

ISSUE 12: QUARTER 2 (APR-JUN 2009)

Microcredit growth doubled compared to previous quarter's growth in terms of active borrowers, which grew by 2%, compared with 1% last quarter; and also by gross loan portfolio (GLP), with growth of 6%, compared with 3% for last quarter. All top five microfinance providers (MFPs) in terms of net increase in active borrowers showed positive changes, in contrast to last quarter where only FMFBL showed a net increase. FMFBL remained the

biggest contributor (increasing its market share to 12.3%) for increase in number of borrowers, although the addition was slightly lesser compared to last quarter; KB followed closely. In terms of active borrowers, NRSP's market share went down from 26.3% to 24.1% although it remained market leader in terms of both active borrowers and GLP.

In terms of peer groups, share in active borrowers continued to increase for microfinance banks (MFBs), going up by 2% (to 38%) with a corresponding decrease in share for rural support programs (RSPs), which went down to 31%. Shares for other peer groups remained the same as in the previous quarter. Market share in GLP increased by 2% (to 42%) for MFBs, and decreased 1% each for MFIs and RSPs.

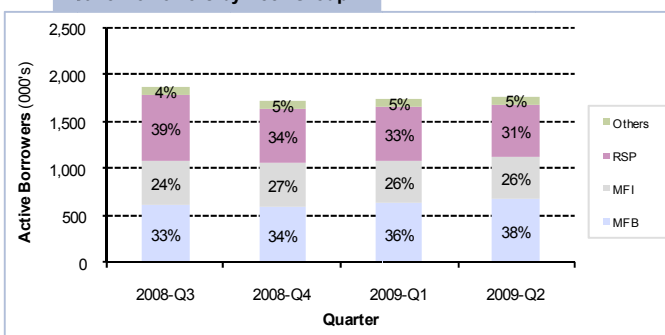
Growth in active borrowers was seen in Jafarabad and Nasirabad districts of Balochistan (34.1 and 30.8% respectively), after a half year period of decline. Penetration rates, however, remained between 1 and 2%. Rahimyar Khan in Punjab; and Karachi, Larkana and Naushahro Feroze in Sindh, witnessed 5000+ increases in net growth in active borrowers. No significant change was seen in other microcredit indicators: group lending remained dominant over individual; rural borrowers continued to be dominant over urban, albeit with a 1% decrease for the former; and male-female borrower ratio continued to favor female borrowers slightly, although in terms of GLP breakdowns by gender¹, males were found to be holding a larger chunk (57%) of GLP compared with women.

In terms of savings, 5% growth was seen in number of savers, whereas value of savings grew by a substantial 17%. KB added the most savers; and FMFBL added the most value. NRSP remained market leader in terms of number of active savers, albeit with a slight drop in share of 1.3%. Bahawalpur and Bahawalnagar witnessed huge variations in number of savers, due to data reconciliation and social mobilization project by NRSP between the two districts. In other micro-savings indicators, urban/rural breakdown showed an increase of 6% (from 4% to 10%) in urban savers (and a corresponding decline for rural); MFBs continued to hold the largest value of savings among peer groups; and male-female ratio continued to favor male savers. Although females constitute 33% of active savers, their share in terms of value is only 13%.

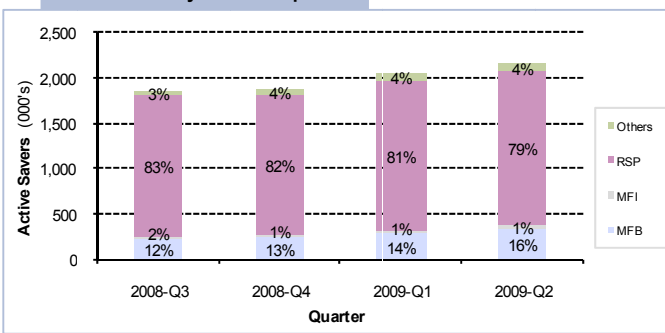
For the third consecutive quarter, micro-insurance continued to show a decline in both policy holders (down by 2%) and sum insured (down by 6%). NRSP lost market leader position (in terms of number of policy holders) to Kashf; similarly RSPs further lost share to MFBs in terms of sum insured. Bahawalpur saw an 18% decrease in policy holders, for the same reasons as those of decrease in active savers (above). Lahore was the only district to show an increase - a minimal 0.3%.

	Microcredit		Micro-Savings		Micro-Insurance	
	Active Borrowers	Value (PKR Millions)	Active Savers	Value (PKR Millions)	Policy Holders	Sum Insured (PKR Millions)
2009-Q1	1,751,111	19,252	1,857,737	5,882	2,300,289	31,232
2009-Q2	1,782,239	20,319	2,153,538	6,893	2,085,395	29,414
Increase (Net)	31,128	1,067	295,801	1,011	-214,894	-1,818
Increase (%)	2	6	16	17	-9	-6

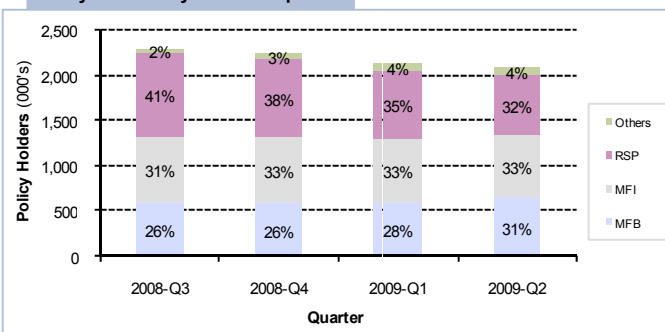
Active Borrowers by Peer Group



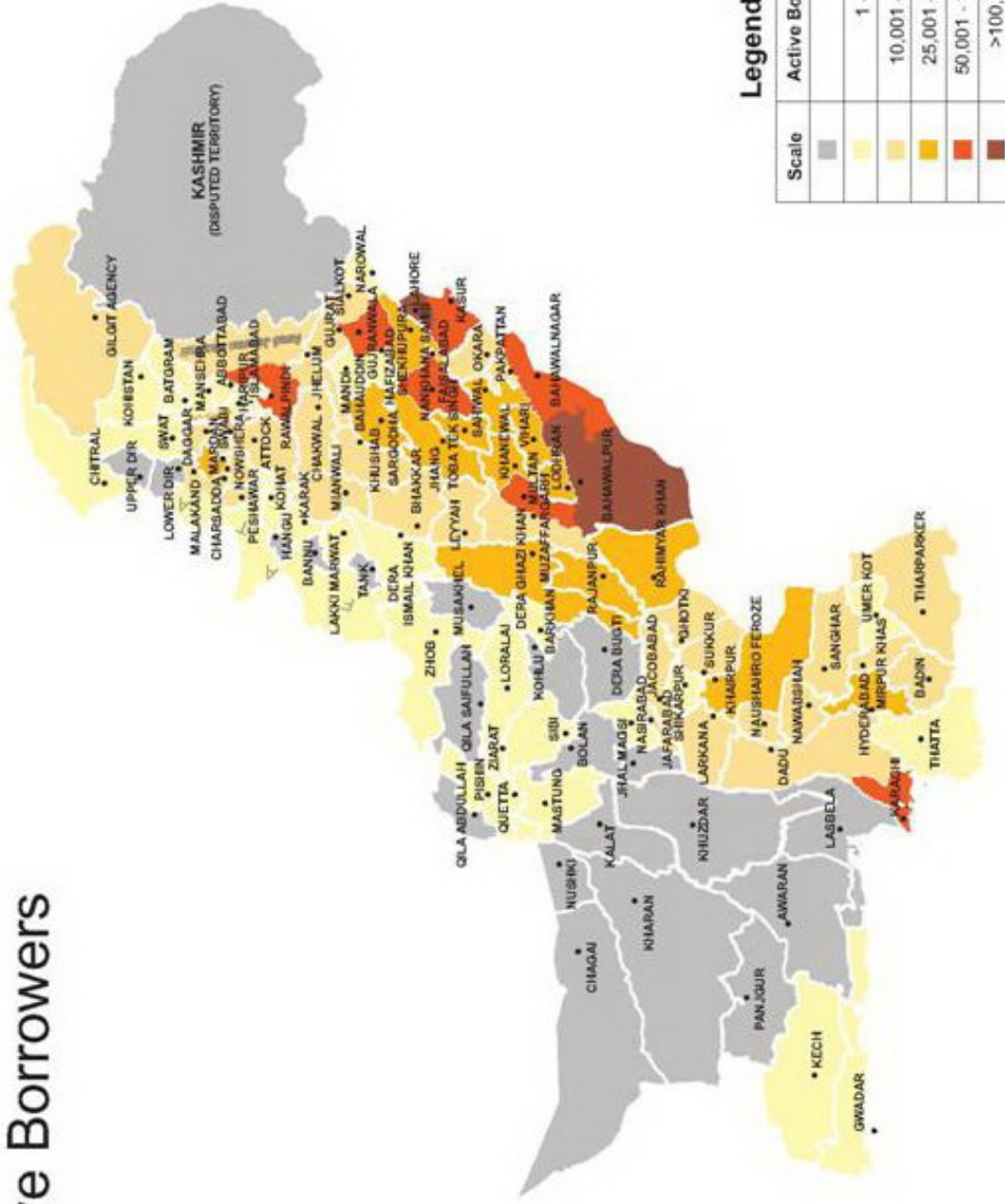
Active Savers by Peer Group



Policy Holders by Peer Group



Distribution of Active Borrowers

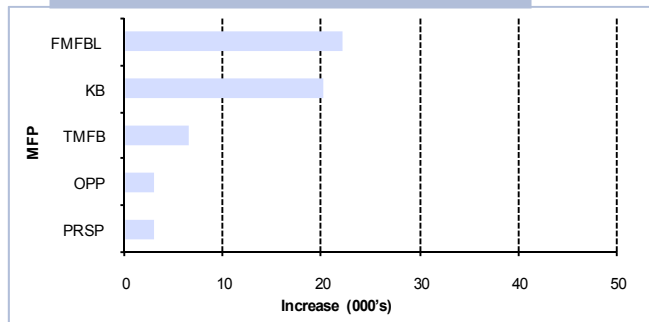


* Geographical boundaries for new districts demarcated in 2004-06 have not been made available by Survey of Pakistan. The following districts are therefore, not shown on the map: Sehwan Sharif, Jamshoro (Dadu), Matyari, Tando Allahyar, Tando Muhammad Khan (Hyderabad), Sheddokot (Larkana), Mingora (Swat),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

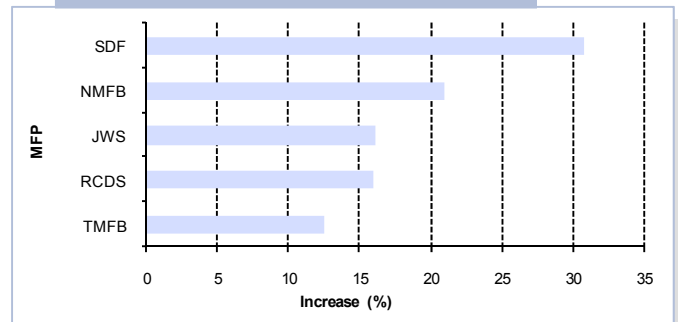
MARKET HIGHLIGHTS (APR 1 – JUN 30, 2009)

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 (30 Jun)	Market Share (% of Active Borrowers)
1	NRSP	429,642	24.1
2	KB	372,171	20.9
3	KASHF	288,609	16.2
4	FMFBL	219,820	12.3
5	PRSP	81,754	4.6

D. Largest Providers of Microcredit (Gross Loan Portfolio)

	MFP	GLP (30 Jun)	Market Share (% of GLP)
1	NRSP	4,907,007,215	24.2
2	KB	3,722,074,203	18.3
3	FMFBL	3,054,230,661	15.0
4	KASHF	2,795,193,841	13.8
5	TMFB	1,208,585,367	5.9

E. MFPs with Largest Geographic Spread

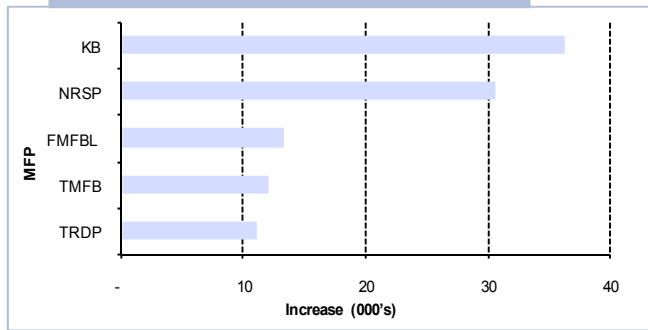
MFP	KB	NRSP	FMFBL	KASHF	PRSP
Geographic Spread (No. of Districts)	87	51	46	25	22

F. Districts with Highest Growth (Net)

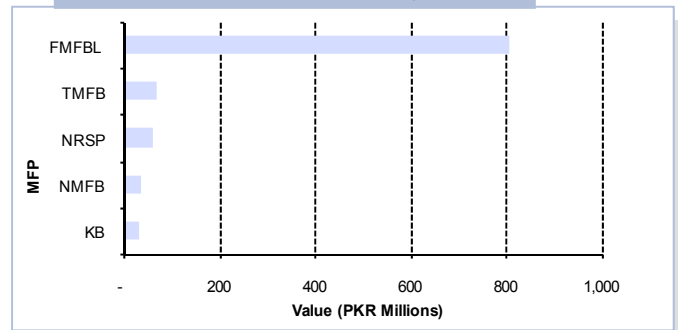
	Province	District	Active Borrowers (30 Jun)		Growth (1 Apr to 30 Jun)		Potential Microfinance Market (2007)	Penetration Rate (%)
			A	Net	%	B		
1		Jafarabad	1,915	487	34.1	121,911	1.6	
2	Balochistan	Nasirabad	1,291	304	30.8	75,783	1.7	
3		Quetta	4,643	241	5.5	174,437	2.7	
1		Batgram	1,896	638	50.7	58,257	3.3	
2	N.W.F.P	Mansehra	4,943	568	13.0	271,288	1.8	
3		Chitral	8,164	349	4.5	84,846	9.6	
1		Rahimyar Khan	39,852	6,466	19.4	585,705	6.8	
2	Punjab	Gujranwala	70,860	4,063	6.1	735,741	9.6	
3		Lahore	190,522	2,468	1.3	872,760	21.8	
1		Karachi	102,561	7,051	7.4	1,329,990	7.7	
2	Sindh	Larkana	16,952	5,666	50.2	534,891	3.2	
3		Naushahro Fero	18,705	5,431	40.9	266,462	7.0	
1		Muzaffarabad	9,457	1,844	24.2			
2	AJK	Bagh	3,513	1,804	105.6			
3		Poonch	3,006	263	9.6			
1		Skardu	5,884	455	8.4			
2	FANA	Ghanche	3,053	179	6.2			
3		Ghizer	5,367	91	1.7			
1		Orakzai	3,666	3,386	1209.3			
2	FATA	Khyber	949	64	7.2			
3		Mohmand	302	(3)	-1.0			
1	ICT	Islamabad	2,793	(611)	-17.9	74,750	3.7	

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 (30 Jun)	Market Share (% of Active Savers)
1	NRSP	1,115,148	51.8
2	PRSP	328,205	15.2
3	TRDP	261,512	12.1
4	FMFBL	173,895	8.1
5	TMFB	97,002	4.5

D. Districts with Highest Outreach (Active Savers)

	District	Active Savers (30 Jun)	Increase (1 Apr to 30 Jun)	
			Net	%
1	Tharparkar	149,328	5,591	3.9
2	Bahawalpur	102,749	-23,659	-18.7
3	Bhawalnagar	85,145	32,226	60.9
4	Rawalpindi	79,310	13,718	20.9
5	Karachi	76,705	5,553	7.8

MICRO-INSURANCE

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

	MFP	Policy Holders (30 Jun)	Market Share (% of Policy Holders)
1	KASHF	577,218	27.7
2	NRSP	566,394	27.2
3	KB	372,171	17.8
4	FMFBL	219,820	10.5
5	TRDP	106,433	5.1

B. Districts with Highest Outreach (Policy Holders)

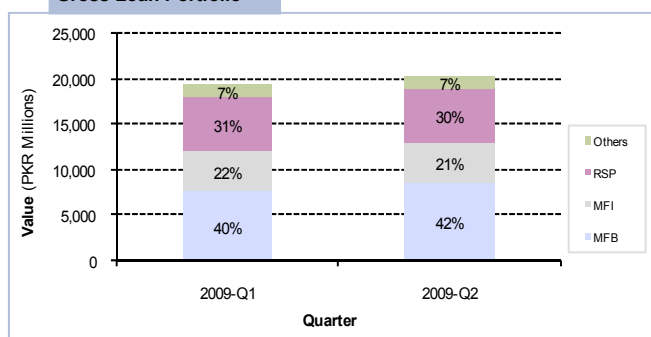
	District	Policy Holders (30 Jun)	Increase (1 Apr to 30 Jun)	
			Net	%
1	Lahore	219,654	647	0.3
2	Bahawalpur	119,632	-26,293	-18.0
3	Faisalabad	90,516	-402	-0.4
4	Karachi	88,155	-4,229	-4.6
5	Gujranwala	83,366	3,212	4.0

SUMMARY OF MICRO-CREDIT PROVISION (All Pakistan)

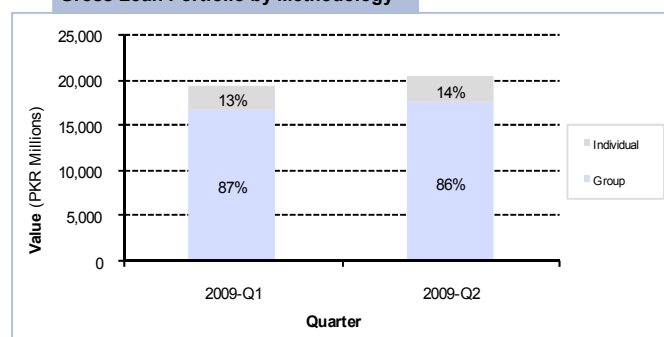
Exchange Rate (Jun 2009): PKR/USD = 81.17/1

	Total	Lending Methodology		Peer Group			
		Group	Individual	MFB	MFI	RSP	Others
Number of Branches/Units							
2009-Q1	1,530			371	257	801	101
2009-Q2	1,480			369	275	727	109
Active Borrowers							
2009-Q1	1,751,111	1,597,857	153,254	635,962	449,326	576,338	89,485
2009-Q2	1,782,239	1,623,465	158,774	683,503	455,768	550,384	92,584
Gross Loan Portfolio (PKR Millions)							
2009-Q1	19,252	16,737	2,516	7,671	4,289	5,965	1,327
2009-Q2	20,319	17,471	2,847	8,622	4,287	6,014	1,397
Average Loan Balance (PKR)							
2009-Q1	10,994	10,474	16,416	12,062	9,545	10,350	14,830
2009-Q2	11,401	10,762	17,934	12,614	9,406	10,926	15,084
Number of Loans Disbursed							
2009-Q1	395,434	342,770	52,664	190,022	54,527	127,758	23,127
2009-Q2	518,341	476,088	42,253	233,505	52,076	209,241	23,519
Disbursements (PKR Millions)							
2009-Q1	5,670	4,475	1,195	3,131	672	1,491	377
2009-Q2	8,132	7,184	948	3,621	726	3,392	392
Average Loan Size (PKR)							
2009-Q1	14,339	13,056	22,692	16,476	12,315	11,671	16,292
2009-Q2	15,688	15,090	22,430	15,508	13,937	16,213	16,676

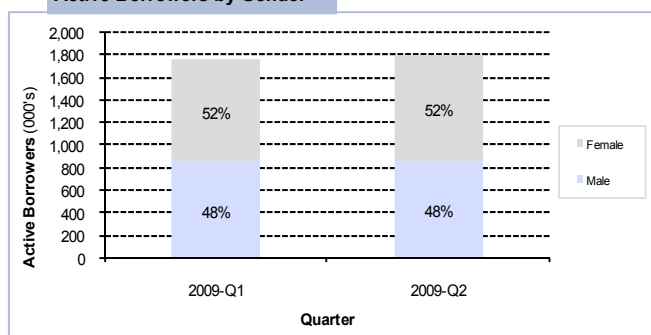
Gross Loan Portfolio



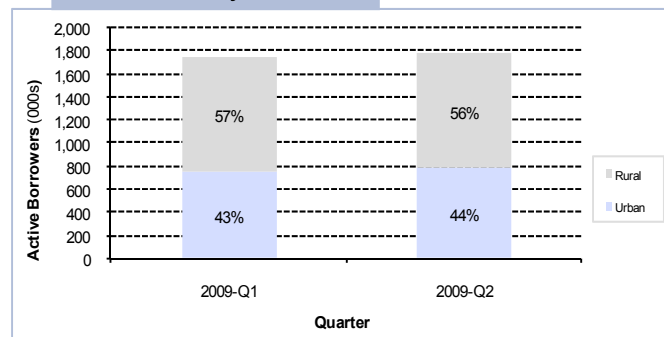
Gross Loan Portfolio by Methodology



Active Borrowers by Gender

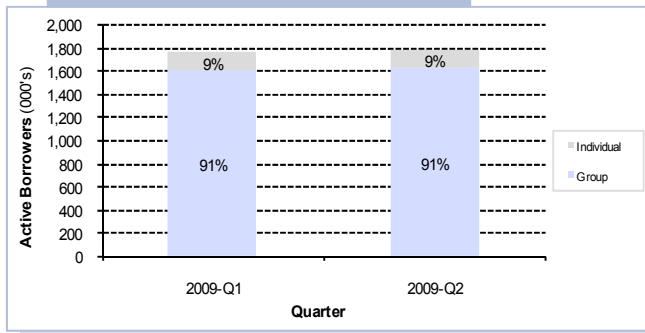


Active Borrowers by Rural/Urban

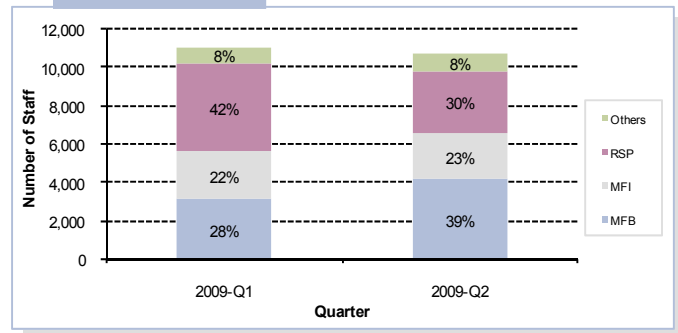


SUMMARY OF MICRO-CREDIT PROVISION (All Pakistan)

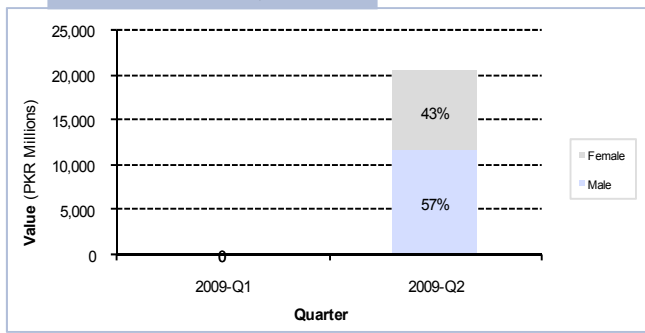
Active Borrowers by Lending Methodology



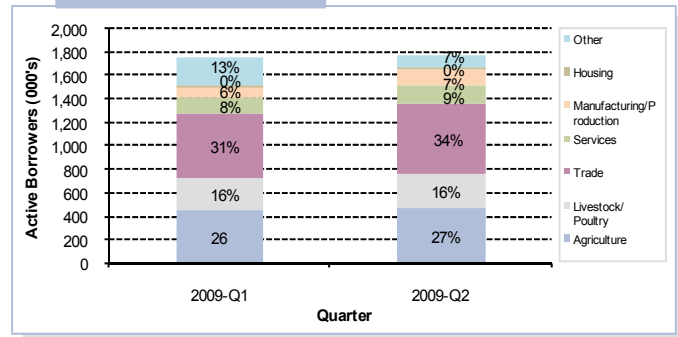
Distribution of Staff



Gross Loan Portfolio by Gender



Active Borrowers by Sector



SUMMARY OF MICRO-SAVING PROVISION (All Pakistan)

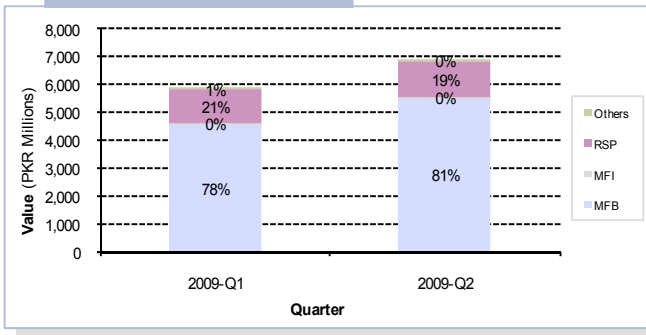
	Total	Saving Methodology		Peer Group			
		Intermediation	Mobilization	MFB	MFI	RSP	Others
Number of Savers							
2009-Q1	2,043,774	259,364	1,767,029	276,745	28,735	1,663,347	74,947
2009-Q2	2,153,538	341,433	1,812,105	341,433	30,077	1,704,865	77,163
Value of Saving (PKR Millions)							
2009-Q1	5,882	4,619	1,263	4,619	5	1,227	31
2009-Q2	6,893	5,569	1,324	5,569	6	1,288	30
Average Saving Balance (PKR)							
2009-Q1	2,878	17,809	715	16,690	178	738	413
2009-Q2	3,201	16,310	731	16,310	189	756	387

Saving Methodology:

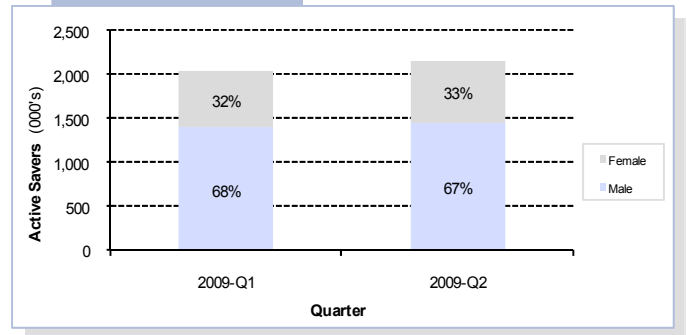
- Intermediation:** Public deposits used to finance an organization's loan portfolio. Only SBP-regulated MFPs (CFIs and MFBs) can accept and intermediate deposits from the general public.
- Mobilization:** MFPs not regulated by SBP (MFIs, NGOs, RSPs) can neither hold nor intermediate deposits from the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

SUMMARY OF MICRO-SAVING PROVISION (All Pakistan)

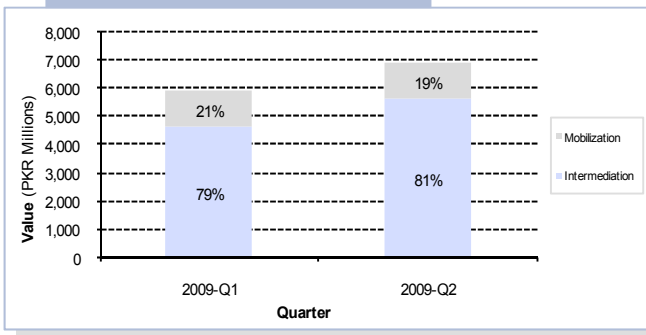
Value of Savings by Peer Group



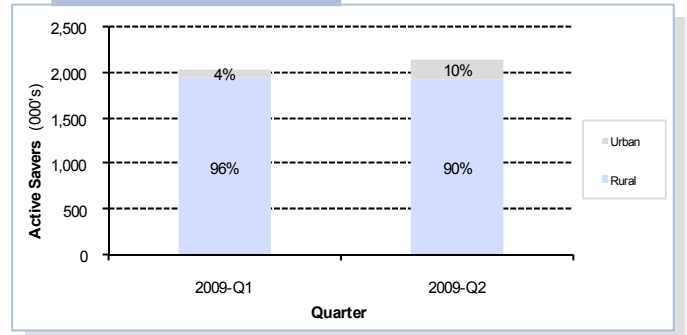
Active Savers by Gender



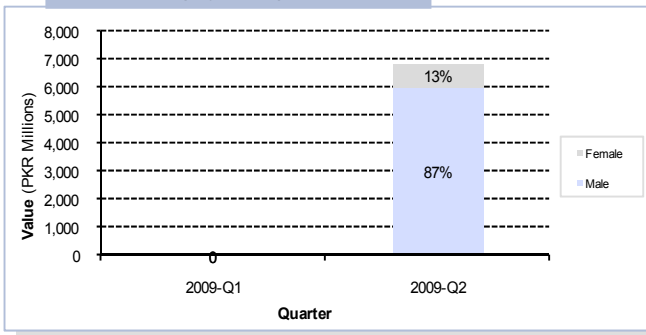
Value of Saving by Saving Methodology



Active Savers by Urban/Rural



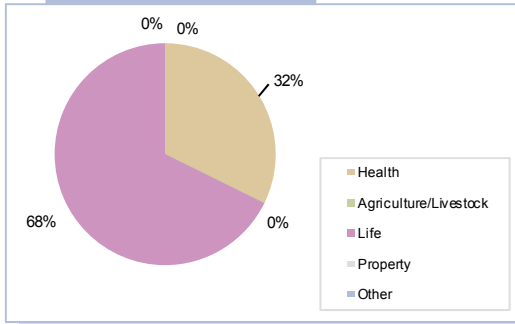
Value of Saving by Saving Gender



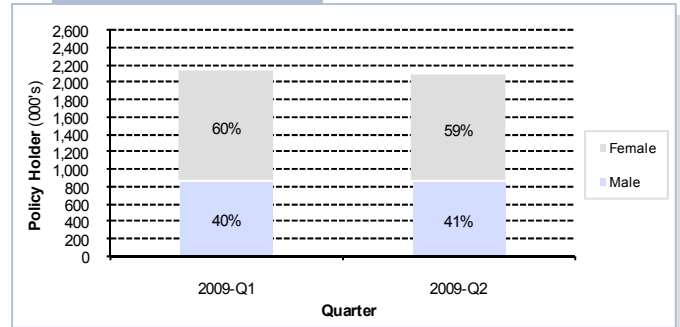
SUMMARY OF MICRO-INSURANCE PROVISION (All Pakistan)

	Total	Type		Peer Group			
		Health	Life	MFB	MFI	RSP	Others
Number of Policy Holders							
2009-Q1	2,128,493	751,442	1,377,051	600,447	703,140	751,442	73,464
2009-Q2	2,085,395	672,827	1,412,568	649,142	685,860	672,827	77,566
Sum Insured (PKR Millions)							
2009-Q1	31,232			6,994	3,627	19,744	867
2009-Q2	29,414			7,985	3,518	17,009	903

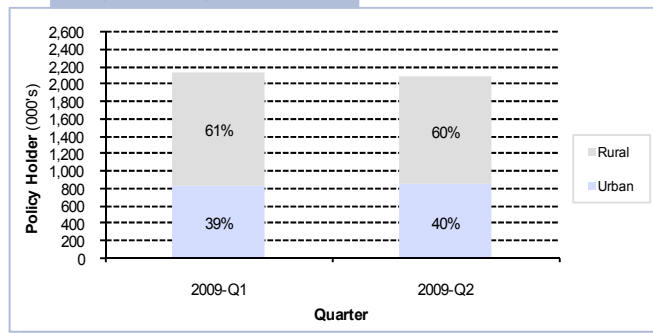
Policy Holders by Type



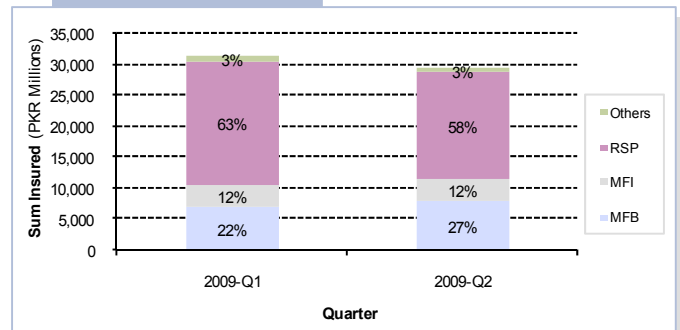
Policy Holders by Gender



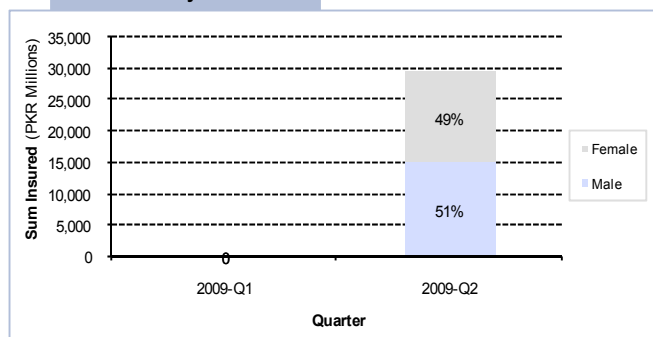
Policy Holders by Urban/Rural



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 (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Awaran									26,054
Barkhan	KB								
	1	-	915	6,453,324	-	-	915	6,453,324	31,881
Bolan									66,423
Chagai ²									54,814
Dera Bugti									43,770
Gwadar	FMFBL, KB, NRSP, POMFB								
	5	-	1,858	11,456,434	9,480	2,561,056	2,050	32,868,406	55,537
Jafarabad	KB								
	1	-	1,915	24,144,701	-	-	1,915	24,144,701	121,911
Jhal Magsi									29,887
Kalat									53,884
Kech (Turbat)	NRSP								
	1	-	4	5,070	30,099	6,416,481	14	420,000	92,271
Kharan									47,948
Khuzdar									104,104
Kohlu									26,910
Lasbela									84,637
Loralai	KB								
	1	-	1,881	11,330,354	-	-	1,881	11,330,354	76,879
Mastung									41,317
Musakhel									27,545
Nasirabad	KB								
	1	-	1,291	15,190,829	-	-	1,291	15,190,829	75,783
Nushki ³									-
Panjgur									51,074
Pishin	KB								
	1	-	1,216	9,080,692	-	-	1,216	9,080,692	100,179
Qla Abdullah									115,112
Qla Saifullah									44,345
Quetta	FMFBL, KB, CPP								
	6	-	4,643	28,289,023	2,462	7,731,987	4,587	27,826,508	174,437
Sherani ⁴									-
Sibi	KB								
	1	-	1,828	12,072,627	-	-	1,828	12,072,627	48,944
Washuk									-
Zhob ⁵	KB								
	1	-	550	3,203,210	-	-	550	3,203,210	53,848
Zarat									7,268
Total	19	-	16,101	121,226,264	42,041	16,709,524	16,247	142,590,651	1,656,762

OUTREACH (District Level)

NWFP

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 (PKR)	Policy Holders	Sum Insured (PKR)	
Abbottabad	KB, SDF, SRSP								
	3	-	6,686	26,600,057	10,008	3,344,018	6,080	25,854,934	180,672
Bannu									167,380
Batgram	KB, SDF								
	2	-	1,896	3,538,280	-	-	1,896	3,587,518	58,257
Buner (Daggar)									133,171
Charsadda	BRAC, KB, NRSP								
	3	-	13,717	131,429,868	9,665	1,168,201	5,254	41,195,516	271,736
Chitral	FMFBL								
	5	-	8,164	162,563,581	17,512	305,257,299	8,164	162,563,581	84,846
D.I. Khan	KB								
	1	-	4,741	52,674,478	-	-	4,741	52,674,478	221,328
Hangu									64,648
Hariapur	KB, SDF, SRSP								
	3	-	4,232	27,989,906	24,299	5,910,393	3,655	27,905,706	103,830
Karak	KB								
	1	-	2,618	16,313,052	-	-	2,618	16,313,052	102,174
Kohat	KB, SRSP								
	2	-	4,100	22,083,203	-	-	3,701	20,393,193	114,908
Kohistan	KB								
	1	-	672	1,267,200	-	-	672	1,267,200	73,374
Lakki Marwat									107,505
Lower Dir									176,660
Malakand	KB, NRSP								
	1	-	9,114	113,095,935	16,795	2,812,874	7,142	162,652,857	106,429
Mansehra	KB, POMFB, SDF								
	3	-	4,943	18,665,095	17,635	10,543,269	3,900	13,368,010	271,288
Mardan	KB, NRSP								
	36	-	23,691	242,111,600	22,082	6,676,273	18,875	431,815,163	354,988
Mingora ⁶	KB								
	1	-	1,537	12,512,593	-	-	1,537	12,512,593	-
Nowshera	BRAC, KB, NRSP, SRSP								
	12	-	13,301	88,613,571	4,688	2,363,350	12,021	142,980,298	201,208
Peshawar	BRAC, KB, NRSP, SRSP								
	14	-	12,798	70,704,874	5,373	967,075	11,895	156,178,914	451,548
Shangla	KB								
	1	-	286	530,358	-	-	286	530,358	116,366
Swabi	KB, NRSP								
	10	-	6,396	61,708,674	8,704	1,589,454	5,455	101,360,235	230,073
Swat ⁷	NRSP								
	-	-	3,550	34,609,710	4,676	711,087	-	-	286,555
Tank									62,446
Upper Dir									142,427
Total	99	-	122,442	1,087,012,035	141,437	341,343,293	97,892	1,373,153,606	4,083,817

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 (PKR)	Policy Holders	Sum Insured (PKR)	
Attock	KASHF, KB, NRSP, POMFB								
	37	-	15,417	123,339,376	53,105	98,409,977	12,939	242,247,759	262,870
Bahawalpur	FMFBL, KASHF, KB, NRSP, TMFB								
	40	-	77,636	1,094,553,488	102,749	141,973,118	119,632	2,838,066,483	461,777
Bhakkar	KB, NRSP								
	25	-	15,880	155,292,228	57,318	27,949,505	38,301	1,057,243,563	252,453
Bhawalnagar	KB, NRSP								
	10	-	35,124	547,352,643	85,145	59,836,288	64,021	1,712,440,153	427,843
Chakwal	KB, NRSP, POMFB								
	34	-	13,032	116,994,680	43,766	73,937,763	9,139	237,303,409	219,565
D.G Khan	FMFBL, KB, NRSP, PRSP								
	15	-	26,435	379,972,373	60,952	96,177,023	36,132	764,418,312	419,252
Faisalabad	AKHUWAT, ASASAH, FMFBL, KASHF, KB, KMFB, NRSP, PRSP, RDDS, TMFB								
	80	-	97,401	849,724,581	56,078	41,677,297	90,516	519,425,520	1,096,924
Gujranwala ⁸	ASASAH, CWCD, FMFBL, JWS, KASHF, KB, KMFB, NRSP, CPD, CPP, PRSP, TMFB								
	50	-	70,860	886,149,442	15,738	40,873,065	83,366	720,677,409	735,741
Gujrat	AKHUWAT, KASHF, KB, KMFB, NRSP, PRSP, TMFB								
	12	-	15,978	186,500,598	17,303	9,060,740	18,812	146,692,122	446,630
Hafizabad	KASHF, KB, PRSP								
	6	-	9,892	91,790,141	3,810	1,417,401	13,349	70,580,648	231,170
Jhang	AKHUWAT, FMFBL, KASHF, KB, KMFB, NRSP, PRSP								
	31	-	25,573	223,888,589	23,442	78,367,064	34,158	459,137,530	626,546
Jhelum	KB, NRSP								
	25	-	11,744	108,129,697	17,808	17,282,206	8,199	186,582,738	170,498
Kasur	ASASAH, CSC, CWCD, DAMEN, FMFBL, KASHF, KB, KMFB, CLP, PRSP, RDDS, TMFB								
	30	-	57,227	581,233,248	9,667	28,114,559	68,921	506,147,879	586,427
Khanewal	AKHUWAT, ASASAH, KASHF, KB, NRSP, PRSP								
	15	-	26,032	300,907,015	15,682	23,422,031	42,721	655,863,123	432,948
Khushab	KASHF, KB, NRSP, CPP								
	26	-	16,217	143,570,545	59,754	49,428,444	31,660	791,295,567	235,163
Lahore	AKHUWAT, ASASAH, BRAC, CSC, CWCD, DAMEN, FMFBL, KASHF, KB, KMFB, NRSP, CLP, CPP, PRSP, TMFB								
	135	-	190,522	2,045,316,027	35,991	144,525,590	219,654	1,630,312,613	872,760
Leyyah	FMFBL, KB, PRSP								
	6	-	14,041	168,693,901	34,839	40,519,945	9,115	125,982,690	263,251
Lodhran	AKHUWAT, FMFBL, KASHF, KB, NRSP								
	13	-	27,539	430,330,612	43,969	74,960,985	53,487	1,389,450,013	261,693
Mandi Bahauddin	KASHF, KB, PRSP								
	6	-	8,074	74,616,585	2,967	272,698	7,287	45,882,689	298,371
Mianwali	KB, NRSP								
	26	-	15,744	132,477,773	28,789	4,712,110	30,113	832,200,123	252,413
Multan	AKHUWAT, ASASAH, BRAC, FMFBL, KASHF, KB, KMFB, NRSP, PRSP, TMFB								
	65	-	73,806	767,574,183	32,777	229,758,095	73,337	1,068,225,147	689,339
Muzaffargarh	KB, PRSP								
	3	-	7,336	81,203,277	30,015	4,793,272	5,386	68,910,879	570,580
Nankana Sahib ⁹	CWCD, DAMEN, RDDS								
	9	-	8,679	384,200,375	7,859	4,891,900	208	1,851,375	-
Narowal	KB, PRSP								
	6	-	7,766	89,887,970	26,485	2,303,369	2,512	29,072,600	268,902
Okara	ASASAH, DAMEN, FMFBL, KASHF, KB, CLP, PRSP, TMFB								
	13	-	24,246	280,488,033	14,822	34,352,763	24,618	239,841,446	509,842
Pakpattan	ASASAH, FMFBL, KASHF, KB, NRSP, PRSP								
	9	-	17,852	221,230,291	21,013	44,522,434	22,579	398,877,625	281,988
Rahimyar Khan	FMFBL, KASHF, KB, NRSP, TMFB								
	32	-	39,852	559,183,490	26,191	102,677,257	57,784	1,010,359,117	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 (PKR)	Policy Holders	Sum Insured (PKR)	
Rajapur	KB, NRSP, CPP, PRSP								
	13	-	25,319	370,307,394	49,464	52,836,750	36,551	861,939,457	260,436
Rawalpindi ¹⁰	AKHUWAT, BRAC, FMFBL, KASHF, KB, KMFB, NRSP, CPP, POMFB								
	73	-	49,220	369,542,088	79,310	81,527,405	28,289	258,979,332	327,457
Sahiwal	ASASAH, BRAC, FMFBL, KASHF, KB, KMFB, NRSP, PRSP								
	25	-	38,672	402,451,298	21,712	29,015,663	49,214	657,842,154	395,468
Sargodha	KASHF, KB, KMFB, NRSP, PRSP								
	42	-	35,419	313,993,511	43,752	44,370,671	45,132	579,338,027	671,679
Sheikhupura	CWCD, DAMEN, KASHF, KB, CLP, PRSP, RCDs								
	24	-	30,008	387,903,561	34,870	7,303,918	29,603	213,318,461	831,522
Sialkot	KASHF, KB, KMFB, NRSP, PRSP								
	18	-	25,585	217,363,632	5,931	2,883,654	17,439	73,439,467	501,997
Toba Tek Singh	KASHF, KB, NRSP, PRSP								
	9	-	19,058	232,191,417	44,509	21,421,919	30,848	592,373,536	309,316
Vihari	ASASAH, FMFBL, KASHF, KB, NRSP								
	14	-	26,792	332,434,637	32,678	60,876,249	41,748	774,039,490	475,398
Total	977	-	1,199,978	13,650,788,699	1,240,260	1,776,453,128	1,456,770	21,760,358,456	15,233,924

SINDH

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 (PKR)	Policy Holders	Sum Insured (PKR)	
Badin	ASA, FMFBL, KB, NRSP, POMFB								
	11	-	10,135	146,276,227	48,395	52,727,392	12,032	256,602,477	294,781
Dadu ¹¹	FMFBL, KB, CLP, CPP, TRDP								
	20	-	16,037	172,727,704	39,400	46,198,644	25,150	77,177,140	447,305
Ghotki	FMFBL, KB, CPP								
	4	-	13,898	196,888,875	8,286	23,413,437	12,984	188,998,649	248,442
Hyderabad ¹²	ASA, BRAC, FMFBL, KB, NRSP, CPP, POMFB, SAFWCO, TMFB								
	36	-	33,126	373,551,345	22,517	265,930,763	43,937	1,004,467,259	517,652
Jacobabad	FMFBL, KB								
	4	-	11,844	151,080,276	3,264	83,419,203	11,844	151,080,276	361,146
Jamshoro ¹³	TRDP								
	2	-	684	5,285,014	13,609	8,195,810	490	111,720	-
Karachi ¹⁴	ASA, BRAC, FMFBL, KASHF, KB, NIMFB, NRSP, CLP, CPP, POMFB, FMFB, TMFB								
	110	1	102,561	1,032,563,697	76,705	2,398,780,004	88,155	671,664,019	1,329,990
Khairpur ¹⁵	FMFBL, KB, KMFB, CLP, CPP, TRDP								
	12	-	26,098	384,489,570	28,067	101,068,295	41,995	267,976,082	401,853
Larkana	FMFBL, KB								
	6	-	16,952	221,511,893	5,923	51,927,335	16,952	221,511,893	534,891
Matyari ¹⁶	FMFBL, NRSP, CPP, SAFWCO								
	7	1	17,858	243,594,455	7,142	11,037,770	15,954	281,586,728	-
Mirpur Khas ¹⁷	FMFBL, KB, NRSP, POMFB, TMFB, TRDP								
	15	-	17,399	266,516,404	43,282	26,418,812	18,929	381,870,358	210,494
Naushahro Feroze	FMFBL, KB, CPP, SAFWCO								
	8	1	18,705	221,265,982	1,290	18,416,074	14,694	156,414,783	266,462
Nawabshah	FMFBL, KB, NRSP, CPP, TMFB								
	6	-	15,154	219,417,276	6,593	48,818,116	14,062	248,569,386	225,430
Sanghar	FMFBL, KB, CLP, CPP, SAFWCO								
	10	1	24,193	262,663,513	644	9,781,000	21,865	99,848,134	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 (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Sehwan Sharif	KB								
	1	-	1,980	14,864,405	-	-	1,980	14,864,405	-
Shehdad Kot									-
Shikarpur	KB								
	1	-	2,086	22,653,539	-	-	2,086	22,653,539	237,633
Sukkur	BRAC, FMFBL, KB, CPP								
	10	-	13,641	164,512,410	2,012	38,403,615	13,574	163,858,631	213,080
Tando Allahyar ¹⁸	FMFBL, KB, NRSP, POMFB								
	5	-	9,695	146,708,637	16,929	73,236,549	8,243	144,274,725	-
Tando Jam	FMFBL								
	1	-	2,117	38,610,983	1,772	46,141,121	2,117	38,610,983	-
Tando Muhammad Khan	FMFBL, KB, NRSP, POMFB								
	6	-	7,850	114,212,681	9,501	47,521,139	9,403	204,883,401	-
Tharparkar	FMFBL, KB, NRSP, TRDP								
	28	-	11,334	127,410,911	149,328	154,375,843	40,287	59,012,864	283,491
Thatta	FMFBL, KB, NRSP								
	9	-	6,917	69,438,922	15,607	62,695,071	7,761	118,338,501	245,046
Umer Kot	FMFBL, CPP, TRDP								
	15	-	9,420	101,662,472	40,768	122,623,330	26,646	39,710,967	185,966
Total	327	4	389,684	4,697,907,191	541,034	3,691,129,323	451,140	4,814,086,920	6,357,795

AZAD JAMMU AND KASHMIR (AJK)

District	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)	
Bagh	KB, NRSP, CPP								
	2	-	3,513	17,070,998	23,108	6,269,991	4,400	65,470,097	-
Bhimber									-
Kotli	NRSP								
	9	-	6,451	50,147,589	29,816	6,169,656	13,928	417,840,000	-
Mirpur									-
Muzaffarabad	FMFBL, KB, NRSP, SDF								
	9	-	9,457	68,219,645	34,343	18,720,380	11,278	157,062,227	-
Neelum	KB								
	1	-	729	1,671,434	-	-	729	1,671,434	-
Poonch	KB, NRSP								
	2	-	3,006	12,277,687	33,205	19,209,815	3,287	26,902,819	-
Sudhnati	NRSP								
	2	-	773	5,371,184	9,728	2,054,212	1,506	45,180,000	-
Total	25	-	23,929	154,758,537	130,200	52,424,054	35,128	714,126,577	-

OUTREACH (District Level)

FEDERALLY ADMINSTRATED NORTHERN AREAS (FANA)

District	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)	
Astore	FMFBL								
	1	-	1,904	42,335,908	2,261	19,514,300	1,904	42,335,908	-
Damer									
Ghanche	FMFBL								
	2	-	3,053	74,833,978	4,182	85,622,103	3,053	74,833,978	-
Ghizer	FMFBL								
	5	-	5,367	119,353,404	12,580	111,596,230	5,367	119,353,404	-
Glgit	FMFBL								
	4	-	5,225	134,176,357	17,265	449,371,711	5,225	134,176,357	-
Skardu	FMFBL								
	3	-	5,884	143,342,003	7,869	106,536,440	5,884	143,342,003	-
Total	15	-	21,433	514,041,650	44,157	772,640,784	21,433	514,041,650	-

FEDERALLY ADMINSTRATED TRIBAL AREAS (FATA)

District	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market ²¹
	Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Bajaur	KB								
	1	-	159	716,665	-	-	159	716,665	-
Khyber	KB								
	1	-	949	5,748,222	-	-	949	5,748,222	-
Kurram	KB								
	1	-	803	5,977,064	-	-	803	5,977,064	-
Mohmand	KB								
	1	-	302	1,717,078	-	-	302	1,717,078	-
North Waziristan									
Orakzai	KB								
	1	-	3,666	34,959,397	-	-	3,666	34,959,397	-
South Waziristan									
Total	5	-	5,879	49,118,426	-	-	5,879	49,118,426	-

ISLAMABAD CAPITAL TERRITORY (ICT)

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 (PKR)	Policy Holders	Sum Insured (PKR)	
Islamabad	FMFBL, NRSP, PQMFB								
	9	-	2,793	44,001,209	14,409	241,902,569	906	46,982,126	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	19	-	16,101	121,226,264	42,041	16,709,524	16,247	142,590,651	1,656,762	0.97
N.W.F.P	99	-	122,442	1,087,012,035	141,437	341,343,293	97,892	1,373,153,606	4,083,817	3.00
Punjab	977	-	1,199,978	13,650,788,699	1,240,260	1,776,453,128	1,456,770	21,760,358,456	15,233,924	7.88
Sind	327	4	389,684	4,697,907,191	541,034	3,691,129,323	451,140	4,814,086,920	6,357,795	6.13
AJK	25	-	23,929	154,758,537	130,200	52,424,054	35,128	714,126,577	-	-
FANA	15	-	21,433	514,041,650	44,157	772,640,784	21,433	514,041,650	-	-
FATA	5	-	5,879	49,118,426	-	-	5,879	49,118,426	-	-
ICT	9	-	2,793	44,001,209	14,409	241,902,569	906	46,982,126	74,750	3.74
Grand Total	1,476	4	1,782,239	20,318,854,011	2,153,538	6,892,602,675	2,085,395	29,414,458,412	27,407,048	6.50

OTHER NEWS ITEMS

SBP amends Prudential Regulations for MFBs

The State Bank of Pakistan (SBP) has relaxed prudential regulations for microfinance banks, which will help foster microfinance services, in an attempt to remove regulatory bottlenecks raised by the industry in various interactions with the State Bank. Loan amounts, borrowers' annual income conditions, loan classification criteria are the focus of relaxation. In addition Credit Information Bureau (CIB) reports have been made compulsory for borrowers with specific exposure. A circular letter has been issued by the SBP in this regard.

For a full version of the circular, visit SBP URL:
<http://www.sbp.org.pk/mfd/2009/C2.htm>

World Bank approves \$250m for PPAF Project

In recognition of the performance of the Pakistan Poverty Alleviation Fund (PPAF), the World Bank has approved \$250 million for a poverty reduction project, PPAF-III, for the next five years. The proposed PPAF-III project aims to alleviate poverty through a consolidation and saturation approach in targeted areas. Break-down (into five major areas) for use of these funds is: Social Mobilisation and Institution Building (\$38.5 million); Livelihood Enhancement and Protection (\$85.5 million); Micro-credit Access (\$40 million); Basic Services and Infrastructure (\$80 million); and Project Implementation Support (\$6 million).

Tameer Bank declared as Scheduled MFB

The SBP has declared Tameer Micro Finance Bank Limited (TMFB) as a scheduled microfinance bank, under clause (a) of sub-section (2) of Section 37 of the SBP Act, 1956, for the purpose of its direct membership of clearing house. TMFB is the first MFB to be granted scheduled status by the SBP.

For more information on TMFB, please visit their URL:
<http://www.tameerbank.com>

SBP to provide Rs 215m under ISF to Strengthen Microfinance Institutions

The State Bank of Pakistan SBP has agreed to provide Rs 215 million under Institutional Strengthening Fund (ISF) to PMN and NRSP Microfinance Bank and has signed MoUs with the two institutions. Under the arrangement, the State Bank will provide Rs 133 million to PMN over the next five years to build its capacity to foster transparency and promote information exchange in the microfinance sector; and Rs 82 million to NRSP Microfinance Bank over one year to build capacity and develop a real-time Management Information System for developing capabilities to accept deposits from the lower end of the market. In addition, Rs 82 million have also been approved for Tameer Microfinance Bank for next one year, to launch branchless banking operations.

The ISF is part of the GBP 50 million 'Financial Inclusion Program' (FIP) supported by DFID, and implemented by the SBP. It aims to transform the financial market with a clear objective to provide equitable and efficient market-based financial services to the otherwise excluded poor and marginalized.

Amendments in Microfinance Credit Guarantee Facility

Further incentives/provisions have been created by the State Bank of Pakistan in its Microfinance Credit Guarantee Facility (MCGF) for commercial banks to provide wholesale funds to eligible MFPs in addition to simplifying its guidelines for greater flexibility. Banks/DFIs will now have the option to provide funding to MFPs with the existing 40 percent Partial (pari-passu) Guarantee to cover the principal amount in default, or 25 percent First Loss Guarantee to cover up to 25 percent of the first loss on the principal amount. The MFP applying for funding through this facility shall be assessed on a set of strategy/performance measures for eligibility.

For a full version of the circular, visit SBP URL:
<http://www.sbp.org.pk/bprd/2009/C10.htm>

END NOTES

- ¹ For the first time, gender-wise breakdowns of the 'GLP', 'Value of Savings' and 'Sum Insured' are being included in the MicroWATCH. Thus, no respective preceding quarter data is available for comparison purposes. Similar breakdowns will be included in subsequent issues and trend analysis will hence be possible.
- ² 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).
- ³ 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.
- ⁴ Population data for Sherani district is not available. Sherani was carved out of Zhob district in 2005.
- ⁵ 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).
- ⁶ 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.
- ⁷ 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.
- ⁸ 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.
- ⁹ 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).
- ¹⁰ OPP does not provide retail microcredit services in Rawalpindi. It wholesales funds to a partner organization: Alfalah Development Organization.
- ¹¹ OPP does not provide retail microcredit services in Dadu. It wholesales funds to a partner organization: Soofi Shah Inayat Shaheed Sanghat.
- ¹² 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).
- ¹³ 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.
- ¹⁴ The market estimate for Karachi is the aggregate of four districts namely, Central, West, East, and South.
- ¹⁵ 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.
- ¹⁶ 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.
- ¹⁷ 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.
- ¹⁸ 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.
- ¹⁹ Due to unavailability of population data for the Azad Jammu and Kashmir (AJK) districts, the potential microfinance market could not be estimated.
- ²⁰ Due to unavailability of population data for the Federally Administered Northern Areas (FANA) the potential microfinance market could not be estimated.
- ²¹ 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 1	Quarter 2
		2009	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. (NMFB)	✓	✓
	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	Akhwat	✓	✓
	ASA International	x	✓
	Asasah	✓	✓
	Community Support Concern (CSC)	✓	✓
	Development Action for Mobilization and Emancipation (DAMEN)	✓	✓
	Kashf Foundation	✓	✓
	Orangi Pilot Project (OPP)	✓	✓
RSP Rural support programme running microfinance operation as part of multi-dimensional rural development programme	Sindh Agricultural and Forestry Workers Cooperative Organization (SAFW)	✓	✓
	Lachi Poverty Reduction Project (LPRP)	x	x
	National Rural Support Programme (NRSP)	✓	✓
	Punjab Rural Support Programme (PRSP)	✓	✓
	Sarhad Rural Support Programme (SRSP)	✓	✓
Others	Thardeep Rural Development Programme (TRDP)	✓	✓
	BRAC	✓	✓
	Centre for Women Cooperative Development (CWCD)	✓	✓
	Jinnah Welfare Society (JWS)	✓	✓
	Narrowal 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)	✓	x
	Taraqee Foundation (TF)	x	x
	Bank of Khyber (BOK)	x	x
ORIX Leasing Pakistan Ltd. (OLP)	✓	✓	

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