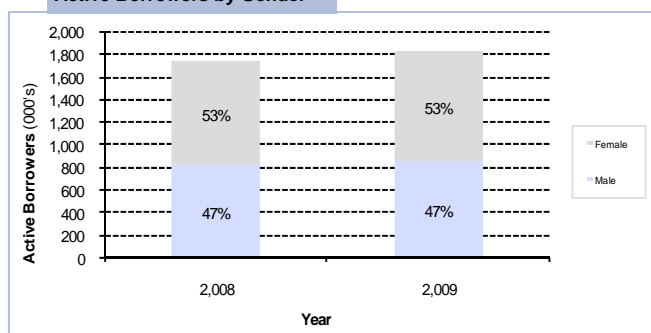
Gross Loan Portfolio



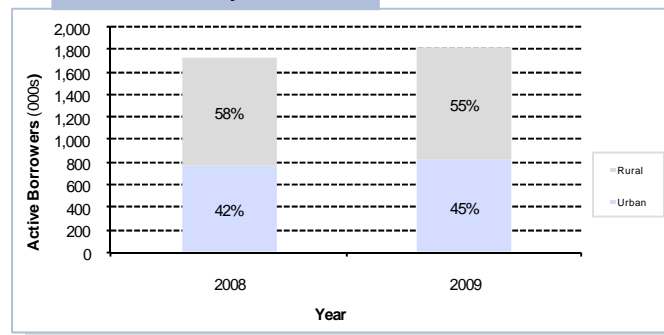
Gross Loan Portfolio by Methodology



Active Borrowers by Gender

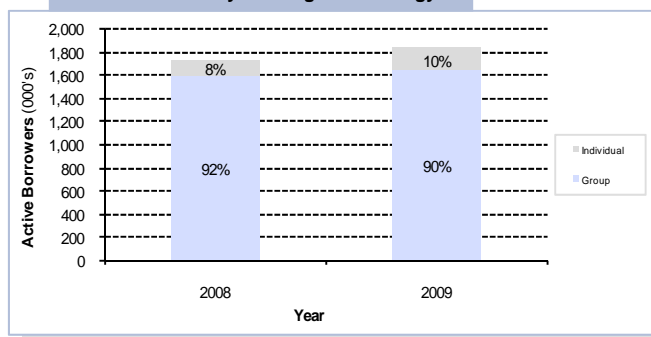


Active Borrowers by Rural/Urban

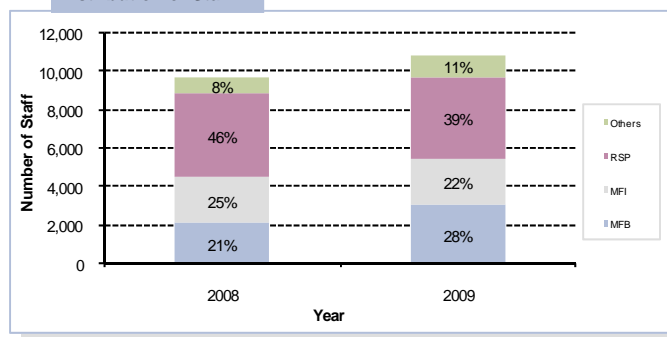


## SUMMARY OF MICROCREDIT PROVISION (All Pakistan)

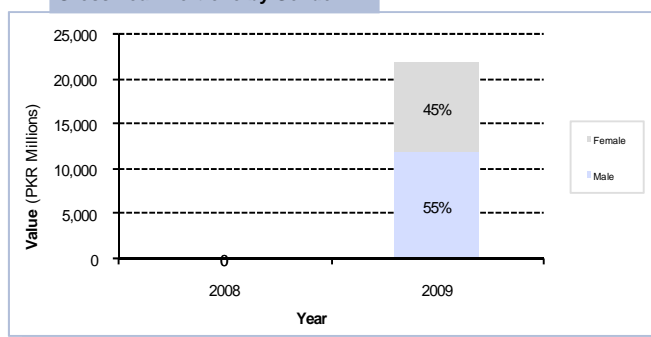
**Active Borrowers by Lending Methodology**



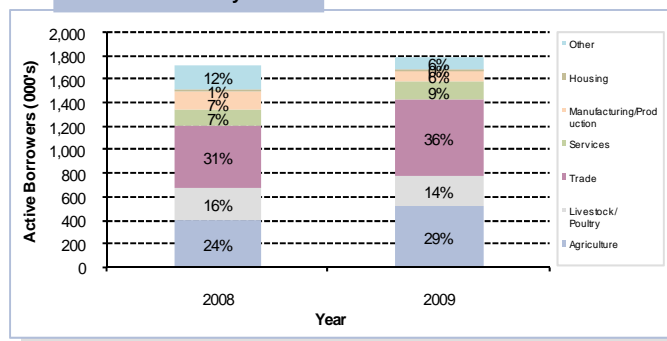
**Distribution of Staff**



**Gross Loan Portfolio by Gender**



**Active Borrowers by Sector**



## SUMMARY OF MICRO-SAVINGS PROVISION (All Pakistan)

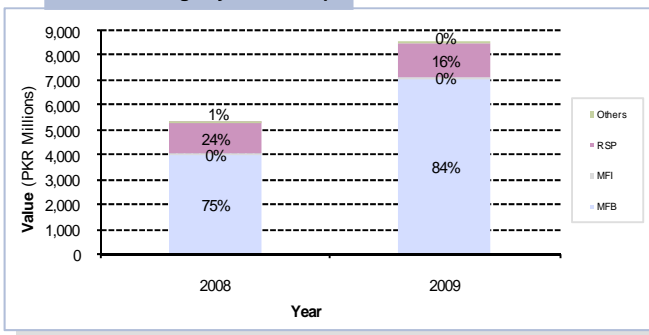
	Total	Saving Methodology		Peer Group			
		Intermediation	Mobilization	MFB	MFI	RSP	Others
<b>Number of Savers</b>							
2008	1,743,609	227,314	1,471,167	#REF!	28,269	1,402,203	68,964
2009	2,351,273	482,412	1,868,861	452,776	29,636	1,793,485	75,376
<b>Value of Saving (PKR Millions)</b>							
2008	5,384	4,052	1,332	4,052	5	1,297	30
2009	8,554	7,144	1,410	7,144	5	1,383	22
<b>Average Saving Balance (PKR)</b>							
2008	3,088	17,825	905	16,594	174	925	429
2009	3,638	14,809	754	15,779	179	771	287

### Saving Methodology:

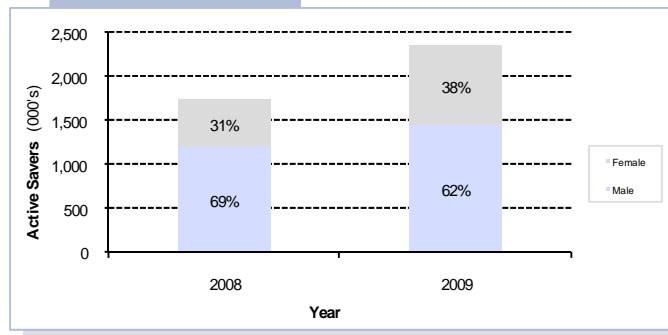
- Intermediation:** Public deposits used to finance an organization's loan portfolio. Only SBP-regulated MFPs (CFIs and MFBs) can accept and intermediate deposits from the general public.
- Mobilization:** MFPs not regulated by SBP (MFIs, NGOs, RSPs) can neither hold nor intermediate deposits from the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

# SUMMARY OF MICRO-SAVINGS PROVISION (All Pakistan)

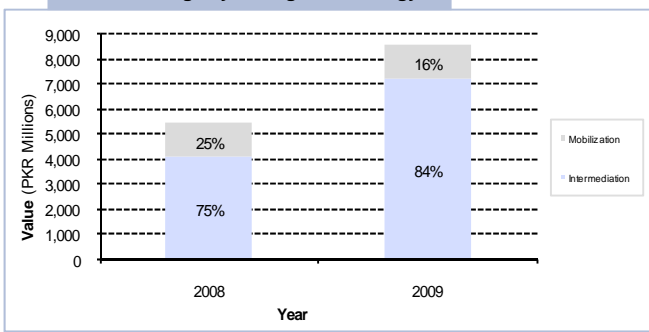
**Value of Savings by Peer Group**



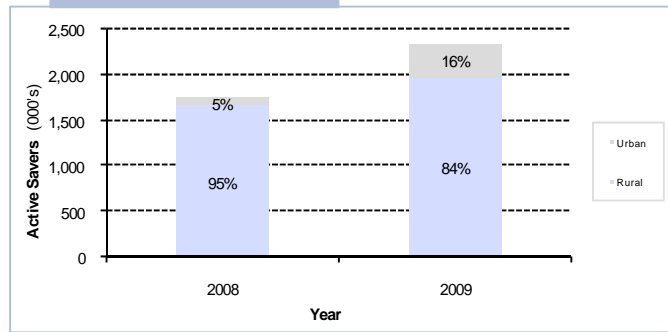
**Active Savers by Gender**



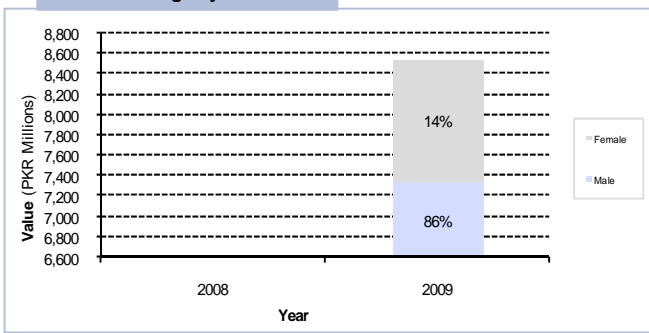
**Value of Savings by Saving Methodology**



**Active Savers by Urban/Rural**



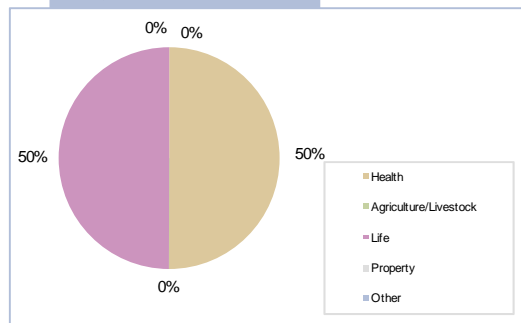
**Value of Savings by Gender**



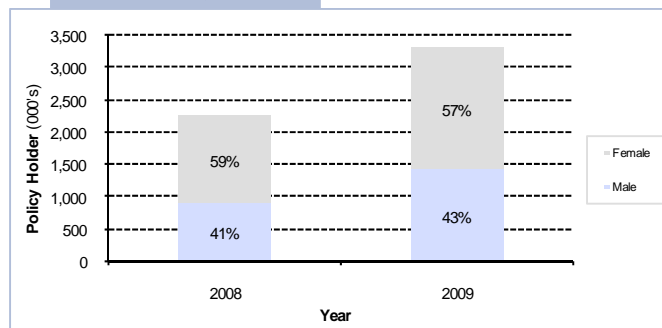
## SUMMARY OF MICRO-INSURANCE PROVISION (All Pakistan)

	Total	Type		Peer Group			
		Health	Life	MFB	MFI	RSP	Others
<b>Number of Policy Holders</b>							
2008	2,241,552	862,617	1,379,600	582,325	734,515	861,952	62,760
2009	3,306,639	1,654,524	1,652,115	607,056	700,125	1,906,859	92,599
<b>Sum Insured (PKR Millions)</b>							
2008	34,340			6,441	3,971	23,182	746
2009	43,539			8,005	3,897	30,573	1,063

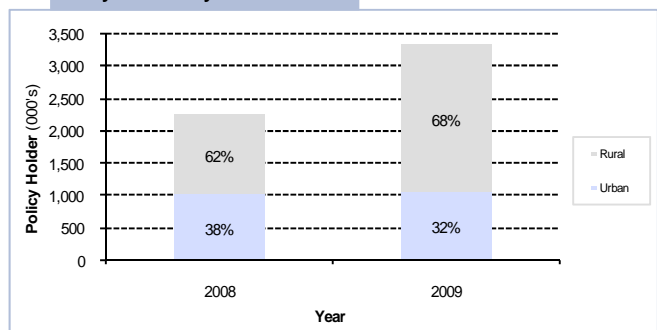
Policy Holders by Type



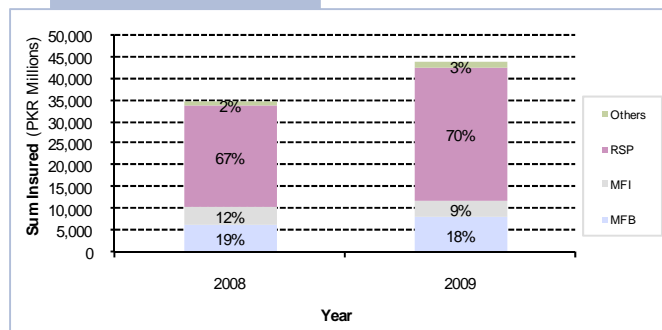
Policy Holders by Gender



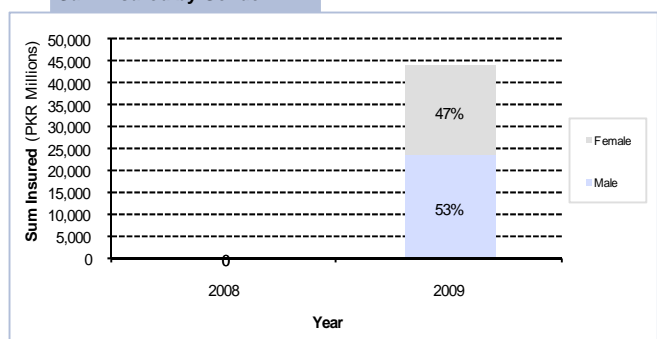
Policy Holders by Urban/Rural



Sum Insured by Peer Group



Sum Insured by Gender





## OUTREACH (District Level)

## BALOCHISTAN

District	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
	Fixed	Mobile	Active Borrowers	Gross Loan Portfolio	Active Savers	Value of Savings	Policy Holders	Sum Insured (PKR)	
Awaran									26,054
Barkhan	KB								
	1	-	815	5,913,752	-	-	6	76,000	31,881
Bolan									66,423
Chagai <sup>2</sup>									54,814
Dera Bugti									43,770
Gw adar	FMFBL , KB, NRSP, POMFB								
	5	-	1,609	9,487,509	9,838	2,172,914	2,055	26,966,379	55,537
Jafarabad	KB								
	1	-	3,387	42,159,623	-	-	3,266	41,223,000	121,911
Jhal Magsi									29,887
Kalat									53,884
Kech (Turbat)	NRSP								
	1	-	-	-	30,424	6,708,061	-	-	92,271
Kharan									47,948
Khuzdar									104,104
Kohlu									26,910
Lasbela	BRAC								
	4	-	-	-	-	-	90	900,000	84,637
Loralai	KB								
	1	-	1,655	9,631,218	-	-	230	1,619,400	76,879
Mastung									41,317
Musakhel									27,545
Nasirabad	KB								
	1	-	2,263	25,470,297	-	-	2,153	24,611,066	75,783
Nushki <sup>3</sup>									-
Panjgur									51,074
Pishin	BRAC								
	1	-	-	-	-	-	-	-	100,179
Qila Abdullah									115,112
Qila Saifullah									44,345
Quetta	BRAC, FMFBL , KB								
	16	-	5,864	36,107,519	3,480	15,108,673	3,098	22,787,857	174,437
Sherani <sup>4</sup>									-
Sibi	KB								
	1	-	1,883	12,042,574	-	-	520	4,319,211	48,944
Washuk									-
Zhob <sup>5</sup>	KB								
	1	-	446	2,721,978	-	-	30	51,480	53,848
Ziarat									7,268
<b>Total</b>	<b>33</b>	<b>-</b>	<b>17,922</b>	<b>143,534,470</b>	<b>43,742</b>	<b>23,989,648</b>	<b>11,448</b>	<b>122,554,393</b>	<b>1,656,762</b>

## OUTREACH (District Level)

## NWFP

District	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
	Fixed	Mobile	Active Borrowers	Gross Loan Portfolio	Active Savers	Value of Savings	Policy Holders	Sum Insured (PKR)	
Abbottabad	KB, SDF, SRSP, TMFB								
	4	-	5,765	36,368,147	11,008	3,367,298	5,317	37,934,181	180,672
Bannu									
Batgram	SDF								
	1	-	8	73,242	-	-	8	80,000	58,257
Buner (Daggar)									
Charsadda	BRAC, KB, NRSP								
	3	-	4,800	31,119,302	12,925	1,264,925	5,226	42,213,153	271,736
Chitral	FMFBL								
	5	-	8,848	174,745,853	18,940	351,030,800	8,848	174,745,853	84,846
D.I. Khan	KB								
	1	-	5,199	62,433,868	804	6,049,159	4,614	60,310,546	221,328
Hangu									
Haripur	KB, KMFB, SDF, SRSP								
	4	-	5,189	37,452,565	29,066	15,616,115	4,698	39,987,631	103,830
Karak	KB								
	1	-	2,612	15,129,169	-	-	2,056	12,842,879	102,174
Kohat	KB, SRSP								
	2	-	3,928	20,555,301	-	-	1,846	13,446,913	114,908
Kohistan									
Lakki Marwat									
Lower Dir									
Malakand	KB, NRSP								
	1	-	2,173	19,825,874	18,068	2,488,483	1,657	16,087,754	106,429
Mansehra	KB, KMFB, POMFB, SDF								
	4	-	3,821	24,624,767	20,407	10,742,652	3,027	23,568,113	271,288
Mardan	KB, NRSP								
	25	-	21,748	216,315,615	24,645	4,813,914	86,133	1,518,556,253	354,988
Mingora <sup>6</sup>	KB								
	1	-	1,461	11,434,824	-	-	41	475,342	-
Nowshera	BRAC, KB, NRSP, SRSP								
	15	-	11,315	67,475,359	5,344	6,869,094	11,760	109,805,923	201,208
Peshawar	BRAC, KB, NRSP, SRSP								
	10	-	10,553	54,188,572	3,271	5,563,436	16,981	235,484,632	451,548
Shangla	KB								
	1	-	110	243,363	-	-	47	64,000	116,366
Swabi	KB, NRSP								
	6	-	5,525	48,216,230	8,704	1,711,366	15,264	246,517,176	230,073
Swat <sup>7</sup>	NRSP								
	-	-	-	-	6,488	770,115	-	-	286,555
Tank									
Upper Dir									
<b>Total</b>	<b>84</b>	<b>-</b>	<b>93,055</b>	<b>820,202,051</b>	<b>159,670</b>	<b>410,287,357</b>	<b>167,523</b>	<b>2,532,120,349</b>	<b>4,083,817</b>

## OUTREACH (District Level)

## PUNJAB

District	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	Policy Holders	Sum Insured (PKR)	
Attock	KASHF, KB, NRSP, POMFB								
	37	-	15,121	148,059,047	53,425	100,437,600	53,244	905,900,334	262,870
Bahawalpur	FMFBL, KASHF, KB, NRSP, OPP, TMFB								
	36	-	74,587	1,176,108,031	187,721	198,833,979	247,268	4,272,772,113	461,777
Bhakkar	KB, NRSP								
	23	-	19,122	203,197,741	71,908	36,709,572	70,402	1,229,868,967	252,453
Bhawalnagar	KB, NRSP								
	11	-	40,386	671,819,416	106,146	83,260,620	142,781	2,496,840,622	427,843
Chakwal	KB, KMFB, NRSP, POMFB								
	33	-	11,606	106,331,314	45,636	77,632,788	41,321	726,423,335	219,565
D.G. Khan	FMFBL, KB, NRSP, TMFB								
	16	-	26,755	381,017,529	71,498	150,245,092	54,936	907,182,283	419,252
Faisalabad	AKHUWAT, ASASAH, CWCD, FMFBL, KASHF, KB, KMFB, NRSP, PRSP, RCDS, TMFB								
	85	-	100,497	908,140,491	46,297	72,469,925	162,623	1,214,515,405	1,096,924
Gujranwala <sup>8</sup>	ASASAH, CWCD, FMFBL, JWS, KASHF, KB, KMFB, NRSP, OPD, OPP, PRSP, TMFB								
	60	-	75,152	948,444,230	25,541	79,215,898	99,276	921,601,658	735,741
Gujrat	AKHUWAT, BRAC, KASHF, KB, KMFB, NRSP, PRSP, TMFB								
	21	-	16,804	210,221,228	10,858	61,869,963	20,283	171,726,742	446,630
Hafizabad	KASHF, KB, PRSP, TMFB								
	7	-	11,268	109,633,209	6,416	2,267,010	15,165	92,003,175	231,170
Jhang	AKHUWAT, FMFBL, KASHF, KB, KMFB, NRSP, PRSP, TMFB								
	32	-	30,450	289,837,127	11,063	40,220,585	61,674	740,228,569	626,546
Jhelum	KB, NRSP								
	24	-	10,687	103,177,575	18,599	17,785,476	45,792	801,457,734	170,498
Kasur	ASASAH, CSC, DAMEN, FMFBL, KASHF, KB, KMFB, OLP, PRSP, RCDS, TMFB								
	32	-	60,775	655,226,450	20,472	42,053,313	73,063	577,565,395	586,427
Khanewal	AKHUWAT, ASASAH, KASHF, KB, KMFB, NRSP, PRSP								
	16	-	28,813	329,113,329	26,321	37,006,166	70,092	930,972,161	432,948
Khushab	KASHF, KB, NRSP								
	26	-	18,406	163,682,100	69,153	53,983,242	71,754	1,216,333,346	235,163
Lahore	AKHUWAT, ASA, ASASAH, BRAC, CSC, CWCD, DAMEN, FMFBL, KASHF, KB, KMFB, NRSP, OLP, OPP, PRSP, TMFB								
	145	-	195,501	2,204,154,877	104,535	252,160,816	249,587	1,983,042,042	872,760
Leyyah	FMFBL, KB, PRSP								
	12	-	16,941	225,794,109	23,827	54,548,587	12,517	182,115,941	263,251
Lodhran	AKHUWAT, FMFBL, KASHF, KB, NRSP, TMFB								
	13	-	29,399	527,304,815	46,662	99,506,874	99,189	1,732,264,265	261,693
Mandi Bahauddin	KASHF, KB, PRSP								
	6	-	8,818	76,151,410	3,381	362,613	7,593	47,678,012	298,371
Mianwali	KB, NRSP								
	26	-	17,762	148,593,704	35,763	4,989,320	69,480	1,229,083,065	252,413
Multan	AKHUWAT, ASASAH, BRAC, FMFBL, KASHF, KB, KMFB, NRSP, PRSP, TMFB								
	65	-	81,789	898,898,101	44,419	261,236,470	157,182	1,991,624,326	689,339
Muzaffargarh	KB, NRSP, PRSP								
	15	-	7,736	91,829,338	35,161	4,139,898	6,223	80,596,087	570,580
Nankana Sahib <sup>9</sup>	CWCD, DAMEN, RCDS								
	6	-	9,141	466,063,334	-	-	268	1,773,260	-
Narowal	KB, NRDP, OPP, PRSP								
	9	-	10,131	176,304,080	9,180	3,671,469	2,799	34,460,262	268,902
Okara	ASASAH, DAMEN, FMFBL, KASHF, KB, OLP, PRSP, TMFB								
	15	-	27,891	316,999,663	19,718	18,512,947	28,554	278,025,393	509,842
Pakpattan	ASASAH, FMFBL, KASHF, KB, NRSP, PRSP								
	9	-	19,062	245,703,898	25,235	40,451,582	39,998	600,390,203	281,988
Rahimyar Khan	FMFBL, KASHF, KB, NRSP, TMFB								
	33	-	36,449	452,231,021	29,586	115,315,841	78,331	1,116,622,285	585,705

## OUTREACH (District Level)

## PUNJAB

District	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	Policy Holders	Sum Insured (PKR)	
Rajanpur	KB, NRSP, OPP								
	12	-	25,155	377,037,699	46,931	60,274,786	65,590	1,130,423,356	260,436
Rawalpindi <sup>10</sup>	AKHUWAT, BRAC, FMFBL, KASHF, KB, KMFB, NRSP, OPP, POMFB, TMFB								
	75	-	51,335	413,764,971	93,950	105,248,971	98,084	1,133,390,584	327,457
Sahiwal	ASASAH, BRAC, FMFBL, KASHF, KB, KMFB, NRSP, PRSP, TMFB								
	26	-	40,710	491,427,838	35,668	48,246,474	71,390	878,467,731	395,468
Sargodha	KASHF, KB, KMFB, NRSP, PRSP, TMFB								
	43	-	39,509	390,894,166	16,293	26,092,944	89,799	1,151,976,055	671,679
Sheikhupura	CWCD, DAMEN, KASHF, KB, OLP, PRSP, RCDS								
	22	-	34,059	487,524,941	11,483	2,759,225	30,868	238,207,222	831,522
Sialkot	KASHF, KB, KMFB, NRSP, PRSP, TMFB								
	20	-	26,002	225,009,472	15,513	25,631,661	25,711	157,562,161	501,997
Toba Tek Singh	KASHF, KB, NRSP, PRSP								
	9	-	21,702	280,655,858	29,268	35,841,572	49,393	712,561,925	309,316
Vihari	ASASAH, FMFBL, KASHF, KB, NRSP								
	15	-	29,704	384,553,080	37,545	79,343,052	69,364	1,038,084,675	475,398
<b>Total</b>	<b>1,035</b>	<b>-</b>	<b>1,269,225</b>	<b>15,284,905,192</b>	<b>1,435,172</b>	<b>2,292,326,331</b>	<b>2,481,594</b>	<b>32,923,740,689</b>	<b>15,233,924</b>

## SINDH

District	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
	Fixed	Mobile	Active Borrowers	Gross Loan Portfolio	Active Savers	Value of Savings	Policy Holders	Sum Insured (PKR)	
Badin	ASA, FMFBL, KB, NRSP, POMFB								
	10	-	9,939	133,556,001	54,088	63,727,280	17,304	287,418,887	294,781
Dadu <sup>11</sup>	FMFBL, KB, OLP, TRDP								
	20	-	16,162	168,556,702	43,528	51,038,886	24,117	82,375,530	447,305
Ghotki	FMFBL, KB, OPP								
	4	-	11,184	159,202,907	10,654	29,822,538	9,627	146,158,046	248,442
Hyderabad <sup>12</sup>	ASA, BRAC, FMFBL, KB, NRSP, OPP, POMFB, SAFWCO, TMFB								
	40	-	36,525	414,404,708	24,458	251,880,765	73,770	1,259,825,401	517,652
Jacobabad	FMFBL, KB								
	4	-	12,256	151,449,639	4,084	54,020,430	6,798	93,020,920	361,146
Jamshoro <sup>13</sup>	BRAC, TRDP								
	3	-	591	5,107,119	15,248	8,257,460	3,299	5,403,644	-
Karachi <sup>14</sup>	ASA, BRAC, FMFBL, KASHF, KB, NMFB, NRSP, OLP, OPP, POMFB, TMFB								
	119	1	103,302	1,115,085,613	90,189	3,231,580,885	100,483	943,775,142	1,329,990
Khairpur <sup>15</sup>	FMFBL, KB, KMFB, OPP, TMFB, TRDP								
	14	-	33,090	460,656,793	32,519	118,148,557	41,426	269,417,890	401,853
Larkana	FMFBL, KB								
	6	-	17,595	221,272,597	8,315	46,444,176	16,686	214,394,337	534,891
Matyari <sup>16</sup>	ASA, FMFBL, NRSP, OPP, SAFWCO, TMFB								
	9	1	16,971	231,103,055	8,863	27,021,586	33,512	518,761,836	-
Mirpur Khas <sup>17</sup>	ASA, FMFBL, KB, NRSP, POMFB, TMFB, TRDP								
	17	-	15,198	212,386,434	45,700	31,005,754	22,554	352,698,976	210,494
Naushahro Feroze	ASA, FMFBL, KB, OPP, SAFWCO								
	9	1	17,542	200,162,315	1,334	13,992,576	9,101	90,008,908	266,462
Nawabshah	ASA, FMFBL, KB, NRSP, OPP, TMFB								
	13	-	17,908	285,879,725	7,308	29,996,591	16,609	299,251,249	225,430
Sanghar	ASA, FMFBL, KB, OLP, OPP, SAFWCO								
	13	1	23,318	260,460,296	753	8,421,170	17,565	86,611,624	354,133

## OUTREACH (District Level)

## SINDH

District	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
	Fixed	Mobile	Active Borrowers	Gross Loan Portfolio	Active Savers	Value of Savings	Policy Holders	Sum Insured (PKR)	
Sehwan Sharif	KB								
	1	-	2,016	16,346,332	-	-	421	5,392,081	-
Shehdad Kot	TMFB								
	1	-	-	-	-	-	-	-	-
Shikarpur	KB								
	1	-	2,715	28,996,065	-	-	2,667	28,782,179	237,633
Sukkur	BRAC, FMFBL, KB, TMFB								
	15	-	14,609	178,453,815	2,974	34,411,898	13,943	176,076,656	213,080
Tando Allahyar <sup>18</sup>	ASA, BRAC, FMFBL, KB, NRSP, POMFB, TMFB								
	11	-	9,455	152,087,046	9,383	24,058,996	12,485	214,420,311	-
Tando Jam	FMFBL, TMFB								
	2	-	1,322	25,089,195	1,802	41,503,351	1,322	25,089,195	-
Tando Muhammad	FMFBL, KB, NRSP, POMFB, TMFB								
	7	-	7,047	103,636,014	9,453	44,756,312	14,456	248,797,764	-
Tharparkar	FMFBL, KB, TRDP								
	28	-	12,683	124,149,877	164,119	125,012,947	45,215	63,657,709	283,491
Thatta	FMFBL, KB, NRSP								
	8	-	6,407	85,889,964	17,036	73,018,468	9,880	158,934,451	245,046
Umer Kot	FMFBL, OPP, SAFWCO, TRDP								
	15	-	13,171	136,252,588	45,701	108,694,355	34,559	40,657,365	185,966
<b>Total</b>	<b>370</b>	<b>4</b>	<b>401,006</b>	<b>4,870,184,800</b>	<b>597,509</b>	<b>4,416,814,981</b>	<b>527,799</b>	<b>5,610,930,101</b>	<b>6,357,795</b>

## AZAD JAMMU AND KASHMIR (AJK)

District	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market <sup>19</sup>
	Fixed	Mobile	Active Borrowers	Gross Loan Portfolio	Active Savers	Value of Savings	Policy Holders	Sum Insured (PKR)	
Bagh	KB, NRSP, OPP								
	3	-	4,140	28,736,030	24,276	11,142,209	8,922	131,207,817	-
Bhimber									-
Kotli	NRSP								
	12	-	6,320	48,402,312	32,537	6,519,362	31,600	568,800,000	-
Mirpur									-
Muzaffarabad	FMFBL, KB, NRSP, SDF								
	10	-	8,717	64,542,320	41,139	18,944,804	12,489	177,451,403	-
Neelum									-
Poonch	KB, NRSP								
	3	-	3,204	22,193,670	33,644	22,981,360	4,304	45,131,419	-
Sudhnati	NRSP								
	2	-	606	4,717,946	9,858	2,232,960	3,030	54,540,000	-
<b>Total</b>	<b>30</b>	<b>-</b>	<b>22,987</b>	<b>168,592,278</b>	<b>141,454</b>	<b>61,820,695</b>	<b>60,345</b>	<b>977,130,639</b>	<b>-</b>

## OUTREACH (District Level)

### FEDERALLY ADMINISTRATED NORTHERN AREAS (FANA)

District	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market <sup>20</sup>
	Fixed	Mobile	Active Borrowers	Gross Loan Portfolio	Active Savers	Value of Savings	Policy Holders	Sum Insured (PKR)	
Astore	FMFBL								
	1	-	1,549	28,223,840	2,303	28,687,365	1,549	28,223,840	-
Diamer									-
Ghanche	FMFBL								
	2	-	2,922	63,724,911	4,385	105,968,109	2,922	63,724,911	-
Ghizer	FMFBL								
	5	-	4,964	103,853,607	13,581	109,406,326	4,964	103,853,607	-
Gilgit	FMFBL								
	4	-	3,604	85,721,276	17,712	554,528,989	3,604	85,721,276	-
Skardu	FMFBL								
	3	-	4,422	99,908,043	8,066	120,838,768	4,422	99,908,043	-
<b>Total</b>	<b>15</b>	<b>-</b>	<b>17,461</b>	<b>381,431,677</b>	<b>46,047</b>	<b>919,429,557</b>	<b>17,461</b>	<b>381,431,677</b>	<b>-</b>

### FEDERALLY ADMINISTRATED TRIBAL AREAS (FATA)

District	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market <sup>21</sup>
	Fixed	Mobile	Active Borrowers	Gross Loan Portfolio	Active Savers	Value of Savings	Policy Holders	Sum Insured (PKR)	
Bajaur	KB								
	1	-	101	474,791	-	-	2	1,089	-
Khyber	KB								
	1	-	945	5,387,096	-	-	122	867,315	-
Kurram	KB								
	1	-	721	4,786,716	-	-	20	215,736	-
Mohmand	KB								
	1	-	295	1,244,509	-	-	2	1,269	-
North Waziristan									-
Orakzai	KB								
	1	-	280	2,619,099	-	-	-	-	-
South Waziristan									-
<b>Total</b>	<b>5</b>	<b>-</b>	<b>2,342</b>	<b>14,512,211</b>	<b>-</b>	<b>-</b>	<b>146</b>	<b>1,085,409</b>	<b>-</b>

### ISLAMABAD CAPITAL TERRITORY (ICT)

District	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
	Fixed	Mobile	Active Borrowers	Gross Loan Portfolio	Active Savers	Value of Savings	Policy Holders	Sum Insured (PKR)	
Islamabad	FMFBL, NRSP, POMFB								
	8	-	2,047	39,298,332	14,568	438,255,642	6,929	145,889,174	74,750

## OUTREACH (ALL PAKISTAN)

Province	Offices		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance	Penetration Rate
	Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)		
Balochist	33	-	17,922	143,534,470	43,742	23,989,648	11,448	122,554,393	1,656,762	1.08
N.W.F.P	84	-	93,055	820,202,051	159,670	410,287,357	167,523	2,532,120,349	4,083,817	2.28
Punjab	1,035	-	1,269,225	15,284,905,192	1,353,927	2,284,021,122	2,481,594	32,923,740,689	15,233,924	8.33
Sind	370	4	401,006	4,870,184,800	591,865	4,416,342,246	527,799	5,610,930,101	6,357,795	6.31
AJK	30	-	22,987	168,592,278	141,454	61,820,695	60,345	977,130,639	-	-
FANA	15	-	17,461	381,431,677	46,047	919,429,557	17,461	381,431,677	-	-
FATA	5	-	2,342	14,512,211	-	-	146	1,085,409	-	-
ICT	8	-	2,047	39,298,332	14,568	438,255,642	6,929	145,889,174	74,750	2.74
<b>Grand Total</b>	<b>1,580</b>	<b>4</b>	<b>1,826,045</b>	<b>21,722,661,011</b>	<b>2,351,273</b>	<b>8,554,146,267</b>	<b>3,273,245</b>	<b>42,694,882,431</b>	<b>27,407,048</b>	<b>6.66</b>

## OTHER NEWS ITEMS

### MoU between FMFBL and AKPBS for self-built housing

The First MicroFinance Bank Ltd. (FMFBL) and the Aga Khan Planning and Building Service (AKPBS) Pakistan signed an MoU to improve the poor's living standards by providing financial services coupled with a technical advisory. This initiative is for support of self-building of houses by low income and poor communities in the country. FMFB shall provide need-based, short to long term housing finance for both structural and non-structural improvements at a relatively lower interest rate, through group lending. The AKPBS shall provide technical consultancy to the client for developing a sketch of the proposed construction or improvement and monitoring construction of the houses to ensure construction safety to mitigate natural risks. Loans will amount from PKR 10,000 to 500,000.

### Renewal of accord between FMFBL and PPO

The First MicroFinance Bank Ltd. and the Pakistan Post Office renewed their agreement to alleviate poverty by reaching out to the poor through the vast network provided by PPO sub-offices. This unique public-private partnership aims to target the issue of inaccessibility of the microfinance client. This partnership was first established in 2008 and resulted in rapid scaling up of quality microfinance services to the poor residing in remote urban and rural areas of the country.

### Tameer and Telenor launch 'Mobile Accounts' service

Tameer Microfinance bank and Telenor Pakistan announced the launch of Mobile Accounts, the third in a suite of products under 'easypaisa'. This is a first of its kind product in Pakistan that offers customers the convenience of carrying out transactions through their mobile phones. These provide utility bill payments, bill payments and cash withdrawal services through 5,500+ retail outlets across Pakistan.

The other two previously launched products in the 'easypaisa' portfolio were Money Transfer and Bill Payment facilities.

### Citi-LUMS Roundtable on microfinance

A roundtable conference was jointly held by the Citi Foundation and Lahore University of Management Sciences, to inaugurate a Management Development Training Programme for Microfinance Institutions, under a US\$ 65,000 grant from the Citi Foundation. The aim of the conference was to discuss best practices amongst microfinance practitioners and key stakeholders, and was attended by experts from banking and finance as well as development. Two microfinance trainings for both middle and top tier MFP managers are to follow in the near future.

### Second Gender and Microfinance Workshop held in Lahore

This was the second workshop to be held on the subject, having the theme of 'Current trends, Issues and Concerns in the Sector'. Various players from the microfinance sector participated, including MFBs, MFIs, RSPs and key stakeholder organizations. Relevant lessons from microfinance organizations, nationally as well as internationally, were shared and strategies for sustainable microfinance were discussed. The workshop was co-sponsored by the PPAF and Oxfam-Novib.

### PMN's academic linkages: MoUs with IBA and IoBM

The PMN signed separate MoUs with Institute of Business Administration and the Institute of Business Management (both are business institutes in Karachi), wherein students will be informed of projects, internships and job opportunities at PMN member organizations. The institutes will inform PMN about applicants for jobs and projects while allowing microfinance materials to be displayed and distributed. Exchange of dialogue and information will be facilitated through research forums, lectures and conferences.

## END NOTES

- <sup>1</sup> Due to reconciliation of data at PRSP, this issue of the MicroWatch does not include district wise data on insurance for the fourth quarter of 2009.
- <sup>2</sup> 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).
- <sup>3</sup> 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.
- <sup>4</sup> Population data for Sherani district is not available. Sherani was carved out of Zhob district in 2005.
- <sup>5</sup> 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).
- <sup>6</sup> 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.
- <sup>7</sup> 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.
- <sup>8</sup> 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.
- <sup>9</sup> 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).
- <sup>10</sup> OPP does not provide retail microcredit services in Rawalpindi. It wholesales funds to a partner organization: Alfalah Development Organization.
- <sup>11</sup> OPP does not provide retail microcredit services in Dadu. It wholesales funds to a partner organization: Soofi Shah Inayat Shaheed Sanghat.
- <sup>12</sup> 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).
- <sup>13</sup> 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.
- <sup>14</sup> The market estimate for Karachi is the aggregate of four districts namely, Central, West, East, and South.
- <sup>15</sup> OPP does not provide retail microcredit services in Khaipur. It wholesales funds to partner organizations: Khaji Cooperative Society, Goth Seenghar, and Marvi Rural Development Organization.
- <sup>16</sup> 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.
- <sup>17</sup> 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.
- <sup>18</sup> 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.
- <sup>19</sup> Due to unavailability of population data for the Azad Jammu and Kashmir (AJK) districts, the potential microfinance market could not be estimated.
- <sup>20</sup> Due to unavailability of population data for the Federally Administered Northern Areas (FANA) the potential microfinance market could not be estimated.
- <sup>21</sup> 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	
		Year	Year
		2008	2009
<b>MFB</b> Microfinance Bank licensed and prudentially regulated by the State Bank of Pakistan to exclusively service microfinance market	Kashf Microfinance Bank	✓	✓
	Khushhali Bank (KB)	✓	✓
	Netw ork 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)	✓	✓
<b>MFI</b> Microfinance institution providing specialized microfinance services	Akhwat	✓	✓
	ASA International	✗	✓
	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 (SAFW)	✓	✓
<b>RSP</b> Rural support programme running microfinance operation as part of multi-dimensional rural development programme	Lachi Poverty Reduction Project (LPRP)	✗	✗
	National Rural Support Programme (NRSP)	✓	✓
	Punjab Rural Support Programme (PRSP)	✓	✓
	Sarhad Rural Support Programme (SRSP)	✓	✓
	Thardeep Rural Development Programme (TRDP)	✓	✓
<b>Others</b>	BRAC	✓	✓
	Centre for Women Cooperative Development (CWCD)	✓	✓
	Jinnah Welfare Society (JWS)	✓	✓
	Narow al 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)	✓	✓
	Sw abi Women's Welfare Society (SWWS)	✓	✗
	ORIX Leasing Pakistan Ltd. (OLP)	✓	✓
Bank of Khyber (BOK)	✓	✗	

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